

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE AND SMALL BUSINESS

The meeting was called to order by Representative Susan Roenbaugh at  
Chairperson

9:00 a.m./~~p.m.~~ on February 8, 1990 in room 423-S of the Capitol.

All members were present except: Representative Ensminger, excused

Committee staff present: Raney Gilliland, Legislative Research  
Lynne Holt, Legislative Research  
Jill Wolters, Revisor of Statutes Office  
Pat Brunton, Committee Secretary

Conferees appearing before the committee: Lawrence Wilbert, State Representative  
Bill Curtis, Kansas Association of  
School Boards  
James R. Cobler, Director, Division of  
Accounts and Reports, Department of  
Administration  
Larry Woodson, Director of Division of  
Inspections, Kansas State Board of  
Agriculture  
Bernie Hansen, Kansas Meat Processors  
Association

Chairman Roenbaugh opened hearings on HB 2270, Kansas Prompt Payment Act.

Rep. Larry Wilbert presented proposed amendments for consideration by the committee. (Attachment I).

Bill Curtis testified the Kansas Association of School Boards would support HB 2270 with the considerations mentioned by Representative Wilbert.

James R. Cobler, Department of Administration, testified in opposition to HB 2270. He stated that the Department's main concern in opposing the bill was that if payment was made for part of the delivery as stated in the bill that they feared the rest of the delivery would never be made. He also stated that most problems could be handled through state agency management.

Hearings were closed on HB 2270.

Vice Chairman Bryant opened hearings on HB 2639 and called for a briefing of the bill by Raney Gilliland, staff.

Larry Woodson, State Board of Agriculture, testified in support of HB 2639 which would amend the Kansas Meat and Poultry Inspection Act to provide for the establishment of reinstatement fees (late fees) for delinquent registrations required under the Act. (Attachment II). Questions and answers followed the testimony.

Bernie Hansen, Kansas Meat Processors Assn., testified in support of HB 2639 and offered amendments to the bill. (Attachment III).

Representative Solbach made a motion to adopt the amendment offered. Representative Larkin seconded the motion. Motion carried.

Representative Eckert made a motion to pass favorably HB 2639 as amended. Representative Bryant seconded the motion and the

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE AND SMALL BUSINESS,  
room 423-S, Statehouse, at 9:00 a.m./~~p.m.~~ on February 8, 1990

motion carried.

The meeting adjourned at 9:55 a.m.

The next meeting of the House Agriculture and Small Business Committee will be Tuesday, February 13, 1990 at 9:00 a.m. in Room 423-S, State Capitol.



LAWRENCE J. WILBERT  
REPRESENTATIVE, THIRD DISTRICT  
PITTSBURG  
311 W. JEFFERSON  
PITTSBURG, KANSAS 66762



TOPEKA

HOUSE OF  
REPRESENTATIVES

COMMITTEE ASSIGNMENTS  
VICE-CHAIRMAN: TRANSPORTATION  
MEMBER: COMMERCIAL AND FINANCIAL  
INSTITUTIONS  
PENSIONS INVESTMENTS AND  
BENEFITS  
ELECTIONS  
KANSAS COAL COMMISSION  
NATIONAL CONFERENCE  
OF STATE LEGISLATURES

PROPOSED AMENDMENT TO HB 2270

1. Reinstate the stricken language in lines 32 and 33.
2. The sentence beginning in line 35 "No goods . . . should be amended to read as follows: "No goods or services shall be deemed to be received by a government agency until accepted by a government agency."

We believe the above language will take care of partial shipments or deliveries.

3. Reinstate the stricken language in lines 63 thru 66 and lines 75 thru 78.

This leaves the additional 15 days without imposing an interest penalty.

KASB would support HB 2270 with the considerations mentioned above in the bill.

