

Approved April 6, 1987  
Date

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE AND SMALL BUSINESS

The meeting was called to order by Representative Clifford Campbell at  
Chairperson

9:03 a.m. ~~p.m.~~ on March 27, 1987 in room 423-S of the Capitol.

All members were present except: Representatives Roenbaugh, Goossen, and K. Campbell,  
who were excused.

Committee staff present: Norman Furse, Revisor of Statutes Office  
Raney Gilliland, Legislative Research Department  
Pat Brunton, Committee Secretary

Conferees appearing before the committee: Dale Lambley, Director, Division of Plant  
Health, State Board of Agriculture  
Joe Lieber, Executive Vice President, Kansas  
Cooperative Council  
Chris Wilson, Director, Governmental Relations,  
Kansas Fertilizer and Chemical Association  
Charles A. Wilson, Vice-President of Marketing,  
Collingwood Grain, Inc.  
Vernon McKinzie, Emporia, representing Kansas  
Termite and Pest Control Association

Raney Gilliland explained Senate Bill 282 with three changes. Officials from the State Board of Agriculture testified before the Senate Committee that these fee increases were necessary to maintain the agency's program of testing agricultural chemicals and monitoring the safe application of agricultural chemicals.

Dale Lambley testified before the committee explaining the different fees, Attachment I.

Representative Apt requested a chart showing what present law does and what new law will do in relation to fees.

Chairman Campbell also requested copies of last three years budgets for the pesticide program from Mr. Lambley. (See March 30)

Joe Lieber testified in opposition to the fee increase in SB 282, Attachment II.

Chris Wilson testified before the committee stating the KFCA does not oppose an increase in pesticide fees as proposed in SB 282, but feel it should not be a doubling of the present fees, Attachment III. She then introduced Glen Dalluge, Cepex Midwest, Manhattan. Mr. Dalluge urged SB 282 not be favorably considered by this committee.

Charles A. Wilson testified before the committee presenting some general and some specific objections to Senate Bill 282, Attachment IV.

Vernon McKinzie appeared before the committee presenting concerns about SB 282, Attachment V.

Terry Shistar of the Kansas Chapter of the Sierra Club presented written testimony to committee members, Attachment VI.

The meeting adjourned at 10:00 a.m.



T E S T I M O N Y

Senate Bill 282

Presented to

HOUSE COMMITTEE ON AGRICULTURE

AND SMALL BUSINESS

by

Dale Lambley, Director  
Kansas State Board of Agriculture  
Division of Plant Health

March 27, 1987

ATTACHMENT I  
March 27, 1987

Senate Bill 282

PROPOSED INCREASE OF PESTICIDE AND AGRICULTURAL FEES

March 3, 1987

The pesticide programs of the Plant Health Division of the Kansas State Board of Agriculture are funded through three sources: fees, EPA grant monies and general revenue. After we received our Level A and B general revenue allotments this year, and after we subtracted from the total the current salaries, rent and other fixed costs, the agency had left only \$8,000 to fund travel and other program expenses for the remainder of the fiscal year. Consequently, this recommendation for an increase of fees is necessary in order to maintain the current level of productivity within the pesticide enforcement program. This recommendation has been incorporated into the Governor's budget.

