

Approved: 4/2/07  
Date

## MINUTES OF THE SENATE AGRICULTURE COMMITTEE

The meeting was called to order by Chairman Mark Taddiken at 8:43 a.m. on March 20, 2007 in Room 423-S of the Capitol.

All members were present.

Committee staff present:

Raney Gilliland, Kansas Legislative Research  
Art Griggs, Office of Revisor of Statutes  
Judy Seitz, Committee Assistant

Conferees appearing before the Committee:

Tom Palace, Executive Director, Petroleum Marketers and Convenience Store Association of Kansas (PMCA of Kansas)

Others attending:

See attached list.

Chairman Taddiken noted that minutes of the March 13 and 14 meeting were distributed to Committee members. Minutes of today's meeting will be distributed electronically since there are no other meetings scheduled.

Senator Francisco moved to approved the minutes of the March 13 and 14 meetings, seconded by Senator Pine. Motion carried.

Chairman Taddiken said that the March 13 issue of *Grass & Grain* features Vice Chairman Pine and his wife, Sue, on the front page. They have recently been honored as recipients of the 2006 Kansas Master Farmer and Master Farm Homemaker award. Chairman Taddiken congratulated Senator Pine on this honor.

Chairman Taddiken said that there has been much interest in water issues and asked if the Committee would be comfortable in writing a letter to the Legislative Coordinating Council (LCC) requesting an interim study of the Intensive Groundwater Use Control Area (IGUCA). A motion was made by Senator Pine, seconded by Senator Lee that the Agriculture Committee submit a request to the LCC for an interim study of the IGUCA. Motion passed.

The discussion continued on **HB 2145 – Redefining “dispensing device” to include vehicle tank meters.** Chairman Taddiken said that a motion by Senator Francisco on an amendment was tabled and affected the first \$250,000 collected in the Petroleum Inspection Fee Fund (PIFF). The motion would have reduced the amount to go into the State General Fund (SGF) by \$50,000. Chairman Taddiken stated that **HB 2127 - Electric generation facilities, parallel generation contracts** is in the Utilities Committee. This bill passed in the House and was assigned to the Senate Utilities Committee. He said that Cloud County Community College (CCCC) has taken on an initiative to become the wind energy education center of excellence in Kansas. Its goal is to train people in the installation, operation and maintenance of wind turbines. CCCC would like to install a large scale wind generator (1.5 megawatt) at an approximate cost of \$2M. Their plan was to ask the federal government for \$1.3M and request \$700,000 from the state.

Chairman Taddiken said that **HB 2127** would allow non-commercial people to increase the size of their generators and they could install wind turbines and sell the excess electricity back to the utility company at 150% of the cost of the energy (currently at 100%). The House also included a provision that would give every school (regents, vocational technical or community colleges) the ability to put in a 1.5 megawatt generator and sell the excess electricity back to the utility

A copy of the proposed **Substitute HB 2145** was distributed to Committee members (Attachment 1). The Chairman also handed out bullet points on **Substitute HB 2145** (Attachment 2). He said that this proposal would double the amount of capacity irrigators can generate and sell to utilities. This would change the definition of schools and make it a pilot project with one school, CCCC, specifically. This bill would allow the use of KDFFA bonds for purchase and installation of equipment. It would allow the school to sell excess energy at 100% of avoided costs. The funds received from the sale of the energy would be used to pay off the bonds. After the bonds are paid off, the funds would remain with the school. Chairman Taddiken said

## CONTINUATION SHEET

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that from the \$250,000 received;\$50,000 would go into a wind generation education pilot project fund; \$50,000 would go into State General Fund (SGF); and all other funds would go into the Petroleum Inspection Fee Fund (PIFF).

Committee discussion was held on the proposed Substitute **HB 2145**.

Dave Holthaus, Director of Government Relations, KEC answered questions from Committee members.

Chairman Taddiken said that a representative from the Kansas Department of Revenue (KDOR) appeared before the Senate Agriculture Committee and said it costs the KDOR \$24,300 per year to operate the Petroleum Inspection Fee Fund (PIFF).

Tom Palace, Executive Director, Petroleum Marketers and Convenience Store Association of Kansas (PMCA of Kansas), stated that the intent of the original **HB 2145** was to leave the money in the PIFF because it would be needed in the future for additional inspections.

Senator Schmidt made a substitute motion to amend **HB 2145** in the manner prescribed in the proposed Senate Substitute for **HB 2145**, seconded by Senator Bruce. There was Committee discussion of the motion. Motion carried.

Senator Bruce moved to remove the new section 10, pages 6 - 9, seconded by Senator Lee. Motion was discussed. Motion passed.

Senator Bruce moved to make the following change on page 4, Sec. 8, (B) (2) , in the next to last sentence, change 150% to "100% of the utility's monthly average cost," seconded by Senator Lee. Motion passed.

Senator Huelskamp moved to include Dodge City Community College in the bill as far as the use of the bonds, seconded by Chairman Taddiken. Motion passed.

Senator Lee made a motion to pass Senate Substitute for **HB 2145** out of Committee favorably, seconded by Senator Schmidt. Motion passed.

Meeting was adjourned at 9:32 a.m.

Chairman Taddiken thanked the Committee for its work this Session and this concludes the meetings of the Senate Agriculture Committee for the 2007 Session.