Att. I  
2-8-90

2-8-90

I-2

HOUSE BILL No. 2270

By Representative Wilbert

2-8

15  
16 AN ACT concerning the Kansas prompt payment act; relating to the  
17 time for payment for goods and services; amending K.S.A. 75-  
18 6403 and repealing the existing section.

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

20 Section 1. K.S.A. 75-6403 is hereby amended to read as follows:

21 75-6403. (a) Each government agency purchasing or contracting for  
22 goods or services from a vendor shall make prompt payment therefor,  
23 including payment of any interest penalties due, in accordance with  
24 this section.

25 (b) Each government agency which has received goods or services  
26 from a vendor and which does not make payment therefor as pre-  
27 scribed by this subsection shall be subject to an interest payment  
28 penalty if the vendor makes a request for payment in accordance  
29 with subsection (c). Each government agency shall make payment  
30 of the full amount due for such goods or services on or before the  
31 30th calendar day after the date of receipt by the government agency  
32 of the goods and services or the date of receipt by the gov-  
33 ernment agency of the bill therefor, whichever is later, unless  
34 other provisions for payment are agreed to in writing by the vendor  
35 and the government agency. No goods or services shall be  
36 deemed to be received by a government agency until all such  
37 goods or services are completely delivered and finally accepted  
38 by the government agency. For purposes of determining whether  
39 a payment was made in accordance with this subsection, a payment  
40 by a government agency shall be considered to be made on the date  
41 on which the warrant or check for such payment is dated.

42 (c) (1) Any vendor to which payment has not been made within  
43 the time prescribed by subsection (b) may make a written request

of the goods and services or the date of re-  
ceipt by the government agency of the bill  
therefor, whichever is later,

No goods or services shall be deemed to be  
received by a government agency until accepted  
by the government agency.

Ag. & SB  
2-8-90  
ATTACHMENT I-2

44 for payment to the chief executive officer of the government agency  
 45 obligated to make the payment with interest thereon. Such request  
 46 shall indicate the government agency obligated to make the payment,  
 47 the date of receipt of the goods or services by the government  
 48 agency, the date the vendor sent the government agency the bill  
 49 for such goods or services and, in the case of a state agency, such  
 50 other information as may be prescribed by rules and regulations  
 51 adopted under K.S.A. 75-6407 and amendments thereto.

52 (2) Each state agency shall forward a copy of each vendor's re-  
 53 quest for payment to the director of accounts and reports along with  
 54 the voucher prepared by the state agency to make payment to the  
 55 vendor, including payment of the interest penalty prescribed by this  
 56 subsection. For purposes of computing the interest penalty due a  
 57 vendor, the state agency shall add seven days from the date the  
 58 voucher is sent to the director of accounts and reports for payment.  
 59 Interest penalties on amounts due to a vendor by a state agency  
 60 shall be paid to the vendor beginning on the day after the required  
 61 payment date under subsection (b) and ending seven days after the  
 62 voucher for payment is sent to the director of accounts and reports;  
 63 ~~except that no interest penalty shall be paid if full payment of~~  
 64 ~~the amount due for such goods or services is made on or before~~  
 65 ~~the 15th calendar day after the required payment date under~~  
 66 ~~subsection (b).~~

67 (3) The chief executive officer of the unified school district shall  
 68 forward a copy of each vendor's request for payment to the governing  
 69 body thereof, if any, along with the documents prepared to make  
 70 payment to the vendor, including payment of the interest penalty  
 71 prescribed by this subsection. Interest penalties on amounts due to  
 72 a vendor by a unified school district shall be paid to the vendor  
 73 beginning on the day after the required payment date under sub-  
 74 section (b) and ending on the date on which payment of the amount  
 75 due is made; ~~except that no interest penalty shall be paid if full~~  
 76 ~~payment of the amount due for such goods or services is made~~  
 77 ~~on or before the 15th calendar day after the required payment~~  
 78 ~~date under subsection (b).~~

79 (d) The interest penalty under this section shall be computed a  
 80 the rate of 1.5% per month on the amount of the payment which

81 is due in accordance with this section. Any amount of an interest  
 82 penalty which remains unpaid at the end of any thirty-day period  
 83 after the required payment date under subsection (b) shall be added  
 84 to the principal amount of the debt and thereafter interest penalties  
 85 shall accrue on such added amount.

