

Approved March 21, 1986  
Date

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE AND SMALL BUSINESS

The meeting was called to order by Representative Lloyd D. Polson at  
Chairperson

9:00 a.m./~~p.m.~~ on March 4, 1986 in room 423-S of the Capitol.

All members were present except: Representative Dean who was excused.

Committee staff present:

Raney Gilliland, Legislative Research Department  
Norman Furse, Revisor of Statutes Office  
Mary Jane Holt, Committee Secretary

Conferees appearing before the committee:

Marvin Webb, Director, Kansas State Grain Inspection Department  
Chris Wilson, Director of Governmental Relations of the Kansas Grain and  
Feed Dealers Association.

Hearings on H.B. 3042—An act concerning the Kansas State Grain Inspection  
Department, relating to fees for department services.

H.B. 3043—An act authorizing the Director of the Kansas State  
Grain Inspection Department to levy civil fines.

Raney Gilliland reviewed H.B. 3042 and explained the amendment to the  
public warehouse laws. He reviewed H.B. 3043 and explained the bill provides  
for civil penalties for violation of the Kansas Public Warehouse Laws  
in sums of not less than \$50 and not more than \$2,000, and also provides  
the Attorney General shall bring action to enforce and collect the civil  
fines.

Marvin Webb testified H.B. 3042 relates to fees assessed for various  
services in both the Inspection Division and the Warehouse Division. The  
specific amendments are listed in Attachment I.

Mr. Webb also testified H.B. 3043 is designed to permit the Director  
of the Kansas State Grain Inspection Department to levy civil fines  
against grain warehousemen, after citation before the Director, as a result  
of violation of the statutes regulating grain warehouses, Attachment I.

Chris Wilson testified in regard to H.B. 3042 the industry recognizes  
the need for additional funds in the warehouse division, however, the  
grain inspection division has always made money and has a \$2,000,000  
reserve of fees paid by the industry. She testified the Kansas Grain and  
Feed Dealers Association opposes H.B. 3043, and she stated the Kansas State  
Grain Inspection Department already has sufficient authority to deal with  
violations of warehouse statutes, Attachment II.

The hearings were closed on H.B. 3042 and H.B. 3043.

The Chairman announced the Committee would be meeting Wednesday, 9:00 a.m.  
March 5, for discussion and possible action on H.B. 3042 and H.B. 3043.

The Chairman distributed a proposed concurrent resolution, Attachment III,  
urging the retention of the meat and poultry inspection program as a state  
administered program and that funding should not be provided from  
increased fees, but should be provided from money available from the  
state general fund.

Staff explained a Senate Ways and Means Subcommittee, State Board  
of Agriculture budget, has recommended restoration of the State Meat and  
Poultry Inspection Department. Some of the recommendations for funding

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE AND SMALL BUSINESS,  
room 423-S, Statehouse, at 9:00 a.m./~~p.m.~~ on March 4, 1986

the program were increasing the present license fees and establishing a fee per head slaughtered. (Introduction of legislation to adjust the fees is being prepared.) The estimated revenue to the meat and poultry inspection fee fund would be \$445,000.

Representative Roenbaugh made a conceptual motion the Committee introduce the concurrent resolution. The motion was seconded by Representative Buehler.

Representative Solbach made a substitute motion and Representative Teagarden seconded, for the Chairman to write a letter to the Chairmen of the House and Senate Ways and Means Committees and the Chairmen of the subcommittees assigned to the budget of the Kansas State Board of Agriculture that it was the unanimous decision of the House Agriculture and Small Business Committee to inform them of the concerns of the Committee as stated in the concurrent resolution, regarding the Meat and Poultry Inspection Department. The substitute motion passed.

The Committee meeting was adjourned at 10:00 a.m.

The next meeting will be Wednesday, March 5, 1986 at 9:00 a.m. in Room 423-S.



THE STATE OF KANSAS



JOHN CARLIN  
GOVERNOR  
MARVIN R. WEBB  
DIRECTOR

GRAIN INSPECTION DEPARTMENT

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HUTCHINSON        WICHITA

REMARKS FOR THE HOUSE AGRICULTURE COMMITTEE

PRESENTED

BY

MARVIN R. WEBB, DIRECTOR

KANSAS STATE GRAIN INSPECTION DEPARTMENT

TUESDAY, MARCH 4, 1986

9:00 A.M.

