

Approved March 14, 1988  
Date

MINUTES OF THE Senate COMMITTEE ON Agriculture

The meeting was called to order by Senator Allen at  
Chairperson

10:08 a.m./~~p.m.~~ on March 4, 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:

Senator Allen called the committee to order and called for committee action on SB 667.

Staff gave copies of a balloon draft of amendments for SB 667 (attachment 1) and then explained the changes.

Senator Montgomery made a motion the committee accept the amendments suggested for SB 667. Senator Gannon seconded the motion. Committee comments suggested that the bill would be ineffective and unenforceable. Motion carried.

Senator Montgomery made a motion the committee recommend SB 667 favorable for passage as amended. Senator Doyen seconded the motion. Motion carried.

The Chairman turned committee attention to SB 637 for action.

Staff gave copies of a balloon draft of SB 637 with amendments (attachment 2).

Senator Gordon moved the committee accept the amendments for SB 637. Senator Arasmith seconded the motion. Discussion included that a 10 mill increase was a big increase. It was suggested that in line 26 the word 'shall' be changed to 'may'.

Senator Warren made a substitute conceptional motion that the committee accept the amendments and that they be changed to read like the Wheat Commission statutes with regard to assessments; that it be changed to read that the commission 'may' levy an assessment up to 20 mills. Senator Thiessen seconded the motion. Motion carried.

Staff gave copies of HB 2433 from the 1983 Legislative Session (attachment 3) which addresses the problem of sometimes double payment of assessments.

Committee discussion pointed out that if the mill levy is raised to 20 mills that double payment of assessment should not occur. Also if changes are made that the word 'assessment' should be used and not the word 'tax'. It was also commented that anyone that does pay a double assessment may request a refund from the Soybean Commission; thus SB 637 should remain as with the attached amendments.

Senator Montgomery made a conceptional motion that SB 637 be amended so as to read that assessment shall not be charged at an ASCS Office. Senator Gordon seconded the motion. Committee discussion questioned how much of the Soybean Commission budget comes from assessments charged at ASCS offices. Galen Swensen, who was in attendance, answered that about one third of their budget is derived from assessments charged at ASCS Offices. It was questioned if the commission is allowed to increase

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Agriculture,  
room 423-S, Statehouse, at 10:08 a.m. ~~p.m.~~ on March 4, 1988

their mill levy to 20 mills if, considering if no assessments would be charged at ASCS Offices, would that be enough funds to fund the commission.  
Motion carried.

Senator Montgomery made a motion the committee recommend SB 637 favorable for passage as amended. Senator Gannon seconded the motion.  
Motion carried.

The Chairman adjourned the committee at 10:47 a.m.



**SENATE BILL No. 667**

By Committee on Agriculture

2-17

0016 AN ACT concerning security interests; relating to farm products;  
0017 amending K.S.A. 1987 Supp. 21-3734 and repealing the exist-  
0018 ing section.

0019 *Be it enacted by the Legislature of the State of Kansas:*

0020 Section 1. K.S.A. 1987 Supp. 21-3734 is hereby amended to  
0021 read as follows: 21-3734. (1) Impairing a security interest is:

0022 (a) Damaging, destroying or concealing any personal prop-  
0023 erty subject to a security interest with intent to defraud the  
0024 secured party;

0025 (b) selling, exchanging or otherwise disposing of any per-  
0026 sonal property subject to a security interest without the written  
0027 consent of the secured party, with intent to defraud the secured  
0028 party, where such sale, exchange or other disposition is not  
0029 authorized by the secured party under the terms of the security  
0030 agreement; or

0031 (c) failure to account to the secured party for the proceeds of  
0032 the sale, exchange or other disposition of any personal property  
0033 subject to a security interest, with intent to defraud the secured  
0034 party, where such sale, exchange or other disposition is autho-  
0035 rized and such accounting for proceeds is required by the se-  
0036 cured party under the terms of the security agreement or other-  
0037 wise.

