

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE.

The meeting was called to order by Chairperson Joann Flower at 9:00 a.m. on February 20, 1996, in Room 423-S of the Capitol.

All members were present except: Representative Crabb - Excused
Representative Ballou - Absent

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

Conferees appearing before the committee:

Representative Robin Jennison
Ivan W. Wyatt, President, Kansas Farmers Union
Dale L. Fooshee, United Methodist Church
Rick Hoffman, Chief Executive Officer, Seaboard Farms, Inc.
Dennis Zimmerman, Director, Grant County Economic Development Council
Patricia J. Stephen, Executive Director, Morton County Economic Development
Julie Tubbs, Director, Stevens County Economic Development
Dallas Bressler, Morton County Commissioner
Dale Sutton, Stevens County Commissioner
Linda Wood, Kansas Development Finance Authority

Others attending: See attached list

Hearing on HB 2989 - Cruelty to animals amended to include equine tripping.

Chairperson Flower opened the hearing on **HB 2989** which had been requested by Representative Jennison.

Representative Robin Jennison testified in support of **HB 2989**. This bill would add intentionally using a wire, pole, stick, rope or any other object to cause an equine to lose its balance or fall, for the purpose of sport or entertainment to the definition of cruelty to animals. He explained that horse tripping is a rodeo event practiced at Mexican-style rodeos where the cowboy lassos the legs of a galloping horse and throws it to the ground. Representative Jennison stated that this practice has been banned by the legislatures of California and New Mexico. He included a newspaper article and information describing this rodeo event with his testimony. (Attachment 1)

This concluded the hearing on **HB 2989**.

Hearing on HB 2951 - Agricultural business enterprises do not include swine production facilities for the purposes of Kansas development finance authority bonds.

Chairperson Flower opened the hearing on **HB 2951** by asking Raney Gilliland, Legislative Research Department, to brief the committee on the bill. He explained that this legislation was designed to address the concerns as to what kinds of economic development incentives can be granted to corporate-owned swine production facilities. This bill would also require the Kansas Development Finance Authority to publish notification prior to issuance of bonds in the Kansas register. He was asked to provide the committee with a history of the Kansas Corporate Farming Law.

Ivan W. Wyatt, President, Kansas Farmers Union, testified in support of **HB 2951**. He stated that one of the reasons the Kansas Farmers Union opposed the corporate hog legislation was the concern that special privileges and consideration would be provided large corporations in competition against the individual producer. He felt this bill should be passed to restore public trust in the legislative process. (Attachment 2)

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE, Room 423-S Statehouse, at 9:00 a.m. on February 20, 1996.

Dale L. Fooshee, a former county extension agent, livestock producer, and staff member of the Kansas East Conference of the United Methodist Church, appeared in support of **HB 2951**. He stated that the intent of the local option corporate farming law was to allow citizens on a county by county vote to approve corporate farming and to provide a level playing field for all sizes of producers. He felt there was an implied promise that corporate farming interests would not be able to access private activity bonds. He said passage of this bill would restore the original intent of the corporate farming bill. (Attachment 3)

Rick Hoffman, Chief Executive Officer, Seaboard Farms, Inc., appeared in opposition to **HB 2951**. He stated that in many areas of the state, economic development in the agricultural sector is the primary source of economic development. By 1997, Seaboard will have invested more than \$120 million in facilities and created over 500 new jobs in the state. Kansas farmers benefit through increased grain prices as Seaboard purchases approximately 20 million bushels of grain for its feed mills. He noted that the largest swine producers in the United States are family farms and could qualify as such under Kansas statutes. This bill would single out corporate swine producers from all other entities and industries in the state. He explained Seaboard's use of tax exempt facility bonds which enabled them to channel federal funds into southwest Kansas for economic development and to remain competitive with their peers in surrounding states. (Attachment 4)

Dennis Zimmerman, Director, Grant County Economic Development Council, testified in opposition to **HB 2951**. His concern is for a sound state and local agricultural and economic development policy that is fair and consistent. He opposes this legislation which singles out one industry. He felt it was poor policy to strip any region, city, or county of its ability to provide and offer incentive tools to industries that contribute added value to the products that we are able to produce. (Attachment 5)

Patricia J. Stephen, Executive Director, Morton County Economic Development, testified in opposition to **HB 2951**. She stated that agriculture is one of the strongest selling points for economic development in southwest Kansas. Value-added and agri-based industries are being pursued. She explained that this bill would have an adverse affect in marketing Kansas as a place to locate a business or industry, on the tax base in Kansas, on our school systems, and on the future of rural communities. (Attachment 6)

Julie Tubbs, Economic Development Director for Stevens County, appeared in opposition to **HB 2951**. She stated that the economy in Stevens County is based mainly on agriculture and the production and exploration of natural gas. The programs and incentives the state offers are a major force in attracting new agri-businesses to southwest Kansas. She objects to one field of agri-business being denied incentives which are afforded all other businesses in the state. (Attachment 7)

Dale Sutton, Stevens County Commissioner, along with neighboring Morton County Commissioner, Dallas Bressler, expressed their opposition to **HB 2951**. He explained that they recruited the swine industry into their area of the state to broaden their tax base, to provide jobs, and to provide a strong, non-subsidized market for locally grown grains. Their main concern is to maintain a stable tax base and believe this bill will have a negative effect on their ability to enhance economic development in their area. He stated that they had not objected to Seaboard's transaction for these reasons. (Attachment 8)