ROOM 423-S - STATE HOUSE

3/4/86 Hs. ASB  
Attachment I

MR. CHAIRMAN POLSON AND MEMBERS OF THE COMMITTEE.

I WOULD LIKE TO CLARIFY ANY QUESTIONS YOU MAY HAVE WITH HB 3042 AND HB 3043.

HB 3042 RELATES TO THE FEES ASSESSED FOR VARIOUS SERVICES IN BOTH THE INSPECTION DIVISION AND THE WAREHOUSE DIVISION.

LINE 74 - WE ARE ADDING A FEE FOR "FACTOR ONLY DETERMINATION, VARIETIES", NOT MORE THAN \$5.00.

LINE 127 - ALSO, INADVERTENTLY LEFT OUT OF THIS BILL WAS THE FEE FOR CHECK-TESTING HOPPER SCALE WEIGHT. NOT MORE THAN \$150.00 PER WEIGHT PLUS A REGULAR HOURLY RATE OF \$11.00.

WE ARE REQUESTING INCREASES IN OUR PUBLIC WAREHOUSE LICENSE FEES WHICH WOULD PROVIDE ADDITIONAL REVENUE DUE TO DETERMINING THE FEE ON A FUNCTIONAL UNIT CAPACITY BASIS RATHER THAN THE TOTAL CAPACITY BASIS.

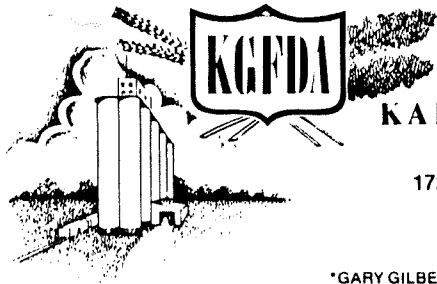
ALSO, INCREASING THE HOURLY FEE TO \$20.00 PER HOUR FOR SPECIAL EXAMINATION WHICH ARE REQUESTED. THIS SAME FEE PLAN IS IN THE PROCESS OF ADOPTION BY THE FEDERAL WAREHOUSE AUTHORITIES.

HOUSE BILL 3043 - THIS BILL IS DESIGNED TO PERMIT THE DIRECTOR OF KANSAS STATE GRAIN INSPECTION DEPARTMENT TO LEVY CIVIL FINES AGAINST GRAIN WAREHOUSEMEN AFTER CITATION BEFORE THE DIRECTOR AS A RESULT OF VIOLATION OF THE STATUTES REGULATING THE GRAIN WAREHOUSES.

UNDER THE CURRENT STATUTES, THIS DISCRETIONARY AUTHORITY IS NOT INCLUDED.

THERE ARE INFREQUENT TIMES WHEN A CIVIL FINE MIGHT BE MORE APPROPRIATE THAN OUR CURRENT OPTIONS OF EITHER CANCELLATION OF THE LICENSE AND REQUESTING THE GRAIN BE LOADED OUT OR SIMPLY PERFORMING MORE FREQUENT EXAMINATIONS AND CHARGING FOR THE EXAMINATIONS. IN THOSE CASES IN WHICH THE WAREHOUSEMAN HAS A VERY GOOD RECORD WITH OUR DEPARTMENT AND WE DISCOVER IN OUR EXAMINATION AN INFRACTURE OF THE WAREHOUSE LAWS, I BELIEVE IT WOULD BE MORE PRODUCTIVE TO HAVE THE AUTHORITY TO LEVY A FINE AS AN ALTERNATIVE. AS YOU ARE AWARE THE DEPARTMENTS OF HEALTH & ENVIRONMENT, HUMAN RESOURCES AND REVENUE ALL HAVE THIS AUTHORITY.

THANK YOU. I'LL ATTEMPT TO ANSWER ANY QUESTIONS.