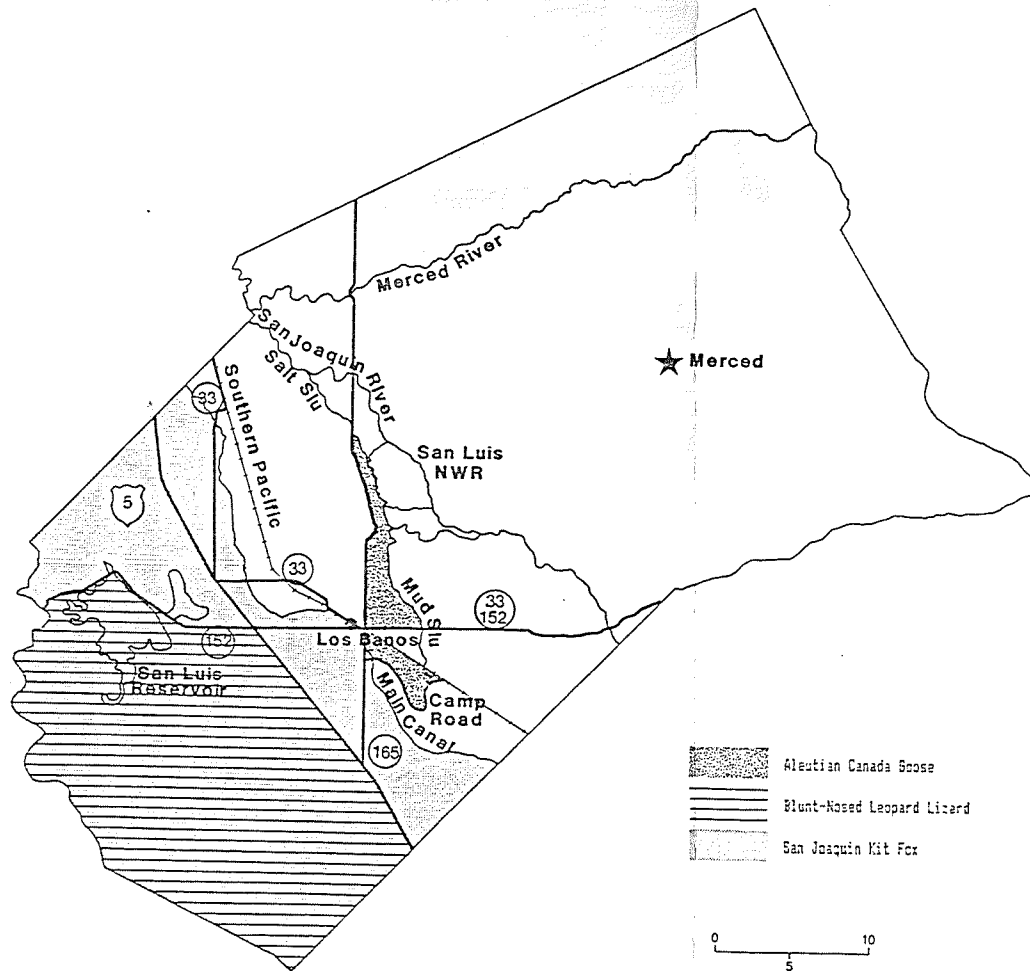
Failure to enact this fee increase would result in the deletion of four of the pesticide program's 10½ ecological specialists. Ecological specialists currently conduct the pesticide misuse investigations, market-place and pesticide product inspections, and other pesticide enforcement work. This would be a substantial reduction in personnel, which not only affects the productivity or the outputs of the program at the state level but also impacts our cooperative work with U.S. Environmental Protection Agency.




We are annually allocated a certain number of work outputs by the U.S. Environmental Protection Agency for which we are paid through our pesticide enforcement and certification grants. Should the amount of work output that we are able to perform be reduced, we should expect a comparable reduction in the amount of federal money granted to us.

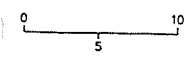
You should also be aware that the amount of workload required of our pesticide sections is increasing dramatically, more so than with any other section of the Division. For example, the current concern regarding the contamination of homes and other structures has resulted in a ten-fold increase in complaints in this area during the last three years. Furthermore, after many years of procrastination, EPA has suddenly sped up actions to cause relabeling, if not cancellation or other restrictions, on a wide variety of pesticide products present in the marketplace. The EPA has also recently notified the states that effective 1988 (next year's growing season), new endangered species labeling is to be in force. Uses of many agricultural pesticides will be restricted to certain portions of individual counties. Our existing personnel will have a very difficult time in handling the new workload imposed by this federal action.




As a final note, these fee increases are requested to allow a continuation of our program and a continuation of personnel as are currently employed. It does not anticipate program enhancements. We would request your very favorable consideration of this bill.