0038 (2) ~~Impairing a security interest is a class C felony when the~~  
0039 ~~personal property subject to the security interest include farm~~  
0040 ~~products of the value of \$50 or more and is subject to a security~~  
0041 ~~interest of \$50 or more.~~ Impairing a security interest is a class E  
0042 felony when the personal property subject to the security inter-  
0043 est is of the value of \$150 or more and, ~~but does not include farm-~~  
0044 ~~products of a value of \$50 or more,~~ is subject to a security

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0045 interest of \$150 or more. Impairment of security interest is a class  
0046 A misdemeanor when the personal property subject to the se-  
0047 curity interest is of the value of less than \$150, or of the value of  
0048 \$150 or more but subject to a security interest of less than \$150.

0049 (3) *In the event the trial court determines that probation*  
0050 *should be granted to any person convicted of impairing a se-*  
0051 *curity interest in personal property which includes farm prod-*  
0052 *ucts of a value of \$50<sup>1</sup> or more, the court, as a condition of such*  
0053 *probation, shall require such person to make restitution to the*  
0054 *secured party of the total value of the security interest which*  
0055 *has been impaired.*

0056 (4) *For the purposes of this act, the term "farm product"*  
0057 *means an agricultural commodity such as wheat, corn, soybeans*  
0058 *or a species of livestock such as cattle, hogs, sheep, horses or*  
0059 *poultry used or produced in farming operations, or a product of*  
0060 *such crop or livestock in its unmanufactured state, such as*  
0061 *ginned cotton, wool-clip, maple syrup, milk and eggs, that is in*  
0062 *the possession of a person engaged in farming operations.*

0063 Sec. 2. K.S.A. 1987 Supp. 21-3734 is hereby repealed.

0064 Sec. 3. This act shall take effect and be in force from and  
0065 after its publication in the statute book.

\$150

as provided in subsection (4) (a) of K.S.A. 21-4610,  
and amendments thereto

## SENATE BILL No. 637

By Committee on Agriculture

2-11

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0016 AN ACT concerning the commodity commissions; increasing the  
0017 soybean assessment to 20 mills; amending K.S.A. 1987 Supp. relating to the terms of commission membership;  
0018 2-3007 and repealing the existing section, \_\_\_\_\_ K.S.A. 2-3002 and  
sections \_\_\_\_\_

0019 *Be it enacted by the Legislature of the State of Kansas:*

0020 Section 1. K.S.A. 1987 Supp. 2-3007 is hereby amended to Insert attached sheet

0021 read as follows: 2-3007. (a) There is hereby levied an assessment  
0022 of three mills per bushel upon corn and grain sorghum marketed  
0023 through commercial channels in the state of Kansas. There is  
0024 hereby levied an assessment of ~~10~~ 20 mills per bushel upon  
0025 soybeans marketed through commercial channels in the state of  
0026 Kansas. Such assessment shall be levied and assessed to the  
0027 grower at the time of sale, and shall be shown as a deduction by  
0028 the first purchaser from the price paid in settlement to the  
0029 grower. The division shall furnish to every first purchaser receipt  
0030 forms which shall be issued by such first purchaser to the grower  
0031 upon the payment of such assessment. The form shall indicate  
0032 thereon the procedure by which the grower may obtain a refund  
0033 of any such assessment. Within one year after any and all sales  
0034 during such period the grower may upon submission of a request  
0035 therefor to the division, obtain a refund in the amount of the  
0036 assessments deducted by the first purchaser. Such request shall  
0037 be accompanied by evidence of the payment of the assessments  
0038 which need not be verified.

, except a refund shall not be issued unless  
the amount of the refund is \$5 or more

0039 (b) The division shall keep complete records of all refunds  
0040 made under the provisions of this section. Records of refunds  
0041 may be destroyed two years after the refund is made. All funds  
0042 expended in the administration of this act and for the payment of  
0043 all claims whatsoever growing out of the performance of any  
0044 duties or activities pursuant to this act shall be paid from the

0045 proceeds derived from such assessment. In the case of a lien  
0046 holder who is a first purchaser as defined herein, the assessment  
0047 shall be deducted by the lien holder from the proceeds of the  
0048 claim secured by such lien at the time the corn, grain sorghum or  
0049 soybeans are pledged or mortgaged. The assessment shall con-  
0050 stitute a preferred lien and shall have priority over all other liens  
0051 and encumbrances upon such corn, grain sorghum or soybeans.  
0052 The assessment shall be deducted and paid as herein provided  
0053 whether such corn, grain sorghum or soybeans are stored in this  
0054 or any other state.

