

Approved _____

Date _____

Fred A. Kerr 3/1/84
2/10/84

MINUTES OF THE SENATE COMMITTEE ON AGRICULTURE & SMALL BUSINESS

The meeting was called to order by Senator Fred Kerr at _____
Chairperson

10:00 a.m./~~p.m.~~ on Monday, February 6, 1984, 19__ in room 423-S of the Capitol.

All members were present except: Senator Ross Doyen (E)
Senator Ed Reilly (E)

Committee staff present: Raney Gilliland, Legislative Research Department
Jim Wilson, Revisor's Office

Conferees appearing before the committee:

Darrell T. Ringer, State Spokesman AAM
Don Jacka, Assistant Secretary of Agriculture
Dr. Gerald Gurss, Livestock Commissioner
Mike Beam, Kansas Livestock Association

Senator Norvell introduced Darrell Ringer who distributed Attachments 1 and 2, stating the AAM is desirous of a minimum price bill establishing a 90% parity floor price on certain commodities, stating the 56% of parity price is 2% lower than in 1932 at the depth of depression. He stated numerous states have legislation pending on this issue.

SENATE BILL 592 - Don Jacka distributed Attachment 3 citing problems illustrating the need for the Secretary of Agriculture to be granted implicit authority to enter into contracts and accept federal funding. The request is now being made since under the criteria of explicit authority having statutory authority to accept funds is now being enforced for all agencies by the State Finance Council.

Senator Karr moved Senate Bill 592 be recommended favorably for passage and that it be placed on the consent calendar, seconded by Senator Norvell. Motion carried.

S.C.R. 1653 - It was suggested that due to the Attorney General's opinion on legislative jurisdiction on rules and regulations that action on SCR 1653 be withheld at this time.

SENATE BILL 574 - Attachment 4 was distributed which sets out minor policy amendments to Senate Bill 574, and Revisor Wilson explained the drafted amendments.

Senator Gannon expressed concern as to how the livestock dealers are going to be notified to register; and if they do not register, what sort of penalty would be assessed. Dr. Gurss stated they will be looking at packers and stockyard dealers, similar to the pet shop legislation passed a few years ago. He feels there should be a penalty clause for a violation, suggesting it be classified as a misdemeanor and a fee charged.

Mike Beam stated KLA is in favor with the proposal to change the registration fee to not to exceed \$50, and as Dr. Gurss stated, it would start out at \$25. He feels a penalty clause and fine would be advisable.

Senator Montgomery moved the amendments to Senate Bill 574 as drafted be passed favorably, seconded by Senator Gannon. Motion carried.

(MORE)

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON AGRICULTURE AND SMALL BUSINESS,
room 423-S, Statehouse, at 10:00 a.m./~~pm~~ on Monday, February 6, 1984, 19 .

After discussion relative to the penalty clause and fee, Senator Allen moved to include in the amendments to Senate Bill 574 that a penalty fee of \$100 and not to exceed \$500 be assessed for not complying with the statute, and it would be an unclassified misdemeanor, seconded by Senator Thiessen.

Senator Karr made a substitute motion for the fee not to exceed \$100. His motion died for lack of a second.

The original motion carried.

Senator Allen moved Senate Bill 574 as amended be reported favorably, seconded by Senator Warren. Motion carried.

Answering Senator Gannon's concern about dealers being penalized without having been notified, Dr. Gurss indicated he feels that all such people will be notified through his office and there would be virtually no chance that anyone would be fined for not knowing they had to register.

The meeting was adjourned.

SENATE

AGRICULTURE AND SMALL BUSINESS COMMITTEE

10:00 a.m., Room 423-S

Monday, Feb. 6, 1984

Date

NAME	ADDRESS	ORGANIZATION
Jake B. ...	Levitt, Pa	
Harold Wiley	Highland, Ks	K.A.W.G.
DON JACKA	TOPEKA	Ks STATE BOARD OF AGRICULTURE
Bill Gilmore	"	RLRD
LOUIS NASEL	"	Budget



P.O. BOX 356 • QUINTER, KANSAS 67752
February 3, 1984

Memorandum To: Members of House & Senate
Ag Committees

From: Darrell T. Ringer, State Spokesman AAM

In President Reagans recent State of the Union Address, he completely forgot to mention the condition of agriculture, this nations largest industry, which finished the year at 56% of parity (2% lower than 1932 in the depth of the great depression. This is why recently I introduced the following proposals to the Kansas House Agriculture and Livestock Committee.

1. HB2415 The Minimum Price Bill, which is tabled in the committee should be brought off the table for serious discussion then sent to the House Floor for statewide debate. (This is a Bill which would allow producers to vote in a referendum as to whether they wished to establish 90% Parity floor price on certain commodities.)
2. Moratorium on all farm and home foreclosures, rural and city as well to stop the devaluation of property for the duration of this depression.
3. Extention of Redemption Period; (Foreclosed property currently has a six month redemption period.) Agriculture operates on an 18 month cycle and six months is simply not enough time to get reorganized.
4. Removal of Deficiency Judgement, both parties had money invested when the investment went sour, both parties should shoulder the loss. As it now stands a bank can foreclose, then after the sale if there's not enough money retrieved to satisfy the loan, attorneys fee, and etc., the lender can hound the borrower for the rest of his life by garnishing wages or taking deficiency judgement on other property. This is legal slavery and must be stopped!