"A PRIVILEGED COMMUNICATION"

KANSAS GRAIN & FEED DEALERS Association

1722 N. PLUM (BOX 949) / AREA CODE 316 662-7911 / HUTCHINSON, KANSAS 67504-0949

\*GARY GILBERT, President, Morganville
\*GEORGE AICHER, First Vice-President, Eureka

\*GARY COOPER, Second Vice-President, Colby
TOM R. TUNNELL, Executive Vice-President, Hutchinson

STATEMENT OF THE KANSAS GRAIN AND FEED DEALERS ASSOCIATION
TO THE HOUSE AGRICULTURE AND SMALL BUSINESS COMMITTEE
REPRESENTATIVE LLOYD POLSON, CHAIRMAN
REGARDING HOUSE BILL 3043
MARCH 4, 1986

Mr. Chairman and members of the Committee, I am Chris Wilson, Director of Governmental Relations of the Kansas Grain and Feed Dealers Association, whose members comprise the state's grain and feed handling, storage, processing, and marketing industry. We are opposed to H.B. 3043, because we believe there are better methods of dealing with violations of warehouse statutes than simply assessing a civil penalty. For instance, under present authority of the Kansas Grain Inspection Department, when a shortage of grain is found during an inspection, the elevator will be required to immediately make up the shortage. Then the Department will conduct several monthly inspections, for which the elevator will be charged, to make sure no further irregularities occur. In this case, the warehouseman pays what is in effect a fine, but in addition to that, the inspections are made. We feel this is more constructive than simply assessing a fine; the fine alone is not the deterrent which the additional inspections are. Therefore, we would recommend that methods such as this one, which are within the present authorities of KGID be used to deal with violations of warehouse statutes.

Thank you for the opportunity to address H.B. 3043. I will attempt to answer any questions you may have.

DIRECTORS

(Date Term Expires)

(\*Executive Committee)

\*BILL BLAIR, Atchison (88)
FRANK McBRIDE, Salina (86)
BOB READ, Cherryvale (86)
DON TIMMEL, Salina (88)

L. SHANE BRADY, Edmond (87)
JAN MOYER, Wichita (87)
JERRY SCHWEITZER, Dighton (87)
\*CLINTON WEBBER, Hutchinson (88)

\*ARCH DeBRUCE, Ulysses (86)
FRED NOWAK, Sharon Springs (87)
RON STUCKY, Kansas City (87)
\*ROGER WOLFE, White Cloud (88)

DON EPPS, Prescott (88)
DALE PARSONS, Cairo (87)
CARL M. THUROW, Hugoton (87)

3/4/86 Hs. ASB
Attachment II

## HOUSE CONCURRENT RESOLUTION NO. \_\_\_\_\_

A CONCURRENT RESOLUTION urging the retention of the meat and poultry inspection program as a state-administered program.

WHEREAS, In 1969 Kansas accepted responsibility for developing its own program of meat inspection, as an alternative to federal operation, with the approval by the legislature and the governor of the meat and poultry inspection act; and

WHEREAS, From this action developed a state program at least equal to federal standards relative to sanitation, wholesomeness, health, quality and labeling; and

WHEREAS, Funding for the program has been relatively stable and state operation of the program is being performed economically with both a benefit to the consumer and a savings to the taxpayer; and

WHEREAS, The discontinuance of state administration of the meat and poultry inspection program and a federal take-over of the program is not in the best interest of consumers, livestock producers and the meat processing industry: Now, therefore,

Be it resolved by the House of Representatives of the State of Kansas, the Senate concurring therein: The legislature finds:

(a) That the meat and poultry inspection program is cost-effective, necessary to protect the public health and should be retained as a state-administered program; (b) that adequate funding is necessary to provide a quality meat and poultry inspection program for the protection of the public; and (c) that because the public as a whole benefits from the meat and poultry inspection program, such funding should not be provided from increased fees upon the industry involved but should be provided from moneys available in the state general fund; and

Be it further resolved: That the secretary of state is hereby directed to send a copy of this resolution to the governor of this state, to each member of the state board of agriculture and to the secretary of the state board of agriculture.

3/4/86 Hs. ASB  
Attachment III