0055 (c) Any corn or grain sorghum acquired by a grower as de-  
0056 fined in K.S.A. 2-3001, and amendments thereto, under the  
0057 provisions of any federal payment-in-kind (PIK) program shall be  
0058 subject to the provisions of this section.

0059 ~~Sec. 2. K.S.A. 1987 Supp. 2-3007 is hereby repealed.~~

0060 ~~Sec. 3. This act shall take effect and be in force from and~~  
0061 ~~after its publication in the statute book.~~

Sec. 3. K.S.A. 2-3002 and K.S.A. 1987 Supp. 2-3007 are

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September 1, 1988, and

Section 1. K.S.A. 2-3002 is hereby amended to read as follows: 2-3002. (a) There are hereby created three ~~(3)~~ separate and distinct commissions which shall be known as the Kansas corn commission, the Kansas grain sorghum commission and the Kansas soybean commission. Such commissions shall be attached to and be a part of the division of markets of the state board of agriculture. The membership of each said such commission shall be appointed by the governor in the manner prescribed by this section. One member shall be appointed to the Kansas corn commission and the Kansas grain sorghum commission from each district as denoted by subsection (b). One member shall be appointed to the Kansas soybean commission from each district as denoted by subsection (c). For each commission the members shall serve for a term of four ~~(4)~~ years, except that the members first appointed to the Kansas corn commission and the Kansas grain sorghum commission from districts I, II and III shall serve for four ~~(4)~~ years, the members first appointed from districts IV, V and VI shall serve for three ~~(3)~~ years and the members first appointed from districts VII, VIII and IX shall serve for two ~~(2)~~ years, and except that the members first appointed to the Kansas soybean commission from districts I, II and III shall serve for four ~~(4)~~ years, the members first appointed from districts IV, V and VI shall serve for three ~~(3)~~ years and members first appointed from district VII shall serve for two ~~(2)~~ years. Vacancies which may occur shall be filled for unexpired terms in the same manner. Upon the expiration of a term of a member of a commission, such member shall continue to serve as a member until a successor to such member is appointed and qualified. The vice president for agriculture of Kansas state university shall be an ex officio member, without the right to vote, of each said such commission.

(b) District I shall consist of the following counties: Cheyenne, Decatur, Graham, Norton, Rawlins, Sheridan, Sherman and Thomas.

*attachment 2*  
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District II shall consist of the following counties: Gove, Greeley, Lane, Logan, Ness, Scott, Trego, Wallace and Wichita.

District III shall consist of the following counties: Clark, Finney, Ford, Grant, Gray, Hamilton, Haskell, Hodgeman, Kearny, Meade, Morton, Seward, Stanton and Stevens.

District IV shall consist of the following counties: Clay, Cloud, Jewell, Mitchell, Osborne, Ottawa, Phillips, Republic, Rooks, Smith and Washington.

District V shall consist of the following counties: Barton, Dickinson, Ellis, Ellsworth, Lincoln, McPherson, Marion, Rice, Rush, Russell and Saline.

District VI shall consist of the following counties: Barber, Comanche, Edwards, Harper, Harvey, Kingman, Kiowa, Pawnee, Pratt, Reno, Sedgwick, Stafford and Sumner.

District VII shall consist of the following counties: Atchison, Brown, Doniphan, Jackson, Jefferson, Leavenworth, Marshall, Nemaha, Pottawatomie, Riley and Wyandotte.

District VIII shall consist of the following counties: Anderson, Chase, Coffey, Douglas, Franklin, Geary, Johnson, Linn, Lyon, Miami, Morris, Osage, Shawnee and Wabaunsee.