Prototype  
 ENDANGERED SPECIES BULLETIN COUNTY MAP  
 Merced County, California



 Aleutian Canada Goose  
 Blunt-Nosed Leopard Lizard  
 San Joaquin Kit Fox



			
Acephata	P	P	
Aldicarb	P		
Aluminum Phosphide		P	P
Avitrol	P	P	
Azinphos Methyl	P	P	
Carbofuran	P	P	
Carbofuran G	P	P	
Chlorophacinone			P
Chlorpyrifos	P	P	
Chlorpyrifos G	P	P	
Cloethocarb	P		
Diazinon	P	P	
Diazinon G	P	P	
Dicofol	P	P	
Dicrotophos	P		
Disinthalate	P	P	
Disoseb	P	P	
Disulfeton	P		
EFN	P	P	
Endosulfan	P	P	
Ethoprop	P		
Ethoprop G	P		
Fenaciphos	P		
Fenaciphos G	P		
Fensulfothion	P	P	
Fensulfothion G	P	P	
Fonofos	P	P	
Fonofos G	P	P	
Isofenphos	P	P	
Isofenphos G	P	P	
Magnesium Phosphide		P	P
Malathion	P		
Methyl Parathion	P	P	
Mevinphos	P	P	
Oxazyl	P		
Oxazyl G	P		
Oxyfluorfen	P		
Paraquat			P
Parathion	P	P	
Parathion G	P	P	
Phorate G	P		
Sodium Cyanide	P		P
Strychnine	P		P
Toxaphene	P	P	
Trichlorfon	P	P	
Zinc Phosphide	P		P

Testimony on SB 282  
House Agriculture Committee  
March 27, 1987  
Prepared by Joe Lieber  
Kansas Cooperative Council

Mr. Chairman and members of the Committee: for the record, I'm  
Joe Lieber, Executive Vice President of the Kansas Cooperative Council.

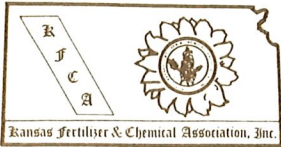
The Kansas Cooperative Council is opposed to the fee increase proposed  
by SB 282.

These proposals more than double the fees that local cooperatives would  
have to pay.

The additional cost will be passed on to the producers at a time when  
they need to be cutting expenses, not adding to them.

Even though \$25, \$150 and \$25 will not break the industry; if you add  
this to all their other fees you can see why some people in the industry  
say they are "Fee Poor."

Thank you.



# KANSAS FERTILIZER AND CHEMICAL ASSOCIATION, INC.

Box 1392

Hutchinson, Kansas 67504-1392

316-662-2598

STATEMENT OF THE  
KANSAS FERTILIZER AND CHEMICAL ASSOCIATION  
TO THE HOUSE AGRICULTURE AND SMALL BUSINESS COMMITTEE  
CLIFFORD CAMPBELL, CHAIRPERSON  
SUSAN ROENBAUGH, VICE CHAIRPERSON  
REGARDING SENATE BILL 282

MARCH 27, 1987

Mr. Chairman and members of the committee, I am Chris Wilson, Director of Governmental Relations of the Kansas Fertilizer and Chemical Association (KFCA). Our over 450 members represent the state's agricultural chemical and fertilizer industry. We appreciate the opportunity to comment on S.B. 282, which would double the pesticide fees to our industry.

These fees help to support the pesticide use, pesticide registration and chemigation law enforcement programs. We understand that the State Board of Agriculture needs additional funds in order to carry out those programs, and we understand that other sources of additional revenue--from the state general fund and the federal government (EPA)--are unavailable. However, we think that doubling the fees overnight is exorbitant and unwarranted. The chemical industry has had to tighten its belts, just as farmers have had to,

ATTACHMENT III  
March 27, 1987



and we can no better afford this increased cost of government than can the state or the EPA.

