

MINUTES OF THE SENATE COMMITTEE ON AGRICULTURE & SMALL BUSINESS

Held in Room 423-S, at the Statehouse at 10:00 a.m. a. m./p. m.,
on Thursday, February 26, 1981, 19 .

All members were present except: Senator Ed Reilly (Excused)

The next meeting of the Committee will be held at 10:00 a.m. a. m./p. m.,
on Friday, February 27, 1981, 19 .

These minutes of the meeting held on Thursday, February 26, 1981, 19 were
considered, corrected and approved.



Chairman

The conferees appearing before the Committee were:

Senator Kerr called the meeting to order. Senator Karr moved, Senator Arasmith seconded, that the minutes of the Wednesday, February 25, 1981 meeting be approved. Motion carried.

Note Attachment "A" to original minutes (Amendments Suggested by Conferees) which had been distributed to committee members. The items set out therein were presented and action on Senate Bill 298 taken as shown below:

Senator Gannon moved conceptually, seconded by Senator Thiessen, that language further defining nonprofit corporations (Line 23-24) be added for clarification as suggested by the Revisor. Motion carried.

Senator Karr moved, Senator Thiessen seconded that "personal representative" be stricken and "trustee in bankruptcy" be added after "receiver". (Lines 49-50) Motion carried.

Senator Thiessen moved, seconded by Senator Gannon that a conceptual amendment be made to read or include "all of whom have a common ancestor (add: by 'birth or adoption' (legally adopted) within the third degree of relationship or is the spouse of such a person or persons acting in a fiduciary capacity for persons so related" and that the language after "persons" on line 0054 and lines 0055-0058 be stricken. Motion carried.

Senator Gannon moved, seconded by Senator Karr, that Mr. Horttor's language be added as conceptual amendment on line 0063: "If there is just one stockholder meeting this requirement at the time of such stockholder's death, it shall not apply for the period of one (1) year after the death of such stockholder and for such longer time, if any, that such stockholder's estate is being administered in any District Court, Probate Division, in Kansas." Motion carried.

Senator Arasmith moved, seconded by Senator Warren that the words "day-to-day" in lines 0062 and 0072 be stricken. Motion carried.

Senator Thiessen moved, seconded by Senator Montgomery, to raise the number from five to fifteen on line 0067. Motion carried.

Senator Warren moved, seconded by Senator Allen, that a conceptual amendment be adopted to conform language in lines 0084-0088 to language adopted in lines 0054-0058 and that "equitable" be inserted after "majority" in line 0083. Motion carried.

CONTINUATION SHEET -2-

Minutes of the Senate Ag Committee on Thursday, February 26, 1981

Senator Thiessen moved, seconded by Senator Allen, that the number be changed from five to fifteen, in line 0094. Motion carried.
(Similar to Line 67)

Motion was made by Senator Gannon, seconded by Senator Karr, that "gross" be inserted before "income" in line 0098. Motion carried.

Motion made by Senator Gannon, seconded by Senator Thiessen, that subparagraph beginning on line 0113 be replaced as follows:

"Agricultural land acquired by a corporation reasonably necessary to the conduct of its nonfarming business, provided that any such lands remaining in farming shall be leased to persons or entities otherwise not prohibited from engaging in such activity, and also, that the corporation shall not participate in the agricultural operation or receive any direct financial benefit, other than rent."

Motion carried.

Senator Gannon moved, seconded by Senator Montgomery, that the committee conceptually adopt Horttor's language and let the Revisor legally word the same as shown below:

Line 67 - "If more than one transferee receives stock by bequest from a deceased stockholder, such transferees shall be considered to be only one stockholder. A husband and wife (and their estates) shall be considered as one stockholder."

Line 94 - "A husband and wife shall be considered as one beneficiary."

Motion carried.

Meeting adjourned.