Another proposal that merits your consideration is one put forth by Kansas Legal Services, with the endorsement of Attorney General Bob Stephan calling for the addition of two attorneys and three paralegals to assist individual farmers in developing a defence case to protect their rights in a foreclosure, and to conduct community education workshops on credit issues. I would also like to suggest that one attorney and two paralegals be placed in either Hays or Oakley and that one attorney and two paralegals be placed in either Garden City or Dodge City area. The cost was estimated at \$125,000-\$150,000 dollars, which would be a very small price to pay for evening up the sides in these tough economic times.

Your serious and timely consideration of the above matters is urgent.
Thank you.

Darrell T. Ringer

Atch. 1

The Hays Daily News



Bernard Bates watches as 19 pieces of his farm machinery are sold Saturday at a court-ordered auction at Hill City.

Photos by Charlie Riedel

Bates's equipment sold, AAM quiet

By MIKE CORN

HILL CITY — Bernard and Ava Bates, who saw their farm machinery sold at a foreclosure auction Saturday, say they have no intention of giving up their fight to save their Nicodemus farm.

A crowd of about 100 bidders and onlookers gathered at Tebo Implement, where 19 pieces of equipment were sold for \$43,778.

During the more than hour-long sale, Bates followed the crowd, listening intently to the caller for Farmland Auction and Realty Co. of Hays and the individuals offering bids. Supporters from the ranks of the American Agriculture Movement were in the crowd, carrying placards that decried the plight of the family farmer.

Bates's father, Alvin, bought six pieces of equipment. He said he had planned to buy more.

The sale, rescheduled from Nov. 1 when Bates filed for Chapter 11 bankruptcy reorganization, drew curious onlookers who tromped through ankle-deep mud to watch.

A Graham County District Court judge ordered the sale to help satisfy a \$185,956 judgment granted the Production Credit Association of Stockton, which initiated the foreclosure action against the Bateses.

Saturday's sale was quiet compared with the October sale of 240 acres owned by the Bateses. At that sale, AAM members attempted to shout down the sale.

The Stockton National Bank, another lender that joined in the foreclosure action, purchased the land for \$98,144. They were granted judgment of \$95,548.

Other assets and liabilities of the Bateses are tied up in bankruptcy proceedings. The couple listed assets of \$519,550 and liabilities of \$676,431 when they filed for reorganization.

Graham County Sheriff Don Scott termed the sale successful, but added: "It's too bad it happened, but when you're acting on orders of the court, I'm glad it went this smoothly."

"I'm not going to give up," Bates said. "That's stupid. That's what they want you to do. You think PCA is giving up. We're not through in court yet."

In addition to the bankruptcy action, Bates has filed two motions in Graham County District Court seeking the return of his land and \$10 million in damages.

Although he has lost his equipment, Bates said he will continue farming with the use of his father's equipment. "It won't be as handy or as nice, but we can make it," he said.

Alvin Bates said he intended to buy more of the machinery, but added that "there's no need of going into debt if you don't have to. A fellow has to watch his Ps and Qs. I've got all of my machinery. That's the only way Bernard's making it. It'll make it hard, because my machinery is not as big as Bernard's, but we can do it."

Bates criticized the bankruptcy court's deci-

sion to let the sale proceed. "It's not right at all. There's no question of it," he said. "They didn't let the ink get dry" on the bankruptcy petition.

In support of the Bateses, AAM supporters handed out copies of a Mailgram received Friday from the Rev. Jesse Jackson, a Democratic presidential candidate, who offered his support for the black couple.

Jackson's message said "It is totally unacceptable that this nation's farmers, the most productive farmers in the world, are being driven from the land. I want you to know that I and the American people are with you during this time, when your farm is being taken from you and your family.

"When I become president, I will call (for) a moratorium on farm foreclosures and the complete investigation into the farm credit system," the message said.

AAM spokesman Darrell Ringer, Quinter, ex-

plained his organization's lack of visible protest by saying: "This is a free country, you know. If we jump up and try to stop someone from doing what he thinks he should then we're as bad as they are."

Ringer said the AAM has turned away from protests in favor of political activity at the federal and state levels.

"We'll try to get rid of politicians that give us lip service and kick us in the butt," he said.

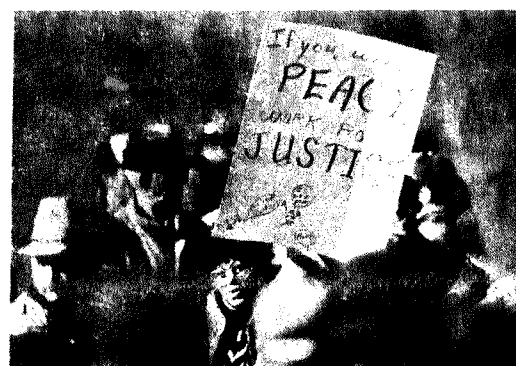
Ava Bates said the strain from the foreclosure has been hard on her and her five children. But she echoes her husband's refusal to quit.