KFCA members would be more enthusiastic about paying increased fees if they didn't feel that they are already bearing more than their share of the burden of the Board of Agriculture budget. For instance, the fertilizer tonnage tax paid by the industry supports not only the fertilizer inspection program, but other areas of the Board's activities, such as the seed inspection program, as well. We are told that 15% of all the fees paid by the industry go to cover the costs of staff and overhead outside of the realm of our regulatory area. So, we feel we are "paying our way".

Our members would also be more ready to accept an increase in fees if the pesticide training programs could be improved. These are conducted by the Board and the university, and frankly, members have not found them to be beneficial. They feel they are not receiving good training from these sessions. As an association, we have annual crop production schools which the university also helps with, which have proven to be more beneficial.

We hesitate to make these criticisms, because we are very supportive of both the Board and the university, and we have had an excellent working relationship over the years. In fact, Board and university personnel have always been, as they still are, part of our Board of Directors.

Therefore, we do not oppose an increase in pesticide fees as proposed in S.B. 282, but we feel it should not be a doubling of the present fees. We would ask that the Board consider possibilities of streamlining and reducing costs as the rest of agriculture has, and work to improve the training program which these fees support.

I would be happy to respond to questions.

# The Program

## BOARD OF AGRICULTURE — DIVISION OF PLANT HEALTH

### PROGRAM OPERATIONS

The Plant Health program consists of four subprograms: pesticide use, plant protection, noxious weed control, and plant health administration. This program provides information and training on the beneficial use of pesticides and the minimization of any harmful effect from their use. It also seeks to prevent or retard the introduction of foreign plant pests and diseases into the state and seeks to control noxious weeds through education, training, detection, and eradication.

Pesticide use is regulated through licensing, testing, and certification of pesticide users. Also required is licensing of pesticide businesses, registration of pesticide products and dealers, and registration of those persons wishing to practice chemigation, i.e. the application of pesticides through irrigation. For FY 1988, approximately 1,300 pesticide businesses will be licensed and approximately 7,700 pesticide products will be registered under this program. Program personnel will investigate approximately 240 complaints and hold seminars on the proper use and handling of pesticides. Education and enforcement designed to reduce pesticide drift in aerial application is provided.

Plant pests and diseases are regulated through inspection, testing, and licensing. In FY 1988 approximately 10,000 phytosanitary and apiary health export certificates will be issued upon inspection of the products prior to interstate or foreign shipment. The inspection and licensing of nurseries and the conduct of plant pest surveys will continue to be major program activities.

Noxious weed control activities include provision of assistance and training to county and city weed supervisors in the effective control of noxious weeds, and investigation of violations of the Noxious Weed Act.

### PROGRAM OBJECTIVES

To reduce pesticide misuse violations through the issuance of applicator certifications and the investigation of misuse violations.

To provide inspection for all phytosanitary and apiary health export certificate requests.

To respond to all plant pest and disease outbreaks and request special-use controls, where necessary.

To provide an administrative and informational framework for implementation of the Noxious Weed Act.

### STATUTORY HISTORY

The Kansas Pesticide Law (K.S.A. 2-2438 et seq.) was enacted in 1976. This law combined the regulatory and licensing provisions of the prior Pest Control Act and the Pesticide Use Law. To comply with the federal Environmental Pesticide Control Act, certification of pesticide applicator competence was adopted. In 1937, the Noxious Weed Act (K.S.A. 2-1301 et seq.) was passed authorizing the Board of Agriculture to adopt official methods of noxious weed control. Other laws administered by this program include the Plant Pest Act (K.S.A. 2-2112 et seq.), the Barberry Eradication Act (K.S.A. 2-712 et seq.), and the Apiary Inspection Act (K.S.A. 2-2411 et seq.). Statutory provisions for regulating chemigation and for registering pesticide dealers are found in Chapters 5 and 12, respectively, of the 1985 Session Laws of Kansas.