#####

SENATE AGRICULTURE AND SMALL BUSINESS COMMITTEE

SENATE BILL 298

AMENDMENTS SUGGESTED BY CONFEREES

1. Line 0023 May want to add clarifying reference for nonprofit corporation. -- Mr. Jossierand
2. Line 0025 May want to exclude limited partnerships as well as limited corporate partnerships. -- Keith Meyer
3. Line 0032 Definition of feedlot -- see exemption list.
4. Line 0049 Mr. Horttor suggests striking "personal representative" and adding "trustee in bankruptcy" after conservator.
5. Line 0052 Change "and" or "or". -- Mr. Lemon and KLA Suggested this.

Mr. Horttor suggests striking all after persons (lines 0054-0058)and inserting "all of whom have a common ancestor within the third degree of relationship or is the spouse of such a person or persons (or banks) acting in a fiduciary capacity for persons so related."
6. Line 0059 Put "trustees" instead of "persons". -- Mr. Lemon
7. Line 0061 KLA and Mr. Lemon suggest striking paragraph (3) on line 0061 and striking (3) on line 0071. Mr. Horttor suggests a sentence following "operation" in line 0063 to allow exemption for stock in administration.
8. Line 0067 Some conferees suggested raising stockholders above five. Mr. Horttor suggests making clear an authorized farm is not disqualified if number exceeds five because of devise or bequest. Also, he suggests clarifying husband-wife joint tenancy counts as one stockholder.
9. Line 0071 Change "majority of stockholders" to "majority of the board of directors". -- Mr. Lemon
10. Line 0083 Use same language as 0052. Also, Mr. Horttor recommends adding "equitable" after "majority".
11. Line 0089 Strike subparagraph (2) -- Mr. Meyer and revisor.
Line 0094 Increase "five" number. -- Mr. Horttor
Line 0090 & Insert "except family, authorized and testamentary
0096 trusts" after "trust". -- Mr. Lemon
12. Line 0098 Insert "gross" before "income". -- Mr. Horttor
13. Line 0113 Replace subparagraph (3) as follows: Agricultural land owned or held by a corporation reasonably necessary to the conduct of its nonfarming business, provided that any such lands remaining in farming shall be leased to persons or entities otherwise not prohibited from engaging in such activity, and also, that the corporation shall not participate in the agricultural operation or receive any direct financial benefit, other than rent."--KACI & others.
14. Line 0125 KACI suggested striking all after "1981". Another suggestion was to clarify that agriculture land held in accordance with K.S.A. 17-5901 on February 17, 1981, would be grandfathered in. This would avoid rewarding those who were in open violation of K.S.A. 17-5901.

Line 0129 Same issue as in 0125.
15. Line 0134 Clarify seed company problem.
16. Line 0141 Penalty section seems to mix criminal & civil. May want to keep penalty the same but call fine "damages". --Mr. Meyer (Might note 16a-5-201- UCCC)
17. Line 0032 & Address question of whether feedlot exemption is too
0132 broad. One suggestion is to make second sentence of definition read: "The term includes within its meaning land which is used for the raising of crops necessary for the operation of the feedlot and land upon which livestock fed for slaughter are allowed to graze or feed."

SENATE

AGRICULTURE AND SMALL BUSINESS COMMITTEE

DATE Thursday, Feb 26, 1981

PLACE: Room 423-S

TIME: 10:00 a.m.

GUEST LIST

| NAME | ADDRESS | ORGANIZATION |
|--------------------|-----------|------------------------------------|
| Ron Caches | Topeka | KACI |
| John Stutz | K. C. Ks. | C Rural Life |
| Janet Stubbs | Topeka | HBAK |
| D. WAYNE ZIMMERMAN | TOPEKA | THE ELECTRIC CO. ASSOC. OF KS. |
| Anne & Sabee | Topeka | Exp Pet - Sub Post |
| J Lyons | " | Du Pens |
| John O. Miller | Topeka | Committee of Ks Farm Organizations |
| Don Harttop | Topeka | Trust Division, Kansas Bancors |
| Bill Miller | Topeka | KWA |
| Ed Schaub | Topeka | S. W. B. T. |
| Mel Spur | Topeka | KS R/R Assn. |