

MINUTES OF THE Senate COMMITTEE ON AgricultureThe meeting was called to order by Senator Allen at  
Chairperson8:00 a.m./~~p.m.~~ on March 29, 1985 in room 423-S of the Capitol.All members were present except: Richard Gannon (excused)Committee staff present: Raney Gilliland, Research Department  
Arden Ensley, Revisor of Statutes Department

## Conferees appearing before the committee:

Senator Allen called the Senate Agriculture Committee to order at 8:00 a.m. for the purpose of committee discussion and action on SB 347.

The committee discussed their action of March 27 concerning the % in line 35 of SB 347. Senator Arasmith made a motion to rescind the previous committee action on line 35 and to make it read 20% and to allow banks to take tax credit of not more than one-fifth of the tax credit per year for a period of five years and conceptionally let it extend beyond that if needed to use up their tax credit. Senator Kerr seconded the motion. Motion was defeated. Senator Arasmith made a motion to have line 35 of SB 347 read 20%. Senator Doyen seconded the motion. Motion carried. Senator Arasmith made a motion the tax credit allowed for any taxable year shall not exceed one-fifth of the total tax credit of the bank allowed under this act. Senator Karr seconded the motion. Motion carried.

Senator Norvell made a motion to amend the bill to read that loans shall be made if there is collateral equal to the amount of the note or if the cash flow is less than 110%. Senator Montgomery seconded the motion. Senator Karr made a substitute motion that the cash flow percentage be changed to 105%. Senator Kerr seconded the motion. Motion carried.

Senator Karr made a motion to use language of first two paragraphs of the amendment recommended by the Kansas Bankers' Association except to change the word "bank" to "taxpayer". Senator Arasmith seconded the motion. Motion carried.

Senator Kerr made a motion that as suggested by the Department of Revenue the maximum interest write down be 3%. Senator Karr seconded the motion. Motion carried.

Senator Karr made a motion that the maximum for any one loan be \$100,000. Senator Norvell seconded the motion. After discussion Senator Norvell withdrew his second.

Senator Norvell made a motion the PCA be included in the proposed loan program of SB 347. Senator Karr seconded the motion. Motion carried.

Senator Montgomery moved the Revisor write up a substitute bill for SB 347 and the committee recommend the bill favorably for passage. Senator Norvell seconded the motion. Motion carried.

Senator Allen ask Raney Gilliland to do an overview of HB 2488 as amended by the House.

Raney Gilliland handed out copies of HB 2488 with suggested changes. Mr. Gilliland stated HB 2488 concerns agricultural production input lien act; providing a lien for agricultural production inputs; establishing a procedure to determine priorities; providing for enforcement of such liens.

Due to lack of time, Senator Allen announced committee action would continue at a later meeting and declared the committee adjourned at 9:00 a.m.