86 (e) In the event a state agency denies liability and alleges grounds  
 87 to not make payment after a vendor has requested payment therefor  
 88 in accordance with subsection (c), the state agency shall inform the  
 89 vendor in writing of the reasons therefor and that the vendor has  
 90 the right to file a claim on the dispute with the joint committee on  
 91 special claims against the state.

92 (f) No interest penalty shall be payable if a vendor fails to request  
 93 payment in accordance with subsection (c) within four months after  
 94 the payment date prescribed by subsection (b).

95 Sec. 2. K.S.A. 75-6403 is hereby repealed.

96 Sec. 3. This act shall take effect and be in force from and after  
 97 its publication in the statute book.  
 98

, except that no interest penalty shall be paid if full  
 payment of the amount due for such goods or services is  
 made on or before the 15th calendar day after the re-  
 quired payment date under subsection (b)

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HOUSE COMMITTEE ON AGRICULTURE AND SMALL BUSINESS

February 8, 1990

Madame Chairperson, members of the House Committee on Agriculture and Small Business.

I am Larry Woodson, Director of the Division of Inspections with the Kansas State Board of Agriculture. I am here in support of House Bill 2639 which would amend the Kansas Meat and Poultry Inspection Act to provide for the establishment of reinstatement fees (late fees) for delinquent registrations required under the Act.

For the most part, a majority of the state and federally inspected meat and poultry slaughter and processing plants operating in Kansas submit the yearly application and required fees in a timely manner. There are, however, a few that are continually delinquent. Only after second, third and sometimes fourth notices do these plants register and remit their fee.

Currently the meat and poultry inspection program sends out the first notice and application forms on or about December 1 of each year. Second notices are sent shortly after January 1 and plants are asked to respond within 14 days or we turn their names over to our legal counsel for follow-up who writes the third and fourth notices, if necessary.

This legislation will hopefully speed up the registration process for the program and impose a slight monetary penalty on those plants that are routinely late.

We do not anticipate this legislation to generate sizeable revenues. This is based on previous years records where in 1989 we would have assessed \$795 in reinstatement fees and in the current year 1990 \$650 would have been assessed so far. If this bill is enacted, we anticipate a decrease in the number of registrations that are received late due to the threat of a penalty.

Thank you. Are there any questions?

AG. 513  
2-8-90  
ATTACHMENT II

HOUSE BILL No. 2639

By Committee on Agriculture and Small Business

1-18

Ag. & SB  
2-8-90  
ATTACHMENT III

9 AN ACT concerning meat and poultry; relating to late renewals of  
10 registrations; amending K.S.A. 1989 Supp. 65-6a34 and repealing  
11 the existing section.

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

13 Section 1. K.S.A. 1989 Supp. 65-6a34 is hereby amended to read  
14 as follows: 65-6a34. (a) No person shall (1) engage in business, in or  
15 for intrastate commerce, as a meat broker or animal food manufactur-  
16 er, (2) engage in business in such commerce as a wholesaler of  
17 any carcasses, or parts or products of the carcasses, of any livestock,  
18 domestic rabbits or poultry, whether intended for human food or  
19 other purposes, or (3) engage in business as a public warehouseman  
20 storing any such articles in or for such commerce, without first having  
21 registered with the secretary such person's name and the address of  
22 each place of business at which, and all trade names under which,  
23 such person conducts such business and having paid the registration  
24 fee established by this section, if applicable.

25 (b) No person shall engage in business or operate a packing  
26 house, sausage plant, poultry packing plant, slaughterhouse or poul-  
27 try dressing plant without registering such person's name and place  
28 of business with the secretary, and paying the registration fee es-  
29 tablished by this section.