District IX shall consist of the following counties: Allen, Bourbon, Butler, Chautauqua, Cherokee, Cowley, Crawford, Elk, Greenwood, Labette, Montgomery, Neosho, Wilson and Woodson.

(c) District I shall consist of the following counties: Nemaha, Brown, Doniphan, Jackson, Atchison, Jefferson, Leavenworth and Wyandotte.

District II shall consist of the following counties: Shawnee, Douglas, Johnson, Osage, Franklin and Miami.

District III shall consist of the following counties: Coffey, Anderson, Linn, Woodson, Allen and Bourbon.

District IV shall consist of the following counties: Wilson, Neosho, Crawford, Montgomery, Labette and Cherokee.

District V shall consist of the following counties: Jewell, Republic, Washington, Marshall, Mitchell, Cloud, Clay, Riley, Pottawatomie, Lincoln, Ottawa, Dickinson, Geary, Wabaunsee,

Ellsworth, Saline, Morris and Lyon.

District VI shall consist of the following counties: Rice, McPherson, Marion, Chase, Stafford, Reno, Harvey, Butler, Greenwood, Pratt, Kingman, Sedgwick, Barber, Harper, Sumner, Cowley, Elk and Chautauqua.

District VII shall consist of the following counties: Cheyenne, Rawlins, Decatur, Norton, Phillips, Smith, Sherman, Thomas, Sheridan, Graham, Rooks, Osborne, Wallace, Logan, Gove, Trego, Ellis, Russell, Greeley, Wichita, Scott, Lane, Ness, Rush, Barton, Hamilton, Kearney, Finney, Hodgeman, Pawnee, Edwards, Stanton, Grant, Haskell, Gray, Ford, Kiowa, Morton, Stevens, Seward, Meade, Clark and Commanche.

Sec. 2.

## HOUSE BILL No. 2433

By Representatives Polson, Acheson, Apt, Arbuthnot, Aylward, Barr, Braden, Buehler, Bussman, Campbell, Chronister, Cloud, Cobb, Crumbaker, Debaun, Dempsey, Eckert, Farrar, Flottman, Friedeman, L. Fry, B. Fuller, W. Fuller, Goossen, Guldner, Harper, Hassler, L. Johnson, King, Kline, Leach, Littlejohn, Long, R.D. Miller, Moomaw, Niles, B. Ott, K. Ott, Patterson, Reinhardt, Roe, Roenbaugh, Rolfs, Sallee, Sand, Schmidt, Shelor, Smith, Sughrue, Walker and David Webb

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- 0024 AN ACT concerning agriculture; relating to the wheat and grain  
0025 commissions; concerning the application of the mill levy per  
0026 bushel upon wheat, corn, grain sorghum and soybeans; per-  
0027 taining to time of levy by the commodity credit corporation;  
0028 concerning the use and purpose of certain credits to the state  
0029 general fund; amending K.S.A. 2-2608 and 2-3007 and repeal-  
0030 ing the existing sections.
- 0031 *Be it enacted by the Legislature of the State of Kansas:*
- 0032 Section 1. K.S.A. 2-2608 is hereby amended to read as fol-  
0033 lows: 2-2608. (a) Commencing June 1, 1982, there is hereby  
0034 levied an excise tax of four mills per bushel upon wheat marketed  
0035 through commercial channels in the state of Kansas on and after  
0036 such date. *Except as provided in subsection (d) of this section*, the  
0037 tax shall be levied and assessed to the grower at the time of sale,  
0038 and shall be shown as a deduction by the first purchaser from the  
0039 price paid in settlement to the grower.
- 0040 (b) The administrator shall furnish to every first purchaser  
0041 receipt forms which shall be issued by such first purchaser to the  
0042 grower upon payment of such excise tax. The form shall indicate  
0043 thereon the procedure by which the grower may obtain a refund  
0044 of any such tax. Within one year after any and all sales during  
0045 such period the grower may upon submission of a request there-  
0046 for to the administrator, obtain a refund in the amount of the tax  
0047 or taxes deducted by the first purchaser. Such request shall be  
0048 accompanied by evidence of the payment of the tax or taxes

attachment 3

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0049 which need not be verified.