Linda Wood, Kansas Development Finance Authority, presented testimony on **HB 2951**. She stated that KDFFA is neutral on the issue of corporate swine production. It is their job to comply with existing laws concerning the issuance of certain types of bonds and other debt financing instruments. She explained that under existing Federal and State laws, KDFFA publishes notice prior to their Board authorizing the issuance of certain types of bonds. They also notify local government officials of the intent to issue certain bonds thirty days prior to their authorization. KDFFA supports the concept of publishing notices in the Kansas Register of both hearings and intent to issue bonds; however, they are concerned with the requirement for publication of a notice of intent to issue bonds which require a bond hearing thirty days prior to the hearing. As this requirement will affect Beginning Farmer Program bonds as well and many of these loans involve real estate transactions, KDFFA believes the thirty day publication of intent to issue bonds would cause undue hardship. KDFFA requests that the requirement of publication of notice of issuance 30 days prior to any bond hearing be reduced to 14 days.

Representative McClure, principal sponsor of **HB 2951**, stated that this bill was an attempt to address the intent of the corporate hog bill concerning special incentives for large corporate-owned swine production facilities. She said she was not trying to change the rules in the middle of the game.

Chairperson Flower closed the hearing on **HB 2951**.

The meeting adjourned at 10:00 a.m. The next meeting is scheduled for February 21, 1996.

HOUSE AGRICULTURE COMMITTEE GUEST LIST

DATE: 2/20/96

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NAME	REPRESENTING
Mark Barcellina	KDOCH
Bill Fuller	Kansas Farm Bureau
Ivan Wyatt	Kansas Farmers Union
Kerri Ebert	KS Veterinary Medical Assn
Diane Gruver	KS Coop Council
Greg Krussik	KS Dept of Ag.
Mike Bean	KS LUSTK Assn
Mark Campbell	Seaboard Farms
Rick Hoffman	"
Mike Jensen	KS Pork Council
Jim Allca	Seaboard
Don Reyer	Reyer Consulting
Tom Bruno	Allen & Assoc.
DALE SUTTON	STEVENS COUNTY
Dallas Brasher	Morton County
Dat Stephens	Morton County
Julie Tubbs	Stevens Co. Eco Dev. Dir.
Paul P. Young	" " " " Hays Co.
Dennis Zimmerman	Grant Co. Economic Develop.

ROBIN L. JENNISON
CHAIRMAN APPROPRIATIONS COMMITTEE
RR1, BOX 132
HEALY, KANSAS 67850
(316) 398-2238
STATE CAPITOL
TOPEKA, KS 66612-1504
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TOPEKA

HOUSE OF
REPRESENTATIVES

STATE REPRESENTATIVE
117TH DISTRICT
HODGEMAN, LANE, NESS
RUSH AND FINNEY COUNTIES

Testimony on HB 2989

Madam Chairman and members of the committee:

Thank you for the opportunity to testify on House Bill 2989. I appreciate your committee introducing and having hearings on this legislation. I am before you today as one who, over the years, has enjoyed rodeo events and the tradition they preserve. When the issue of "horse tripping" was first brought to my attention, I confess I was not sure I wanted to involve myself in the matter. I feared that once we began banning certain rodeo-type events, the doors would be opened to banning more traditional, universally accepted rodeo events. But upon further reflection, it became apparent to me that if those most closely associated to the sport of rodeo don't regulate themselves, drawing the line on unacceptable events such as "horse tripping," someone else will.

Legislation similar to House Bill 2989 has been passed in California and New Mexico. I have included in this packet information which I ask that you give your consideration.

*House Agriculture
Attachment 1
2-20-96*

States move to protect Mexican rodeo horses

SANTA FE, N.M. (AP) — It's a Spanish tradition hundreds of years old and still practiced at scores of Mexican-style rodeos: Cowboys, or charros, lasso the legs of a galloping horse and throw it to the ground.

Now, however, the tradition itself is in danger of being tripped up as more and more states confront charges that it's cruel and inhumane.

California banned the practice last year. The New Mexico Legislature passed a similar bill that awaits action from Gov. Gary Johnson. And bans are being considered in several other states.

"A lot of people are appalled by this practice," said Elisabeth Jennings of the Humane Horsemen Coalition, a non-profit umbrella group in New Mexico for horse associations, veterinarians and animal rights groups.

California Gov. Pete Wilson, who signed the state's ban last year, called horse tripping "a cruel and abusive practice that terrifies, maims and sometimes fatally injures horses."

But Hispanic communities that sponsor Mexican-style rodeos — or charreadas — and other supporters argue that horse-tripping events are an important part of their history and culture.

"Part of the excitement of the charreada is scoring with the tripping of an animal," said Jose Luis Garcia, an El Paso, Texas, disc jockey and part-time charro. "They're taking away one of the biggest actions of the charreada."

Charreadas originated in 16th-century Salamanca, Spain, and were brought to Mexico, where charreada festivals are among



Associated Press

TRIPPING — This file photos shows a horse as its back legs are roped during a Mexican-style rodeo in Las Cruces, N.M.

the country's most celebrated activities.