30 (c) (1) ~~Prior to January 1, 1987, an annual registration fee~~  
31 ~~of \$200 shall be charged for the registration of a packing house,~~  
32 ~~sausage plant or poultry packing plant, and such registration~~  
33 ~~shall expire on December 31 of each year.~~

34 (2) ~~Prior to January 1, 1987, an annual registration fee of~~  
35 ~~\$150 shall be charged for the registration of a slaughterhouse~~  
36 ~~or poultry dressing plant, and such registration shall expire on~~  
37 ~~December 31 of each year.~~

38 (d) ~~(c)(1)~~ Commencing on January 1, 1987, An annual reg-  
39 istration fee of \$50 shall be charged for the registration of each meat  
40 broker, poultry product broker, animal food manufacturer, seasonal  
41 poultry packing or dressing plant, state-owned slaughter or proc-  
42 essing facility operated in conjunction with education and research  
43

Except as provided in subsection (c)(6),



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1 and located at institutions under the jurisdiction of the state board  
2 of regents, or slaughter or processing facility operated in conjunction  
3 with education and research and located at a public secondary school,  
4 and each such registration shall expire on December 31 of each year.

5 (2) Except for persons who register under paragraph (1) of this  
6 subsection ~~(d)~~, ~~commencing on January 1, 1987~~ (c), an annual  
7 registration fee of \$150 shall be charged for the registration of each  
8 slaughter facility which slaughters 300 animal units or less annually,  
9 and such registration shall expire on December 31 of each year.

10 (3) ~~Commencing on January 1, 1987~~, An annual registration  
11 fee of \$200 shall be charged for the registration of each slaughter  
12 or processing facility which operates solely on a custom basis as  
13 defined by subsection (b)(1) of K.S.A. 65-6a31 and amendments  
14 thereto, and such registration shall expire on December 31 of each  
15 year.

16 (4) Except for those persons who have registered under para-  
17 graphs (1), (2) or (3) of this subsection ~~(d)~~, ~~commencing on January~~  
18 ~~1, 1987~~ (c), an annual registration fee of \$250 shall be charged for  
19 each processing facility and each slaughter facility which slaughters  
20 more than 300 animal units annually, and such registration shall  
21 expire on December 31 of each year.

22 (5) As used in this subsection ~~(d)~~ (c), animal units shall be com-  
23 puted by using one unit for each bovine, bison, horse, mule or other  
24 equine, .6 unit for each swine, .4 unit for each sheep or goat and  
25 as specified by rule and regulation for other animal units.

26 *(d) Any person whose completed application for renewal of a*  
27 *registration required by this section is not received by January 15*  
28 *of the year of renewal shall be subject to a reinstatement fee which*  
29 *shall be paid in addition to the required registration fee. If the*  
30 *completed application for renewal of a registration required by this*  
31 *section is received by the secretary after January 15 and on or before*  
32 *January 31 of the year of renewal, the reinstatement fee shall be*  
33 *\$10. If the completed application for renewal of a registration re-*  
34 *quired by this section is received after January 31 of the year of*  
35 *renewal, the amount of the reinstatement fee shall be increased at*  
36 *the rate of \$25 per month for each additional month or fraction*  
37 *thereof. No registration required by this section shall be reinstated*  
38 *if it has been delinquent for one year. No registration required by*  
39 *this section shall be issued until all applicable reinstatement fees, if*  
40 *any, have been paid.*

(6) Persons who become subject to registration under this section after January 1 shall pay an amount equal to 1/12 of the annual registration fee which would have been due for a full year, multiplied by the number of full calendar months remaining in the registration year.

41 Sec. 2. K.S.A. 1989 Supp. 65-6a34 is hereby repealed.  
42 Sec. 3. This act shall take effect and be in force from and after  
43 its publication in the statute book.