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Testimony on SB 147
to
The Senate Committee on Federal and State Affairs
By Kim Christiansen
Kansas Department of Agriculture
February 19, 2013

Good afternoon, Chairman Ostmeyer and members of the committee.

I am Kim Christiansen, assistant secretary, with the Kansas Department of Agriculture, and I am here to express KDA's support for SB 147, regarding permitting for all anhydrous ammonia tanks in Kansas. Please note that Senate Bill 135 moves authority over pressure vessels from the Department of Labor to the State Fire Marshal.

KDA works each day to support the entire agricultural sector in Kansas. In this mission, we work to protect consumers, fulfill statutory obligations while also reducing regulatory burdens on farmers, ranchers and agribusinesses to make Kansas a more attractive location for growth in agriculture. One area the department has identified as in need of improvement is the regulatory oversight of anhydrous ammonia in the state.

First and foremost, safety is of paramount importance in agriculture. As such, it is critical for businesses that utilize anhydrous ammonia tanks to have insurance coverage for their tanks and to have their tanks inspected by pressure vessel experts to ensure the tanks are in safe working order.

Currently, multiple Kansas state agencies are involved in pressure vessel regulation, including the Kansas Corporation Commission, the Kansas Department of Labor, the Kansas Fire Marshall's Office and KDA. Anhydrous ammonia tank owners must also comply with various federal regulations. The currently regulatory framework can result in an unnecessarily confusion regulatory framework for tank owners. We can do better.

SB 147 will standardize and simplify the anhydrous permitting process while keeping a constant focus on safety. First, in order to eliminate confusion regarding the regulatory agency in Kansas and to ensure an efficient licensing program, SB 147 will move all laws related to anhydrous ammonia storage to KDA. In order to obtain an annual permit to fill anhydrous ammonia tanks, tank owners will be required to register with KDA and provide a current certificate of liability insurance. The department will establish regulations on tank storage and maintenance and for tanks that move anhydrous ammonia from place to place in the state.

SB 147 creates a tonnage fee for all non-agricultural tonnage to support the State Water Plan Fund and the program. Fees will be collected on anhydrous ammonia one time - when the product "enters commerce." The fee is parallel to the fee for agricultural anhydrous ammonia fertilizer. The

department will supervise and collect the fee in the same manner as the fertilizer fee. Note that anhydrous ammonia used as fertilizer is exempted from this fee. There should be no double fees collected. Also, note that someone who manufactures anhydrous ammonia for his or her own uses will not pay a fee under the fee structure.

Thank you for the opportunity to speak with you today. I will stand for questions at the appropriate time.