The Mexican-style rodeos cropped up in the United States during the 1950s and 1960s. Today, according to the American Horse Protection Association, there are more than 84 U.S. charro federations that sanction the competitions, which are usually held on weekends during the summer.

Three of the rodeos' nine events involve horse tripping. Charros (the name means "loudy and flashy" in Spanish) are judged on such standards as what's called the "flourish" — the expertise they display with the rope. They can lose points if they rope three legs instead of

two, pull up the slack too quickly or pull the horse over on its neck.

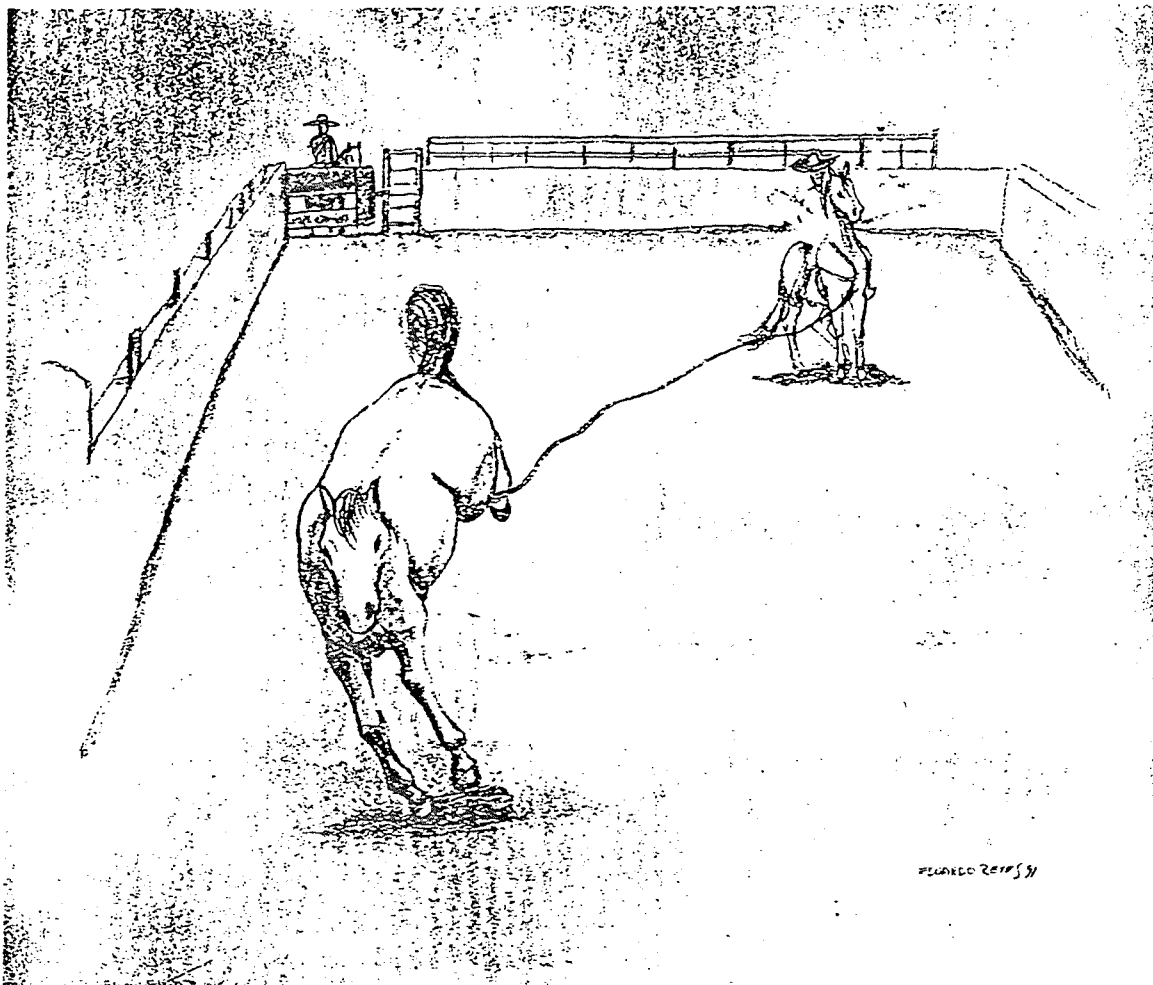
The American Horse Protection Association says common injuries in tripping events include broken necks, broken legs, fractured shoulders and severe face and leg lacerations. Many horses are rendered unsound.

"The rodeo is filled with a lot of culture, heritage, tradition, food, music, family and dress," said Cathleen Doyle of the California Equine Legislative Council. "But the point of this legislation was not to stop or close down the charreadas. It's just to ban horse tripping."

According to the council, charreadas are held in at least eight states.

PIALES EN EL LIENZO

La suerte de Piales en el Lienzo, consiste en la destreza del Charro para detener la carrera de la Yegua que corre en direccion del corral hacia el ruedo por el lado del lienzo lazandola exclusivamente de las patas traseras hasta detener completamente su carrera, cada competidora tendra derecho a 3 oportunidades de diferentes distancias y la puntuacion partira de 20 a 28 puntos, pudiendo incrementar o disminuir por adicionales o infracciones.