### GOVERNOR'S RECOMMENDATION

The Governor's recommendation for FY 1987 substantially reduces expenditures in the noxious weeds subprogram by abolishing five area weed specialist positions. The remaining two positions assigned to this subprogram are regarded as adequate to meet the agency's minimum statutory responsibilities under the Noxious Weed Law. In effect, the recommendation for FY 1987 and FY 1988 replaces the existing five noxious weed control districts with a single, statewide district for purposes of administering the act. The Governor's recommendation for FY 1987 also includes a State General Fund supplemental appropriation for the pesticide use subprogram to offset deficits in Pesticide Use fee receipts. For FY 1988, the Governor recommends fee increases necessary to continue regulation of pesticide use at current levels. The recommendation increases the pesticide business application fee from \$75 to \$150; increases the pesticide registration fee from \$15 to \$25 per product; and increases the fee charged to pesticide applicator businesses for uncertified applicators from \$10 to \$25 per person. Combined, the fee increases are expected to produce additional receipts of approximately \$157,000.

## SUMMARY/AGENCY-WIDE APPEALS

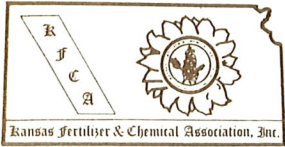
Expenditure levels recommended by the Governor for FY 1988 are far below the optimum level of expenditures necessary for program accomplishment. Further, these recommendations place, in jeopardy, the activities of many programs and the achievement of the most basic of statutory responsibilities. These recommendations by the Governor reduce agency expenditures below FY 1987 levels of operation. These reductions are not felt to be justifiable in all cases and require certain restoration and expenditure funding manipulation. Because of projected savings to be realized in FY 1988, as a result of FY 1987 Agency initiated economies, the State Board of Agriculture requests that flexibility in budget reduction be allowed and that the Legislature work with the Agency to restore some areas of funding and still achieve a desired level of economy.

### SPECIAL REVENUE FUNDS

The utilization of Special Revenue Funds proposed by the Governor's Recommendations maximizes the expenditures of such funds in the place of State General Funds. This process of substituting Special Revenue Funds for State General Funds has been forced upon the State Board of Agriculture for the past five fiscal years. Such Special Revenue substitution results in various problems to this agency. First, by spending the maximum amount of Special Revenue as possible, dangerously minimal carry-forward balances are realized from one fiscal year to the next. This problem magnifies itself in two areas-- the projection of special revenues must be accurate in a budget dependent on maximum fund utilization and since fees come in at different times during the fiscal year, limited carry-forward balances will result in serious cash flow difficulties for expenditures at the first of the fiscal year.

The second concern for substitution of Special Revenue Funds for State General Funding relates to the propriety or statutory authority to spend Special Revenue, collected for one purpose, to fund the activities of an entirely different function. There are many Special Revenue Funds utilized by the State Board of Agriculture presently that are funding programs for purposes other than what they are collected. An example is the utilization of the Fertilizer Fee Fund to fund the collection of seed samples. It is the recommendation of the State Board of Agriculture that such utilization of funding for functions foreign to the activity for which the Special Revenue Fund is collected should be halted. This would solve the problems of preservation of sufficient carry-forward balances and would also establish a regulatory environment in which the regulated industries would only be burdened for the cost of their regulation.

Contained in the FY 1988 Budget proposed by this agency, there are two Special Revenue Funds proposed for the purpose of recouping the cost of regulation of those areas--costs which are presently being funded through Special Revenue Sources foreign to such regulatory activities. These two areas are seed inspection activities and anhydrous ammonia inspection activities. The FY 1988 budget contains a request for the establishment of new fee funds in both areas to finance the regulatory activity in these two areas presently being funded by Special Revenue Funds collected for the regulation expenses of other industries.



