

Approved February 17, 1988  
Date

MINUTES OF THE Senate COMMITTEE ON Agriculture

The meeting was called to order by Senator Jim Allen at  
Chairperson

10:07 a.m. ~~xxx~~ on February 9, 1988 in room 423-S of the Capitol.

All members were present ~~except~~:

Committee staff present: Raney Gilliland, Legislative Research Department  
Jill Wolters, Revisor of Statutes Department

Conferees appearing before the committee: Brad Shogren, Kansas Soybean Association  
Howard Tice, Kansas Association of Wheat Growers

Senator Allen called the committee to order and called for action on the committee minutes.

Senator Arasmith made a motion the minutes of the February 4 committee meeting be approved. Senator Doyen seconded the motion; motion carried.

The Chairman called on Senator Gordon to introduce guests of the committee.

Senator Gordon introduced Virginia Thrall and Joseph Kraus from Lombard, Illinois, who are on staff of the Council of State Governments. Ms. Thrall and Mr. Kraus were visiting the Kansas Legislature.

The Chairman called on Brad Shogren so that he could request legislation.

Mr. Shogren requested the committee request a bill be written that would allow the Kansas Soybean Association the authority to raise the soybean mill levy from 10 mills up to 20 mills. In explanation, Mr. Shogren stated the Soybean Commission would raise the mill levy up to 20 mills, (or 2¢ a bushel) rather than a step by step increase.

Senator Doyen made a motion the committee request the legislation requested from the Kansas Soybean Association. Senator Norvell seconded the motion. Motion carried.

The Chairman called for committee action on SB 447, SB 448, and SB 449. The Chairman explained he saw no reason for committee action on SB 447 as SB 449 covers the same area. Senator Allen called on Howard Tice to present some amendments for SB 448.

Mr. Tice gave copies of a balloon draft for SB 448 (attachment 1) to the committee. Mr. Tice explained the balloon draft of the bill changed the word "excise" to be "assessment" so as to bring the Wheat Commission in compliance with other commissions. Mr. Tice requested the legislation be effective on June 1, 1988 instead of July 1, 1988 so that the effective date would go along with the harvest season of wheat.

Senator Kerr made a motion the committee accept the amendments offered for SB 448. Senator Doyen seconded the motion; motion carried.

Committee discussion centered around the advisability of permitting the Wheat Commission to raise or lower its mill levy without Legislative oversight. It was expressed that not enough is done by grain producers to promote their agricultural products and that a one cent mill levy increase per bushel is fair. It was explained that the wheat commissioners, who are appointed by the Governor, set the mill levy for the Wheat Commission.

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Agriculture,  
room 423-S, Statehouse, at 10:07 a.m./~~10:00~~ on February 9, 19<sup>88</sup>.

Staff suggested changing the words to read beginning in paragraph one after (a), "On and after June 1, 1988, the commission shall set the assessment at a rate of not more than ten mills per bushel".

Senator Norvell made a motion to accept the suggested words by staff; Senator Gannon seconded the motion.

Senator Montgomery made a motion that staff write a substitute bill to clear up the language of SB 448 as suggested by the committee. Seconded by Senator Karr. The motion failed.

The Chairman called for a vote on the original motion by Senator Norvell which was seconded by Senator Gannon. Motion carried.

Senator Norvell made a motion that in line 6 of paragraph 3 of the balloon amendment on page 1 that a comma be added after the word, "assessment" and that the bracket before "except" and the ending bracket in the next line be eliminated, and that the word "will" in the line 6 be changed to "shall". Senator Warren seconded the motion; motion carried.

Senator Kerr made a motion the revisor be given the latitude to reword the first part of sentence one of paragraph two on page 1 of the balloon amendment to make it clear that the mill levy can be reduced or increased but not more often than once a year. Senator Warren seconded the motion; motion carried.

Senator Norvell made a motion the revisor change the words in line 5 of Section 3 to read "The administrator shall issue a receipt to the purchaser therefore and shall remit all monies received in payment of such assessment to the State Treasurer at least monthly". Senator Gannon seconded the motion. Motion carried.

Senator Karr made a motion that "when printed in the Kansas Register" be added to Section 5. Senator Warren seconded the motion. Motion carried.

Senator Warren made a motion the Revisor reword Section 4 to read correctly. Senator Montgomery seconded the motion. Motion carried.

Senator Doyen made a motion the committee recommend the Substitute SB 448 favorable for passage. Senator Kerr seconded the motion. Motion carried.

The Chairman announced the committee would take action on SB 449 at the next committee meeting and then adjourned the committee at 10:57 a.m.



2015  
C.D. Day

assessment

# SENATE BILL No. 448

By Special Committee on Agriculture and Livestock

Re Proposal No. 4

12-16

0019 AN ACT concerning the Kansas wheat commission; relating to  
0020 the mill levy ~~excise tax~~ amending K.S.A. 1987 Supp. 2-2608  
0021 and repealing the existing section.