PIALES EN EL LIENZO

The next event, Piales en el Lienzo, a much more difficult "Faena" involves roping both hind legs of a running horse and bringing it to a full stop without throwing it. Each Charro has 3 attempts from different positions to rope the horse as it gallops by him. Using 80 to 100 foot Maguay rope, the Charro must coil his rope once around the wooden Mexican saddle horn and play out the rope in a breaking action to stop the horse.

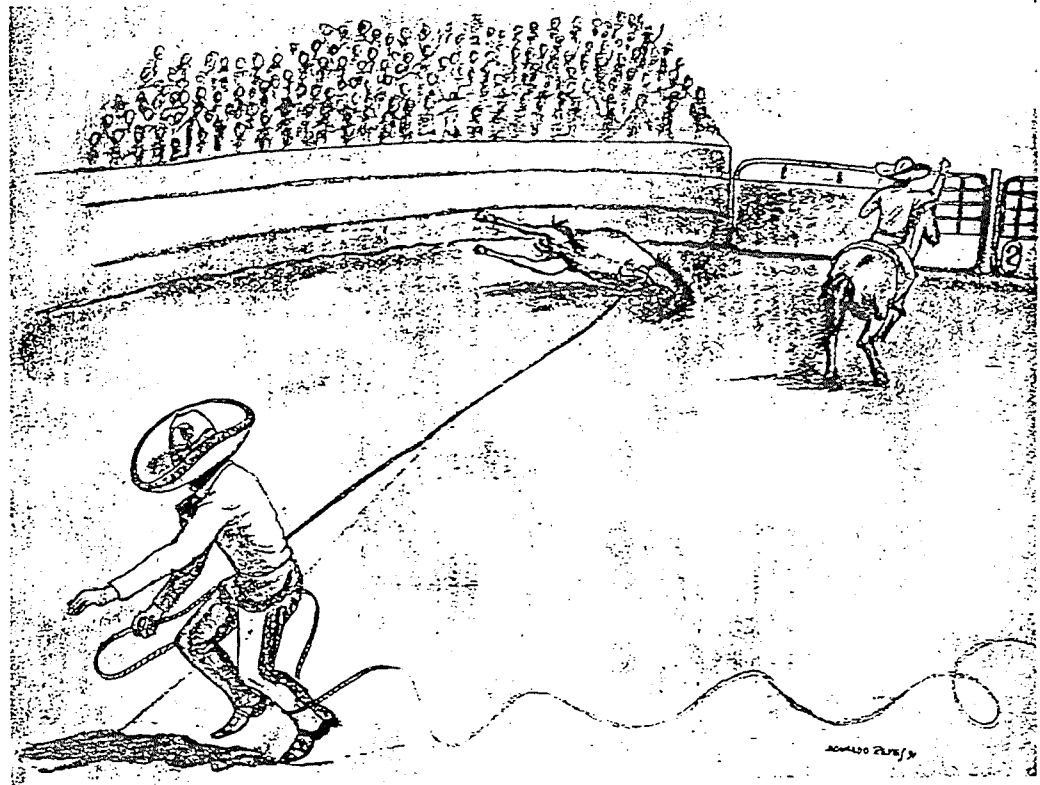
The points go from 20 to 28 plus additional and infractions.

MANGANAS A PIE

La suerte de Manganas a pie es con justicia llamada, la reina de las faenas por su elegancia, despliego de destresa y espectacularidad, consiste en lazar a la yegua de las dos patas delanteras (Manos), de donde viene el nombre de mangana y tiearla debiendo rendir costilla y paleta; Teniendo 3 oportunidades el Charro, cada una debera tirarse de una forma diferente y de acuerdo al floreo sera mejor la calificacion.

Esta suerte la ejecuta el Charro a Pie y a una distancia minima de 4 metros de la barrera, por cuyo claro pasara la yegua con suficiente velocidad; Equipo contara con 8 minutos para la ejecucion de la suerte, contando con adicionales si ejecuta la suerte en menos tiempo o infracciones si rebasa.

La calificacion basica de las manganas a pie, fluctua entre los 6 y los 12 puntos, pudiendo aumentar con los adicionales o disminuir con las infracciones.