0050 (c) The commission shall keep complete records of all refunds  
0051 made under the provisions of this section. Records of refunds  
0052 may be destroyed two years after the refund is made. All funds  
0053 expended in the administration of this act and for the payment of  
0054 all claims whatsoever growing out of the performance of any  
0055 duties or activities pursuant to this act shall be paid from the  
0056 proceeds derived from such act. ~~In the case of~~ *Except as provided*  
0057 *in subsection (d) of this section, when* a lien holder who is a first  
0058 purchaser as defined herein, the tax shall be deducted by the lien  
0059 holder from the proceeds of the claim secured by such lien at the  
0060 time the wheat is pledged or mortgaged.

0061 (d) *If the lien holder who is a first purchaser is the commodity*  
0062 *credit corporation, the tax will be levied when such service takes*  
0063 *actual possession of the wheat which is pledged to secure the lien*  
0064 *of that service.*

0065 (e) The tax shall constitute a preferred lien and shall have  
0066 priority over all other liens and encumbrances upon such wheat.  
0067 The tax shall be deducted and paid as herein provided whether  
0068 such wheat is stored in this or any other state.

0069 Sec. 2. K.S.A. 2-3007 is hereby amended to read as follows:  
0070 2-3007. (a) Commencing September 1, 1982, there is hereby  
0071 levied an assessment of three mills per bushel upon corn and  
0072 grain sorghum marketed through commercial channels in the  
0073 state of Kansas on and after such date. Commencing September 1,  
0074 1982, there is hereby levied an assessment of 10 mills per bushel  
0075 upon soybeans marketed through commercial channels in the  
0076 state of Kansas on and after such date. ~~Such~~ *Except as provided in*  
0077 *subsection (d) of this section, assessment shall be levied and*  
0078 *assessed to the grower at the time of sale, and shall be shown as a*  
0079 *deduction by the first purchaser from the price paid in settlement*  
0080 *to the grower.*

0081 (b) The division shall furnish to every first purchaser receipt  
0082 forms which shall be issued by such first purchaser to the grower  
0083 upon the payment of such assessment. The form shall indicate  
0084 thereon the procedure by which the grower may obtain a refund  
0085 of any such assessment. Within one year after any and all sales

0086 during such period the grower may upon submission of a request  
0087 therefor to the division, obtain a refund in the amount of the  
0088 assessments deducted by the first purchaser. Such request shall  
0089 be accompanied by evidence of the payment of the assessments  
0090 which need not be verified.

0091 (c) The division shall keep complete records of all refunds  
0092 made under the provisions of this section. Records of refunds  
0093 may be destroyed two years after the refund is made. All funds  
0094 expended in the administration of this act and for the payment of  
0095 all claims whatsoever growing out of the performance of any  
0096 duties or activities pursuant to this act shall be paid from the  
0097 proceeds derived from such assessment. ~~In the case of~~ *Except as*  
0098 *provided in subsection (d) of this section, when* a lien holder who  
0099 is a first purchaser as defined herein, the assessment shall be  
0100 deducted by the lien holder from the proceeds of the claim  
0101 secured by such lien at the time the corn, grain sorghum or  
0102 soybeans are pledged or mortgaged.

0103 (d) *If the lien holder who is a first purchaser is the commodity*  
0104 *credit corporation, the tax will be levied when such service takes*  
0105 *actual possession of the corn, grain sorghum or soybeans which is*  
0106 *pledged to secure the lien of that service.* The assessment shall  
0107 constitute a preferred lien and shall have priority over all other  
0108 liens and encumbrances upon such corn, grain sorghum or soy-  
0109 beans. The assessment shall be deducted and paid as herein  
0110 provided whether such corn, grain sorghum or soybeans are  
0111 stored in this or any other state.

0112 Sec. 3. K.S.A. 2-2608 and 2-3007 are hereby repealed.

0113 Sec. 4. This act shall take effect and be in force from and after  
0114 its publication in the statute book.