

SESSION OF 2005

SUPPLEMENTAL NOTE ON SENATE BILL NO. 234

As Amended by House Committee on
Transportation

Brief*

SB 234 would amend a provision of law which requires that all bulk motor-vehicle fuels purchased by any state agency be fuel blends containing at least ten percent ethanol if the price is not more than ten cents per gallon more than the price of regular fuel. The bill would apply this requirement to motor vehicles owned, rented, or leased by the state. The bill also would require that any motor vehicle rental contract entered into by the state or renewed after the effective date of the bill require that all bulk motor-vehicle fuels purchased by the lessor on or on behalf of the lessor for use in vehicles leased to the state or any of its agencies be motor-vehicle fuels containing not less than ten percent ethanol. Also, bulk motor vehicle fuel purchases by the lessor or on behalf of the lessor for use in vehicles leased for the State of Kansas, or any agency thereof cannot be more than 10 cents per gallon more on fuel blends containing at least 10% ethanol than the current price per gallon of regular fuel.

Further, the bill would amend existing law to require where available under current state purchasing agreements, and identified at the point of sale, that individual motor-vehicle fuel purchases for vehicles owned, rented, or leased by the State or agency thereof, to be fuel blends containing at least ten percent ethanol if the price is not more than ten cents per gallon more than regular fuel. The bill would make this provision apply to vehicles owned, rented, or leased by the state or any of its agencies.

Lastly, the bill would amend another provision of law which requires the purchase of biodiesel (two percent or higher blend) for use by diesel powered vehicles or equipment so long as the price is not more than

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

ten cents per gallon more than regular diesel. This requirement would apply to vehicles or equipment owned, rented, or leased by the state or any of its agencies.

Background

At a hearing before the Senate Committee on Agriculture, Senator Huelskamp and a representative of the Kansas Farm Bureau testified in support of the bill. There were no opponents to the bill.

The Senate Committee on Agriculture amended the bill to add the provision relating to the motor vehicle rental contract entered into by the state.

Conferees before the House Transportation Committee included Senator Tim Huelskamp, Jere White, Kansas Corn Growers Association/Kansas Grain Sorghum Producers Association; and Brad Harrelson, Kansas Farm Bureau. Chris Howe, Kansas Department of Administration, submitted written testimony.

The House Transportation Committee amendment was requested by Senator Huelskamp. The amendment would remove the requirement on individual motor fuel purchases when the product is not identified at the point of sale. The other amendment was suggested by the Kansas Corn Growers Association/Kansas Grain Sorghum Producers Association. The amendment makes the language consistent in subsection (d).

The original fiscal note indicates that when bidding bulk fuel purchases, the Division of Purchases currently seeks bids for alternative fuel at the same time, so there would be no charge in this activity. It also states that any fiscal effect resulting from this bill would be in addition to amounts included in *The FY 2006 Governor's Budget Report*.