MANGANAS A PIE

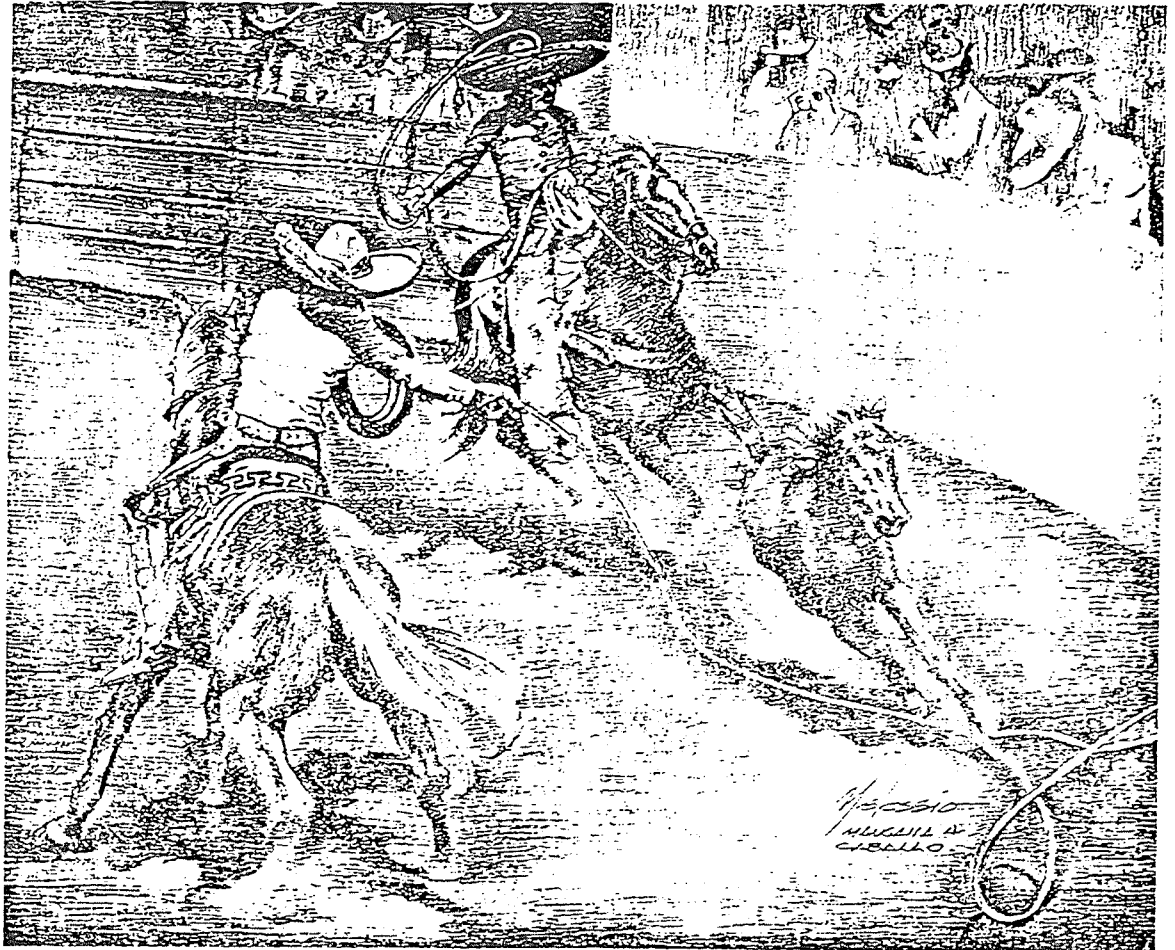
The Manganas a Pie (Bronc Roping on Foot) is performed by a dismounted Charro who is assisted by three mounted teammates who must guide an unbroken horse around the circular arena. The dismounted Charro begins a series of fancy rope twirls and rope the forefeet of the unbroken horse which causes it to lose its balance and fall, the Charro has three opportunities but must use a different roping technique in each chance, he must finish his faena within 8 minutes.

The basic points awarded are from 6 to 12 plus additional and infractions

MANGANAS A CABALLO

Al igual que la suerte anterior, el final es lazar a la yegua de las 2 manos y tirarla hasta que rinda, con la diferencia que ahora el Charro demuestra sus aptitudes montado en su caballo. Tendrá también 3 oportunidades y deberá ejecutar 3 manganas diferentes. En esta suerte aplican las mismas reglas con relación al tiempo.

Su calificación será de 8 a 20 puntos más los adicionales a que se haga acreedor y las infracciones que cometa.



MANGANAS A CABALLO

The Manganas a Caballo (Bronc Roping on Horseback) is a similar event, except the roping is done from horseback. The Charro uses a series of fancy loops spun around himself and his horse before he ropes the forefeet of the running horse to coil his rope once around the saddle horn and knock the horse off balance.

The Charro is required to use three different roping techniques in as many opportunities as he has, within the 8 minute limit he is allowed in this suerte.

The points awarded run from 8 to 20 plus additional and infractions.

STATEMENT
OF
IVAN W. WYATT, PRESIDENT
KANSAS FARMERS UNION
ON
HB-2951 (ISSUANCE OF BONDS)
BEFORE
THE HOUSE AGRICULTURAL COMMITTEE
FEBRUARY 20, 1996

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE:

THE MEMBERS OF THE KANSAS FARMERS UNION SUPPORTS HB-2951.

THERE IS A GREAT NEED FOR THIS BILL.

ONE OF THE REASONS FARMERS UNION OPPOSED THE CORPORATE HOG LEGISLATION OVER THE YEARS HAS BEEN BECAUSE OF THIS VERY ISSUE AT HAND. OVER THE YEARS WE HAVE WITNESSED SO MANY TIMES SPECIAL PRIVILEGE AND CONSIDERATION PROVIDED THESE LARGE ABSENTEE CORPORATIONS WHILE THE LOCAL BUSINESS AND AG PRODUCERS ARE DENIED THESE BENEFITS. IN MANY OF CASES THEY HAVE TO HELP PAY FOR THOSE BENEFITS IN THE FORM OF HIGHER TAXES. THEN THEY ARE TOLD BY ECONOMISTS ETC. THAT WE AREN'T AS EFFICIENT AS THE BIG CORPORATION.

*House Agriculture
Attachment 2
2-20-96*

PROBABLY THE ONLY THING THE LOCAL BUSINESS PERSON AND FARMER ARE NOT AS EFFICIENT IN FINDING THEIR WAY TO THE CORPORATE WELFARE TROUGH.

