

MINUTES OF THE HOUSE AGRICULTURE AND NATURAL RESOURCES COMMITTEE

The meeting was called to order by Chairman John Faber at 3:30 P.M. on February 4, 2008, in Room DSOB 783 of the Capitol.

All members were present except:

Representative Carl Holmes- excused
Representative Bill Feuerborn- excused
Representative Vaughn Flora- excused

Committee staff present:

Raney Gilliland, Kansas Legislative Research Department
Hank Avila, Kansas Legislative Research
Gordon Self, Revisor of Statutes
Kristen Kellems, Revisor of Statutes
Florence Deeter, Committee Assistant

Conferees appearing before the committee:

Constantine Cotsoradis, Deputy Secretary, Kansas Department of Agriculture
Tom Palace, Executive Director, Petroleum Marketers and Convenience Store Association of Kansas

Others attending:

See attached list.

The Chair opened the hearing on **HB 2660 - payment of petroleum products inspection fees** - and welcomed Constantine Cotsoradis, Deputy Secretary, Kansas Department of Agriculture, who testified in support of the bill (Attachment 1). He said that the bill, which reduces from \$250,000 to \$100,000 the amount of money the Kansas Department of Revenue retains for the petroleum industry fee fund, is needed to keep the program operating at current service levels without raising fees. He commented that the petroleum inspection program assures consumers that they are receiving the correct amount of fuel.

Answering questions, Mr. Cotsoradis said carry-over funds were declining, presently totaling \$652,000. He replied that the inspection fee fund is self-supporting, providing six state-wide gasoline inspectors and one wholesale inspector; he noted that in 2003 the cost of the inspection program totaled \$672,427; in 2007 the cost was \$789,624. The projected cost for 2008 is \$790,000. He responded to another question, saying that the propane meter inspection budget was increased \$16,000 to purchase new equipment.

Tom Palace, Executive Director, Petroleum Marketers and Convenience Store Association of Kansas, spoke in support of the bill, saying that reducing the amount retained for the State General Fund will provide the Kansas Department of Health and Environment (the designated inspection agency) with added revenue to maintain a quality inspection program (Attachment 2). Answering questions, Mr. Palace said the current inspection fee is 1.5 cents per gallon of gasoline. He said a pilot program is being developed to evaluate regulations for gasoline/ethanol blends fuel such as E15, E30, and E85.

The hearing on **HB 2660** was closed.

Representative Knox requested the Committee sponsor a bill to increase the fee fund for wheat commodities. Brandy Carter requested the Committee sponsor a bill establishing control management for prairie dogs. Without objection, the Committee agreed to accept both bill requests.

The annual report from the Division of Water Resources was made available to Committee members (Attachment 3).

The meeting was adjourned at 3:50 p.m. The next meeting is scheduled for Tuesday, February 5, 2008.