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**Committee on Natural Resources and Energy
January 13, 2016 Public Hearing
SB539 Testimony**

Thank you for allowing me to speak today on SB 539. This proposal responds to the problems the propane industry and its customers in Wisconsin have endured during periods of extreme weather conditions and did not have sufficient resources to adequately deal with the challenges faced by retailers and their customers.

SB 539 allows for the Wisconsin Propane Education and Research Council (Council) to levy an assessment to participating members of the Wisconsin Propane Gas Association propane retailers. Similarly to what is currently being done by other commodity groups like the Milk Marketers Board, Wisconsin State Cranberry Growers Association, Wisconsin Corn Growers Association, and the Wisconsin Soybean Marketing Board.

The program will work similar to the current National Propane Gas Association (NPGA)/Propane Education Research Council (PREC) assessment program allowing the Council to fund educational, training and safety programs, fund public service announcements, emergency response programs, offer appliance rebates and district meetings. The option to create a state assessment allows the Council to continue funding and expanding programs, reinstate previous programs, or will allow for the creation of new programs.

Wisconsin is one of the few states in the Midwest that does not have a state assessment program only receiving assessment funds through the National Propane Education and Research Council. Of the Midwest Regional Propane Education and Research Councils Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, and Ohio all have state assessment programs, while also receiving assessment funds from the National Propane Education and Research Council.

The bill creates a referendum process, the assessment, and allows the Council to bring compliance with suppliers. With the passage of this SB 539 the Council will have 120 days to hold a referendum of the propane retailers for the authority to levy the assessment. Once the referendum is passed an assessment will be paid by participating retail members of the Wisconsin Propane Gas Association of two tenths of one cent per gallon of odorized propane. This is to be paid to the terminal supplier when the retailer receives the odorized propane. Any increases of the assessment exceeding one half of one tenth of a cent per gallon will need to be approved by a referendum among the participating retail members.

The compliance component of the bill allows for the Council to be able to bring any legal action to a circuit court in the State of Wisconsin to compel compliance for the terminal suppliers to collect the assessment being paid by the retailers.

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