I FEEL CONFIDENT THAT SOME OF THOSE THAT VOTED FOR THE CORPORATE HOG IN 1994 FELT ASSURED THAT THERE WOULD BE NO SPECIAL PRIVILEGES PROVIDED THEM SO THEY COULD COMPETE AGAINST THE INDIVIDUAL PRODUCER.

I ALSO BELIEVE AS MANY OTHERS DO THAT THE SECRETARY OF COMMERCE SHERROB PROBABLY KNEW WHAT THE INTENT OF THE LEGISLATURE WAS, AS IT RELATED TO BONDS WHEN THEY PASSED THE CORPORATE HOG LEGISLATION.

THEREFORE, IT IS IMPERATIVE SO AS TO ASSURE THE GENERAL PUBLIC THAT SOME BUREAUCRAT DOESN'T TRY TO DO SOMETHING LIKE THIS AGAIN. THIS LEGISLATION, HB-2951 SHOULD BE PASSED.

WHAT IS REALLY AT STAKE HERE IS THE NEED TO RESTORE PUBLIC TRUST IN THE LEGISLATIVE PROCESS AND OF ELECTED OFFICIALS.

THANK YOU

TESTIMONY
Dale L. Fooshee
House Agriculture Committee
2-20-96
Room 423-S

Thank you for hearing me today. Please consider my testimony as being for passage of H.B. 2951.

Just a short note on my history. I have worked as a county extension agent, farmed in a livestock operation for 30 years, and have worked as a staff member of the Kansas East Conference of the United Methodist Church. However, I am here as a citizen of Kansas and, even though many of my comments represent positions of the United Methodist Church, I recognize there are persons within our membership who might not necessarily agree with my comments. Please hear me as an interested citizen.

My understanding of our present local option corporate farming law is that the intent of that law was at least twofold. One was to allow citizens on a county by county vote (or commission action) to approve corporate farming. The other was to try for a "level playing field" for all sizes of producers.

I observe in the first case that increasing numbers of counties are turning down this option while some continue in favor. This seems to me to fulfill the intent of the law.

In the second case, there was at least an implied promise that corporate farming interests would not be able to access "private activity bonds." Recent activity between the Kansas Development Finance Authority and a large corporate swine operation seems to raise a question about continuing this "level playing field."

H.B. 2951, as I understand it, is an attempt to insure the intent of the original corporate farming bill. Therefore, I would ask that you recommend passage of this bill. Thank you.

*House Agriculture
Attachment 3
2-20-96*

Testimony to the House Committee on Agriculture
from Rick Hoffman, Seaboard Farms, Inc. - Chief Executive Officer

BACKGROUND

In 1993, Kansas produced less than 2.4% of total hogs in the United States. Today, after years of decline, Kansas hog production is again on the rise, providing new tax base, new jobs and an expanded market for Kansas feed grains.

In many regions of our state, economic development in the agricultural sector is the primary source of economic development. Growth in the agricultural sector was encouraged in 1994 with the passage of SB 554 which allowed corporate entities the opportunity to develop agribusiness enterprises in the State. Today, 22 counties in the State have chosen the option to encourage such development.

For Kansas, this change was sound public policy. For years, changes in agriculture had been taking place. Bigger, more specialized farms had developed in response to the law of supply and demand, which favors low cost, efficient production. Today, like 1994, the issue is not corporate farms vs. family farms. This issue is size and efficiency of the producer. Interestingly, the committee should note that the largest swine producers in the United States are family farms and could qualify as such under Kansas Statutes. The legal structure of the entity plays little part in the developing dynamics of agriculture.

Since the passage of SB 554, Seaboard has expanded rapidly in Southwestern Kansas. When complete in 1997, Seaboard will have invested more than \$120 million in facilities and created over 500 new jobs in our State. Kansas farmers stand to benefit most from this project through increased grain prices as Seaboard seeks to purchase approximately 20 million bushels of regional grain for its feedmills. For Southwestern Kansas, this is economic development that was welcome and needed.

ECONOMIC DEVELOPMENT INCENTIVES

As provided in SB 554, Seaboard has not utilized any tax exempt Industrial Revenue Bonds (under KSA 12-1740 to 12-1749a) nor used any ad valorem tax abatements for the development of any of its facilities. Yet, Seaboard has relied

*House Agriculture
Attachment 4
2.20.96*

House Bill No. 2951

Testimony by Rick Hoffman, Seaboard Farms, Inc.

February 20, 1996

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upon the written and oral representations as to the Kansas Programs that could be used if these facilities were built in Kansas. These include the Kansas SKILL and sales tax exemptions on construction of new facilities.

HB 2951 would single out "corporate swine producers" from all other entities and industries in the State from using these programs which, as a matter of record, are generally available to promote economic growth and development. In addition, Seaboard's largest competitors in the swine industry would not be limited from using these programs under HB 2951. This places a competitive disadvantage on Seaboard.

Recently, Seaboard was the subject of discussion surrounding the use of a federal allocation for tax exempt facility bonds. In late 1995, Seaboard became aware that this financing tool was available and was being used by our competitors in Colorado. We actively pursued them based on our assessment that these bonds are available to all businesses, are not obligations of the State and are not funded by State resources. Essentially, it enabled us to channel federal funds to Southwest Kansas for economic development and remain competitive with our peers in surrounding states.