"No, we don't plan on giving up," she said. "We are going to stay here and fight them."

"If you don't have no farmers, you aren't going to have any food. Then what are you going to do. If they get rid of family farmers I don't think they'll like the corporations" that will be farming the land, she said.



A quiet crowd of about 100 watches the sale of farm machinery.



Ava Bates holds a placard protesting the sale.

Sunday morning, January 29, 1984
5 sections, 44 pages, 25¢
Our 55th year - No. 67
Hays, Kansas 67601

Attch. 2



KANSAS STATE BOARD OF AGRICULTURE

TOPEKA, KANSAS 66612-1280

HARLAND E. PRIDDLE
Secretary

109 S.W. 9th Street
913-296-3556

February 1, 1984

M E M O R A N D U M

TO: Senator Fred Kerr, Chairman
and
Senate Committee on Agriculture & Small Business

FROM: Harland E. Priddle, Secretary of Agriculture

RE: Senate Bill 592 -- Authorizing the Secretary of Agriculture to Apply For, Receive and Administer Federal Funds and to Enter into Contracts Therefor

Many statutes administered by the State Board of Agriculture authorize this agency or one of its divisions to cooperate with the Federal government and other agencies to accomplish various goals. However, generally these statutes contain no explicit authority to enter into contracts for these purposes or to receive grants or federal funds. As a result, when needs have arisen, the State Board of Agriculture has had to rely upon such implicit authority to enter into contracts and accept federal funding.

As examples, in the past the following problems can illustrate the need for authority which S.B. 592 could resolve.

- In 1973, when the Federal government planned an inventory of watershed structures in Kansas and offered federal funds through a cooperative agreement to facilitate the inventory of these structures, the State Board of Agriculture had difficulty obtaining authority for such cooperative agreement. Even after the Governor had directed such interaction by the State Board of Agriculture, the counsel for the Department of Administration claimed that the Board had no authority to enter into such contract. Resolution was achieved through an old 1917 statute which was broadly construed as granting such authority implicitly.
- In 1977/78, after the State Board of Agriculture received an enforcement grant from EPA, lack of explicit authority for expenditure caused several problems for the Agency and EPA.
- K.S.A. 2-3005 authorizes the Commodity Commissions to recommend to the Secretary to accept grants, donations, etc and to enter into contracts. However, nowhere in the statute is there an explicit grant of authority to the Secretary to accomplish such actions.

These examples represent just a very few of the many situations which have arisen in the past in which the lack of authority to accept federal funds has caused the State Board of Agriculture problems in efficient administration. Hence, it is felt that an "umbrella" bill like S.B. 592 would be very desirable and would remedy the above discussed types of problems.

HEP:DLJ:k1

Atch. 3

CRS574k1

PROPOSED AMENDMENTS TO SENATE BILL NO. 574

For Consideration by Committee on Agriculture and Small Business

"AN ACT requiring the registration of livestock dealers."

Be amended:

On page 1, in line 30, by striking "It shall" and inserting in lieu thereof "'Livestock dealer" does"; in line 39, preceding "Any" by inserting "(a)"; in line 42, by striking all after "by"; in line 43, by striking all preceding "the" and inserting in lieu thereof "the livestock dealer registration fee or renewal fee fixed"; in line 44, by striking ", but shall not exceed \$100" and inserting in lieu thereof "under subsection (b)"; Also in line 44, after the period, by inserting the following: "If an application for registration or renewal of registration is denied by the commissioner or withdrawn by the applicant, the fee shall not be refunded. Unless renewed under this section, each registration shall expire on the June 30 following the date of issuance."; by striking all in line 45;

On page 2, by striking all in lines 46 to 49, inclusive, and inserting in lieu thereof the following material to read as follows:

"(b) The livestock commissioner shall determine annually the amount of funds which will be required for the administration and enforcement of this section and section 2 and shall fix and adjust from time to time a livestock dealer registration fee and a renewal fee in such reasonable amounts as may be necessary for such purposes, except that in no case shall either the livestock dealer registration fee or the renewal fee exceed \$50.";

Also on page 2, in line 50, preceding "The" by inserting "(c)"; in line 51, by striking "regulation" and inserting in lieu thereof "section"; in line 54, preceding the period by inserting

Atch. 4

"which is hereby established in the state treasury"; also in line 54, by striking "that" and inserting in lieu thereof "the livestock dealers' registration fee"; in line 58, preceding "Each" by inserting "(a)"; in line 64, by striking all after "agents" and inserting in lieu thereof "may"; in line 66, preceding "After" by inserting "(b)" and by creating a new paragraph by indenting the material in line 66;

On page 1, in the title, in line 17, by striking "requiring" and inserting in lieu thereof "concerning the Kansas animal health department; relating to"; also in line 17, preceding the period by inserting "; prescribing certain powers, duties and functions for the livestock commissioner; authorizing certain fees";

And the bill be passed as amended.

Sec 3
Broken into 2 subsections