# KANSAS FERTILIZER AND CHEMICAL ASSOCIATION, INC.

Box 1392 • Hutchinson, Kansas 67504-1392 • 316-662-2598

STATEMENT OF THE KANSAS FERTILIZER AND CHEMICAL ASSOCIATION

TO THE HOUSE AGRICULTURE AND SMALL BUSINESS COMMITTEE

CLIFFORD CAMPBELL, CHAIRPERSON

SUSAN ROENBAUGH, VICE CHAIRPERSON

REGARDING S.B. 282

MARCH 27, 1987

Mr. Chairman and members of the committee, my name is Charles A. Wilson. I live at 2520 East 44th Street, Hutchinson, Kansas. I am Vice-President of Marketing for Collingwood Grain, Inc. and am an active member of the Kansas Fertilizer and Chemical Association. I have been actively involved in selling agricultural chemicals in the state of Kansas for 22 years. Thirteen of those have been with Collingwood Grain, Inc. where I am responsible for marketing of all non-grain products which includes chemicals primarily for agricultural use.

I am appearing today with two hats, one as a representative of the KFCA and one as a private citizen interested in the affairs of the agricultural chemical business. The testimony I will give first is as a dealer representative of KFCA which has a membership

ATTACHMENT IV  
March 27, 1987

totalling 450 dealers throughout Kansas. My testimony represents a cross-section from approximately 20 percent of the active dealers and is the consensus of those who have expressed specific opinions related to Senate Bill 282. Our representation would no doubt be considerably greater but all of us are now in the early stages of our "chemical selling season"; therefore, many of our members have not had the opportunity to be fully aware of SB 282; or, cannot take the time "away from business" to make a personal appearance.

My purpose is to present some general and some specific objections to SB 282

## OBJECTIONS

GENERAL:

- (1) As dealers in Ag-chemicals we generally support the intent of the new administration to provide "fiscal responsibility in the State of Kansas"; but, we object to new taxation in the form of increased....income taxes, sales taxes, franchise fees, licensing fees; and/or, whatever form someone chooses to originate.
  
- (2) As dealers we have generally supported the actions and activities of the Kansas Board of Agriculture and its several control functions and our association has taken an active part in helping to formulate several of their current programs; however, we do not feel that we should be forced to pay for more control without a corresponding increase in services rendered.
  
- (3) Most members of the KFCA do not feel that we receive the level of "field services" which we currently support; therefore, we subscribe to the principles of the "Boston Tea Party" -

no more taxation without adequate production of the Board of Agriculture at the dealer and farm level of business!

SPECIFICS:

Now, as a dealer organization we specifically object to the following sections of SB 282:

- (1) Line 0064. Change of fees from \$15.00 to \$25.00. While this is a relatively small increase and would only have a direct impact upon our suppliers, we feel that this increase is not justified because of our position stated in item No. 1 of our general objections.
- (2) Line 0135 through 0141. KFCA objects to the change in fee's proposed for the following reasons:
  - (a) There is no reasonable justification for an increase in fees currently paid by dealers,



(b) the increase of 100-150% of present fees is ridiculously inflationary and is obviously designed solely for the purpose of producing new revenues to replace "budget cuts" rather than meeting a reasonable need for increased services,

(c) the chemical industry is currently paying more than adequate fees to support the services being rendered by the Kansas Board of Agriculture; and,

(d) current services provided by the Board of Agriculture through present training and certification programs is of inferior quality; therefore, does not even justify the present fees being paid.

(3) Line 0147. Just to "nit-pick" regarding the change! Why didn't they also change the number 10 to ten" - to be grammatically correct!

## RECOMMENDATIONS

As an organization, KFCA does not believe in stating objections just for the purpose of being negative. We believe in progress; thus, we would present some recommendations for proper consideration.

First, it is our opinion that the "Kansas Department of Agriculture" has been forced to inaugurate SB 282 as a mechanism to generate new, or replacement, revenue to maintain its present staff and programs which some of us already believe are inadequate. Therefore, we seriously question the motives of this bill and object to the financial consequences to us, as dealers, of this action. Why should we be expected to pay more for less? We would just like to get a fair value for what we are already paying in taxes and license fees!

Our specific recommendations regarding SB 282 are as follows:

- (1) Reject it as it is now written.
- (2) Make it mandatory that the Board of Agriculture adequately communicate its intentions to those of us who are concerned with, and affected by, their actions!