Generally, we support legislation which is equitable and fair. However, HB 2951 seeks to single out corporate swine producers and eliminate all incentives to assist economic progress being made in Southwestern Kansas.

With headquarters in Merriam, Kansas, enormous investment and operations already located in the State, and significant employment in Southwestern Kansas, we wish to go on record as opposing HB 2951, which we believe is a backdoor attempt to reverse corporate farming in our State.

**TESTIMONY
OF
DENNIS ZIMMERMAN
DIRECTOR
GRANT COUNTY ECONOMIC
DEVELOPMENT COUNCIL
PRESENTED BEFORE
THE HOUSE
AGRICULTURE
COMMITTEE
February 20, 1996
RE: HB 2951**

*House Agriculture
Attachment 5
2-20-96*

Chairwoman Flower and Members of the House Agriculture Committee:

My name is Dennis Zimmerman, and I am the Economic Development Director for Grant County.

We stand in opposition to HB 2951. We come before this committee not to support swine production, corporate farming or Seaboard. We come before you today because of our concern for sound state and local agricultural and economic development policy.

We stand in opposition to HB 2951 for four basic reasons.

1. Whether we are discussing swine, Seaboard, Boeing, manufacturing or school finance, "changing the rules in the middle of the game" is, in our opinion, poor policy. If Kansas wants to deny all livestock producers and industries issuance of bonds, grants, loans, and any other business incentive programs, then that policy needs to be formulated, researched and addressed by this committee. Singling out one industry is neither fair nor sound policy.

2. If HB 2951 is enacted and the state does "change the rules in the middle of the game" what message is Kansas sending to other corporations and industries, agricultural or non agricultural. Be very careful of your investment, things could change from one session to another! The business community, especially industrial companies, look to expand or relocate in those states and area where the message remain consistent, where the playing field is equal and where the rules are fair and consistent.

3. If legislation can be enacted to deny swine production facilities the basic state and local incentives, what keeps the legislature from enacting other legislation to deny other industries the same incentives. It makes us concern that maybe our enormous cattle industry in Southwest Kansas could be next on the hit list. If our cattle industry is scared off, all, and we repeat, all, aspects of our economy will face grave danger.

4. We believe it to be poor policy to strip any region, city, or county of its ability to provide and offer incentive tools to industries that are capable of contributing add value to the products (grain) that we are able to produce.

In conclusion, if this legislation is because of environmental concerns, then this is a Kansas Department Of Health & Environment matter. If this is a issue of corporate farming, corporate farming has existed for many years in Kansas and has been beneficial to many areas and to the growth of other industries. If it's an issue of corporate hog farming, we believe that this was dealt with when the legislature passed and Former Governor Finney signed that legislation into law. What we really believe is that trying to do away with corporate hog farming by changing state and local economic development incentives policy is poor policy.

Thank you for your time and dedication to the betterment of the Kansas Agriculture Industry. For the sake of sound state and local agricultural and economic development policy we ask you to reject HB 2951.

Thank you.

TESTIMONY
OF
PATRICIA J. STEPHEN
EXECUTIVE DIRECTOR

MORTON COUNTY ECONOMIC DEVELOPMENT

PRESENTED BEFORE

THE HOUSE
AGRICULTURE COMMITTEE

FEBRUARY 20, 1996

RE: HB 2951

*House Agriculture
Attachment 6
2.20-96*

FEBRUARY 20, 1996

CHAIRMAN FLOWERS AND MEMBERS OF THE COMMITTEE:

I AM PAT STEPHEN, EXECUTIVE DIRECTOR FOR THE MORTON COUNTY ECONOMIC DEVELOPMENT, IN ELKHART, AND WITH ME IS MR. DALLAS BRESSLER, CHAIRMAN OF THE MORTON COUNTY COMMISSIONERS.

WE ARE HERE TO VOICE OUR OPPOSITION TO HB 2951. THE REASONS ARE AS FOLLOWS:

1. KANSAS IS NOTED AS AN AGRICULTURE BASED STATE. IN FACT, WE PRIDE OURSELVES IN THIS. AS AN ECONOMIC DEVELOPER IN SOUTHWEST KANSAS, AGRICULTURE IS ONE OF STRONGEST SELLING POINTS. WITH VAST ACREAGE, BEING SPARSELY POPULATED, AND AGRICULTURE BEING IN A SLUMP THESE PAST TWO YEARS, VALUE ADDED AND AGRI-BASED INDUSTRIES ARE BEING PURSUED. THE TOOLS YOU PLAN TO EXEMPT IN HB 2951 ARE TOOLS WE USE TO MARKET OUR AREAS TO ENCOURAGE GROWTH.
2. YESTERDAY, FEBRUARY 19TH, A CULTURED GROWER AND PROCESSOR APPROACHED OUR OFFICE ABOUT LOCATING IN MORTON COUNTY BECAUSE OF THE SWINE PRODUCTION IN PROGRESS. THIS WILL CREATE 300 NEW JOBS, INCREASE OUR POPULATION AND ADD TAX DOLLARS TO OUR DEPLETING COFFER DUE TO THE DECLINE IN GAS AND OIL PRODUCTION.
3. ROLLA, OUR COMMUNITY OF 400, WAS CERTAINLY ON A DOWNHILL SLIDE. THE RETAIL SECTION WAS NONEXISTENT. TODAY, BECAUSE OF THE RECENT DEVELOPMENT THEY HAVE ACQUIRED A NEW RESTAURANT; SOON A NEW MEDICAL CENTER; A GROCERY STORE IS BEING CONSIDERED BY TWO INTERESTED PARTIES, AND OUR SCHOOL WILL STAND A CHANCE OF REMAINING OPEN. WE ALL KNOW WHAT HAPPENS WHEN A COMMUNITY LOSES ITS SCHOOL! AND THE CITY'S TAX BASE WILL INCREASE, WHICH IS THE FIRST TIME IN MANY YEARS. BESIDE ALL THIS, NEW HOMES ARE BEING BUILT AGAIN.

