

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE AND SMALL BUSINESS

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

9:07 a.m./~~p.m.~~ on March 14, 1990 in room 423-S of the Capitol.

All members were present except: Representative Samuelson, 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: Larry Woodson, Director, Division of
Inspections, Kansas State Board of
Agriculture
Nancy Kantola, Committee of Kansas Farm
Organizations

Chairman Roenbaugh asked Raney Gilliland, staff, to brief the committee on SB 419, SB 420, and SB 421, which were the result of the Interim Committee on Agriculture.

Questions and answers followed the briefing.

Larry Woodson, Kansas State Board of Agriculture, testified in support of SB 419 - amending the Kansas dairy law; grade A milk; SB 420 - amendments to Kansas dairy law; frozen dairy desserts; and SB 421 - amending the Kansas dairy law; manufactured milk. Mr. Woodson stated the objectives were to update the respective laws; increase the fees on the manufacturing grade milk produced and processed; update and adjust license fees (including the license for homemade ice cream manufacturers) elimination of the butterfat tax; restate authority for regulations on equipment; and provide for uniform and effective enforcement through suspension orders, stop sale provisions and civil penalties. (Attachment I).

Questions and answers followed the testimony.

Chairman Roenbaugh informed the committee she had been contacted by Mid America Dairymen asking her to convey to the committee their support for all three of these bills.

Nancy Kantola, Committee of Kansas Farm Organizations, testified in support of SB 419, SB 420, and SB 421.

Representative Reinhardt stated he had no problem with the intent of the bills but wanted the committee to be conscious of the fact that the fees in SB 421, a penny per 100 pounds, don't sound excessive but could be considered an expensive inspection fee to the dairy farmer.

Representative Freeman made a motion to pass SB 419 and Representative Amos seconded the motion. The motion carried.

Representative Amos moved to pass favorably SB 420. Seconded by Representative Freeman. The motion carried.

Representative Bryant moved to pass favorably SB 421. Representative Flower seconded the motion. The motion carried.

The meeting adjourned at 9:40 a.m.

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.

HOUSE COMMITTEE ON AGRICULTURE AND SMALL BUSINESS

March 14, 1990

Madame Chairperson, members of the House Committee on Agriculture and Small Business, I am Larry D. Woodson, Director, Division of Inspections, Kansas State Board of Agriculture, and I am here in support of Senate Bills 419, 420 and 421.

The bills under consideration have been under active consideration for over two years and have been the subject of numerous staff meetings, dairy advisory meetings, hearings held during legislative session, plus interim study hearings.

The objectives were to update the respective laws; increase the fees on the manufacturing grade milk produced and processed; update and adjust license fees (including the license for homemade ice cream manufacturers) elimination of the butterfat tax; restate authority for regulations on equipment; and provide for uniform and effective enforcement through suspension orders, stop sale provisions and civil penalties.

We believe the three bills allow us to accomplish our objectives.

With reference to the manufacturing grade fees and the restructuring of the licenses, an additional \$74,000 of revenue is being realized. I have attached a quick reference chart of the proposed license and fee schedules.

Based on this schedule plus existing revenues, the composition of the dairy budget is estimated to be 50.4% fee supported and 49.6% general fund revenue supported.

This concludes my testimony; however, we will attempt to answer any questions that the committee may have.

AG & SB
3-14-90
ATTACHMENT I

<u>Source Code</u>	<u>Fee</u>	<u>Delete</u>	<u>Rate</u>	<u>New</u>
2010	Butterfat Tax	2,380		
2010	Mfg. Grade Raw Prod.			13,500
2010	Frozen Dairy Desserts	17,000		17,000
2010	Mfg. Grade Raw Proc & Grade A Surplus			42,675
		<u>19,380</u>		<u>73,175</u>
2110*	Tester Permits	200	10	
2110*	Bulk Tester Permits	2,040	10	
2110*	Tester Permits		25	5,100
		<u>2,240</u>		<u>5,100</u>
2111	Counter Freezer	50,600	40	
2111	Counter Freezer		50	63,250
2111**	Public Dairy Lic.	400	50	
2111**	Handlers Lic.	2,500	50	
2111**	Mfg. License	5,670	70	
2111	Mfg. License		120	1,920
2111	Receiving Station Lic.		50	500
2111	Single/Service Lic.		50	450
2111	Distributor Lic.		120	10,440
		<u>59,170</u>		<u>76,560</u>
	Total	80,790		154,835

Additional Revenue - \$74,045

*Tester permits - it is anticipated that 20 less licenses will be issued at the higher fee schedule.

**The licenses under the present law require a manufacturer to have more than one license depending on the products manufactured. The new law will require one license per manufacturer regardless of the number of products.

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Attendance

NAME	ORG	Address
LARRY D. WOODSON	KBOA	TOPEKA
Melvin Brosch	KSBOT	Topeka
Joe Lieber	KS Co-op	Topeka
Nancy Rantola	CKFO	Topeka