

MINUTES OF THE SENATE AGRICULTURE COMMITTEE.

The meeting was called to order by Chairperson Derek Schmidt at 8:30 a.m. on February 6, 2002 in Room 423-S of the Capitol.

All members were present except:

Committee staff present: Raney Gilliland, Legislative Research Department
Gordon Self, Revisor of Statutes
Betty Bomar, Secretary

Conferees appearing before the committee:

Jamie Clover Adams, Secretary, Kansas Department of Agriculture
Mike Beam, Kansas Livestock Association
Hal Hudson, Kansas Pest Control
Art Brown, Mid-America Lumbermens Association
Doug Wareham, Kansas Grain & Feed Association and the Kansas
Agribusiness Retailers Association

Others attending: See attached list

Mike Beam, Kansas Livestock Association, submitted a request for a bill introduction that grants immunity from liability for livestock producers.

Senator Tyson moved, seconded by Senator Umbarger that a bill be introduced as a committee bill and referred back to committee that grants immunity from liability for livestock producers. The voice vote was in favor of the motion.

Senator Morris moved, seconded by Senator Umbarger that a bill be introduced as a committee bill and referred back to committee that conceptually expands liability insurance to ranchers and farmers who provide hunting on their land. The voice vote was in favor of the motion.

Senator Schmidt moved, seconded by Senator Schmidt, that a bill be introduced as a committee bill and referred back to committee relating to the control of serica lespedeza. The voice vote was in favor of the motion.

Senator Morris moved, seconded by Senator Umbarger, that a Resolution be introduced urging the University of Kansas School of Law establish a clinical program relating to agricultural law. The voice vote was in favor of the motion.

SB 438 - Powers, duties and responsibilities of secretary of agriculture related to fees and penalties

Jamie Clover Adams, Secretary, Kansas Department of Agriculture, resumed her testimony in support of **SB 438**, stating the legislation proposes the creation of a new annual facility authorization fee with a graduated fee schedule based on the number of scales within the facility; and increasing the annual scale company licensing fee. The facility authorization fee reflects the actual KDA cost of inspection for each category of weighing and measuring device. The facility will still have to pay the private scale company to perform the annual inspection required by law. The increased revenue is to be used to meet the basic responsibilities of the Weights and Measures program.

The Water Appropriation and Water Management Service Program provides the foundation for the acquisition and administration of water rights in the state. **SB 438** proposes to create a new annual water administration fee to be paid each year when water use reports are filed; establish new fees for ownership changes and failure to file accurate water use reports; and increase all other existing fees in aggregate 100 percent. Ms. Adams stated KDA does not believe the proposed fees place an undue burden on water right holders. The funds will ensure that the water right holder's real property rights continue to be protected. If cuts continue to be absorbed by KDA, protection of these real property rights cannot be

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guaranteed.

Water is agriculture's most vital resource. **SB 438** asks water right holders to play a greater financial role in maintaining the resources that directly benefits them. Two-thirds of the program's funding will continue to come from the general fund, regardless of the proposed increase in fees.

Ms. Adams stated that if **SB 438** and its companion bills are not passed, the KDA budget will be cut by at least 5% for FY 2003. This cut includes two positions from the Pesticide and Fertilizer program, four positions from the Agricultural Statistics program, and five positions from the Water Resource program. The continued erosion of the KDA budget severely curtails the Secretary's ability to advocate for Kansas agriculture. (Attachment 1)

Hal Hudson, Kansas Pest Control Association, appeared on behalf of Mark Hassman, and stated the Association's support of **SB 438**. Mr. Hudson stated the increase in fees charged to all Kansas pest control companies is the result of the anticipated loss of state general fund revenues for KDA. KDA will be using the increased revenue as a source to make up the budgetary shortfalls. The Association is not opposed to the increases proposed, but is opposed to the department receiving additional monies without performance criteria being attached. (Attachment 2)

Art Brown, Mid-America Lumbermens Association, testified in opposition to **SB 438**, regarding new fees for small scales. **SB 438** provides for new fees, thereby creating a new cost of doing business that is either borne by the business, or passed on to the consumer.

Currently, the system for checking scales is administered by independent contractors who pay a license fee to the State to check scales to the specifications of the National Institute of Standards (NIST) and Technology Handbook No. 44. KDA division of Weights and Measures provides continuing education training as required by rules and regulations. The independent companies that employ the technicians must submit their weighing devices to an NIST laboratory yearly so that the devices are in compliance with NIST handbook tolerances. Each owner of a small scale in the State must have their scale(s) tested on an annual basis by one of these licensed technicians. The normal fee range from \$25 for small scales to \$50 per scale based on travel time and time spent in testing the scale. When the form is submitted to the Division of Weights and Measures by the licensed technician, the information is entered into a computer and the information is randomly checked to see that scales are being checked in a timely manner and are in compliance. The Division does not charge for this service.

Mr. Brown stated that in summary, the Association is opposed to any additional fees imposed for doing business. (Attachment 3)

Doug Wareham, Kansas Grain & Feed Association, testified in opposition to **SB 438**, stating the "new" proposed fees for weights and measure devices, including small scales, large scales and meters will add significant new costs to every grain handling facility and feed manufacturer in the state of Kansas. The new fees for weights and measure devices will generate approximately \$300,000 in additional revenue for KDA.

Mr. Wareham stated the proposed new fees for weights and measure devices are costly and will not lead to any significant increase in compliance percentage, but will cause unwanted paperwork for grain handlers and other agribusinesses, as well as an increase in the cost to do business. (Attachment 4)

Doug Wareham, Kansas Agribusiness Retailers Association (KARA), testified in opposition to **SB 438**, stating KARA is opposed to new fees for weights and measure devices. KARA has agreed to accept some of the proposed increases. KARA is opposed to the \$40 increase for the Business License Application fee related to the Pesticide and Fertilizer Program. Statistics obtained from KDA indicate there are 210 different government agencies that are presently assessed only \$35 for the right to apply pesticides. **SB 438** proposes to increase that amount to \$50.

KARA continues to object to the unfair competition from county-operated noxious weed programs that utilize the benefit of tax dollars to provide low-cost agricultural chemicals to landowners and KARA is in favor of a state-wide noxious weed program that includes, rather than excludes, local agribusiness

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retailers. (Attachment 5)

The meeting concluded at 9:30 a.m.

The next meeting is scheduled for February 12, 2002.