- (3) Eliminate the apparent duplication of efforts between the KDOA and KDHE!
  
- (4) Commission the KFCA to conduct their own training seminars for certification of pesticide applicators and relieve the KDOA of this responsibility! KFCA believes that we are better qualified to train ourselves than to pay for the poor quality of training that is now provided by the agencies currently providing these services. We have no objection to KDOA's involvement with a training program; but, the industry has many professionals who are adequately trained and are willing to conduct "training sessions" to expose all of our employees to better systems of management for the safe use of pesticides. No one is more concerned than KFCA!

In addition, we have some suggestions for the Kansas Department of Agriculture.

- (1) Evaluate the current "in-house" structure and functions of each division within the department and see where you can combine staff and support functions to achieve some

economy while enlarging, or at least maintaining, your field staff who provides the "on-line services" to us as dealers.

- (2) Eliminate inter-departmental "in-fighting" which wastes time, energy, and talent so that we as dealers can receive the services we pay you to provide.
- (3) Tighten up your belts - we have!
- (4) Eliminate waste and duplication - we have!
- (5) Build a more productive work force - we have!
- (6) Eliminate anyone who doesn't put 110% of his share of the load - we have!
- (7) Work smarter - we are and will continue to do so!

As dealers we have had to do these things to survive in order to be a viable part of "better times" ahead. We expect no less of all of you!

T E S T I M O N Y  
on

Senate Bill 282  
Presented to The Committee on  
Agriculture and Small Business  
by Vernon McKinzie      3-27-87

Mister Chairman, Members of the Committee: Thank you for the opportunity to appear before you.

My name is Vernon McKinzie from Emporia. My testimony yesterday gives you my background. So I won't duplicate it.

As a spokesman for the Kansas Termite and Pest Control Association I am here to present our concerns about SB 282. Our industry is affected by the license fee increase, uncertified applicator fee increase, and several of our members operate retail stores as pesticide dealers.

We don't like a 100% increase in license fees from \$75.00 a year to \$150.00 a year per license category and a 150% increase for uncertified applicators from \$10.00 annually to \$25.00 annually.

We recognize the need for increased revenue for the Plant-Health Division and appreciate the support our industry receives from their staff. We would hate to see their support curtailed.

Since we have been involved in developing and following SB 123 we have been told by the State Board of Agriculture Staff that their annual record keeping costs run between \$20.00 and \$25.00 per individual. That being the case, we question the wisdom of maintaining the Certified Applicator fees at \$35.00 for Commercial Certified Applicators for three years and \$10.00 for Private Certified Applicators for five years. We believe an increase in these fees and a lesser increase in licensing fees might be a wiser choice

and would suggest you consider that approach.

We recognize the need for increased funding and would accept lesser increases than 100 to 150 percent.

Thank you.



# SIERRA CLUB

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## *Kansas Chapter*

3 March 1987

To: Senate Committee on Agriculture  
From: Terry Shistar

### SIERRA CLUB TESTIMONY ON SB 282

The Kansas Sierra Club is non-profit organization of about 1600 members concerned with protection of the environment for people and wildlife. For many years, pesticide misuse has been a concern of the Sierra Club in Kansas and elsewhere. I am the volunteer Pesticide Coordinator for the Sierra Club nationally and a member of the Executive Committee of the Kansas Sierra Club.

The Sierra Club supports SB 282 because it is necessary to prevent further deterioration in pesticide regulatory programs. Without this bill, the Board of Agriculture will lose 50% of the field staff in pesticide and dealer registration, 25% of the field staff in pesticide use programs, and the only field staff person assigned to implementing the new chemigation program.

An enforcement agency cannot produce compliance with state laws by merely sitting in an office in Topeka. If products are to be checked to see that they meet specifications, applicators monitored to prevent misuse, or groundwater contamination from chemigation avoided, the Board of Agriculture must have the staff to do field work. These fees are not out of line with those charged in other states. We urge you to support this bill.