0022 *Be it enacted by the Legislature of the State of Kansas:*

0023 Section 1. K.S.A. 1987 Supp. 2-2608 is hereby amended to  
0024 read as follows: 2-2608. (a) There is hereby levied an excise tax of

0025 ~~four mills per bushel upon wheat marketed through commercial~~  
0026 ~~channels in the state of Kansas. The commission shall set the~~  
0027 ~~excise tax at a rate of not more than 10 mills per bushel. The tax~~  
0028 ~~shall be levied and assessed to the grower at the time of sale, and~~  
0029 ~~shall be shown as a deduction by the first purchaser from the~~  
0030 ~~price paid in settlement to the grower. The administrator shall~~  
0031 ~~furnish to every first purchaser receipt forms which shall be~~  
0032 ~~issued by such first purchaser to the grower upon payment of~~  
0033 ~~such excise tax. The form shall indicate thereon the procedure by~~  
0034 ~~which the grower may obtain a refund of any such tax. Within~~  
0035 ~~one year after any and all sales during such period the grower~~  
0036 ~~may upon submission of a request therefor to the administrator,~~  
0037 ~~obtain a refund in the amount of the tax or taxes deducted by the~~  
0038 ~~first purchaser. Such request shall be accompanied by evidence~~  
0039 ~~of the payment of the tax or taxes which need not be verified.~~

(a) Commencing June 1, 1988, there is hereby levied an assessment of not to exceed ten (10) mills per bushel upon wheat marketed through commercial channels in the state of Kansas on and after such date. The assessment shall be levied and assessed to the grower at the time of sale, and shall be shown as a deduction by the first purchaser from the price paid in settlement to the grower. Under the provisions of this act, no wheat shall be subject to the assessment more than once.

The commission shall have the power to reduce the assessment for such period as it shall deem justified, but not less than one year, whenever the commission shall determine that the assessment provided by this section is yielding more than is required to carry out the intent and purpose of KSA 2-2606. If the commission, after reducing such assessment, finds that sufficient revenue is not being produced by such assessment, the commission may restore in full or in part, such assessment, not to exceed ten (10) mills per bushel.

The administrator shall furnish to every first purchaser receipt forms which shall be issued by such first purchaser to the grower upon payment of such assessment. The form shall indicate thereon, the procedure by which the grower may obtain a refund of any such assessment [except a refund will not be issued unless the amount of the refund is \$5.00 or more]. Within one year after any and all sales during such period the grower may upon submission of a request therefor to the administrator, obtain such refund in the amount of the assessment or assessments deducted by the first purchaser. Such request shall be accompanied by evidence of the payment of the assessment or assessments which need not be verified.

0040 (b) The commission shall keep complete records of all  
0041 funds made under the provisions of this section. Records of  
0042 refunds may be destroyed two years after the refund is made. All  
0043 funds expended in the administration of this act and for the  
0044 payment of all claims whatsoever growing out of the perform-  
0045 ance of any duties or activities pursuant to this act shall be paid  
0046 from the proceeds derived from such act. In the case of a lien

attachment 1  
2-9-88

0047 holder who is a first purchaser as defined herein, the tax shall be  
 0048 deducted by the lien holder from the proceeds of the claim  
 0049 secured by such lien at the time the wheat is pledged or mort-  
 0050 gaged. The tax shall constitute a preferred lien and shall have  
 0051 priority over all other liens and encumbrances upon such wheat.  
 0052 The tax shall be deducted and paid as herein provided whether  
 0053 such wheat is stored in this or any other state.

assessment

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0054 (c) Any wheat acquired by a grower as defined in K.S.A.  
 0055 2-2602, and amendments thereto, under the provisions of any  
 0056 federal payment-in-kind (PIK) program, shall be subject to the  
 0057 provisions of this section.

0058 Sec. 2. K.S.A. 1987 Supp. 2-2608 is hereby repealed.

0059 Sec. 3. This act shall take effect and be in force from and  
 0060 after its publication in the statute book.

Sec. 3 K.S.A. 2-2609 is hereby amended as follows:

The tax assessment hereby imposed shall on or before the twentieth day of the calendar month following the date of settlement be paid by the purchaser to the administrator. The administrator shall receipt the said purchaser therefor and promptly turn the tax payment assessment over to the state treasurer who shall issue a receipt to the Kansas Wheat Commission and credit the amounts prescribed by K.S.A. 75-3170 to the general fund of the state for the purpose of reimbursing such fund as provided for in said K.S.A. 75-3170; and the balance thereof shall be deposited in a special fund which is hereby created and shall be known as "Kansas wheat commission fund." All money so deposited is hereby appropriated and made available for expenditure in the administration of this act, and for the payment of claims based upon obligations incurred in the performance of the activities and functions set forth in this act, and for no other purpose. The director or accounts and reports is hereby authorized to draw warrants upon the treasurer of the state for said purposes and againse said Kansas wheat commission fund upon duly itemized vouchers executed as provided by law, filed in the office of director of accounts and reports, and approved by the administrator or the chairman of the commission.

Sec. 4 K.S.A. 2-2610 is hereby amended as follows:

If the tax assessment is not deducted and paid to the administrator as provided in K.S.A. 2-2610, or within ten (10) days thereafter, said lien may within one (1) year after the expiration of said ten (10) say period be foreclosed by action in any court having jurisdiction in the county in which such wheat was grown, or sold, or in which such wheat may be found, or in which such wheat shall have been commingled with other wheat

Sec. 5 June 1, 1988.