4. THE POPULATION OF MORTON COUNTY HAS NOT INCREASED IN THE LAST TEN YEARS AND WE HAVE NO QUALITY POSITIONS TO OFFER OUR YOUNG PEOPLE TO ENCOURAGE THEM TO RETURN TO LIVE AND RAISE THEIR FAMILIES. WITH HB 2951, TYING OUR HANDS IN ELIMINATING THE TOOLS WE AS DEVELOPERS USE TO ENTICE INDUSTRY AND BUSINESS, HOW DO YOU PROPOSE WE ENTICE THEM, INCREASE OUR TAX BASE, OUR POPULATION, AND SAVE OUR SCHOOLS IN KANSAS AND SOUTHWEST KANSAS?

IN CLOSING, CHAIRMAN FLOWERS, WE ASK YOU TO CONSIDER THE ADVERSE AFFECT THIS BILL WILL HAVE IN MARKETING KANSAS AS A PLACE TO LOCATE A BUSINESS OR INDUSTRY; THE TAX BASE IN KANSAS; OUR SCHOOL SYSTEMS; AND THE FUTURE OF THE RURAL COMMUNITIES.

THANK YOU FOR CONSIDERING THE FUTURE OF ALL KANSAS AND THE FUTURE INDUSTRIES THAT COULD LOCATE HERE.

Madame Chairman Flowers and members of the committee

My name is Julie Tubbs, I'm the Economic Development Director for Stevens County.

In our county the economy is based mainly on agriculture and the production and exploration of natural gas. We have chosen to explore for expansion the business which will benefit the established economic base. Agri-Business being the main focus.

There are twenty-two counties in this state which have elected to have corporate farming be accept as part of agri-business. With this bill as presented the counties with corporate farming would be penalized.

There are tools used in putting a business package together. The programs the state offers prospective business are a major part of these packages. If this bill succeeds a major part of these tools will be removed both at the state and county levels.

It should scare anyone with business interest in this state, that because of the type of business you have the state can remove all incentives for locating in Kansas. Incentives which are afforded all other business in the state. One field of agri-business should not be excluded. It would limit the options of the twenty-two counties that feel corporate farming is good for the development of agri-business in there communities.

I thank for this opportunity to be heard.

*House Agriculture
Attachment 7
2-20-96*

I AM HERE ALONG WITH A NEIGHBORING COUNTY COMMISSIONER, DALLAS BRESSLER OF MORTON COUNTY TO EXPRESS OUR OPPOSITION TO HB2951. I WILL KEEP MY REMARKS BRIEF DUE TO LIMITED TIME, BUT WILL FURNISH ADDITIONAL INFORMATION LATER IF REQUESTED.

WE DON'T UNDERSTAND THE ATTEMPT TO DEPRIVE THE SWINE INDUSTRY FROM PRIVILEGES AVAILABLE TO OTHER INDUSTRIES. WE HAVE RECRUITED THE SWINE INDUSTRY INTO OUR AREA OF THE STATE FOR THREE (3) REASONS:

- (1) TO BROADEN OUR TAX BASE
- (2) TO PROVIDE JOBS
- (3) TO PROVIDE A STRONG, NONSUBSIDIZED MARKET FOR LOCALLY GROWN GRAINS WHICH IS A PRODUCT OF THE FIRST INDUSTRY IN WESTERN KANSAS, THAT BEING FARMING.

A MAJOR CONCERN OF OUR AREA IS LOOKING 15 TO 20 YEARS INTO THE FUTURE AND ATTEMPTING TO MAINTAIN A STABLE TAX BASE. THIS CONCERN IS SUBSTANTIATED BY BEING LOCATED OVER A DEPLETING NATURAL GAS FIELD. HAVING STATED THIS IN OUR BEHALF IT SHOULD ALSO BE A CONCERN OF LEGISLATORS.

AS AN EMPLOYEE OF A MAJOR NATURAL GAS COMPANY (NOW RETIRED), I WAS TRANSFERRED FROM TEXAS TO HUGOTON, KS.(STEVENS COUNTY) IN 1969 AS OPERATIONS & MAINTENANCE SUPERVISOR OF A LARGE COMPRESSOR STATION & DEHYDRATION PLANT. AT THAT TIME WE OPERATED WITH A PRESSURE AT THE PLANT INLET OF 150 TO 200 PSIG DEPENDING ON MARKET DEMAND AND WAS COLLECTING KCC ALLOWABLE VOLUMES. OPERATING PROCEDURES HAVE GRADUALLY CHANGED AS THE RESERVOIR POTENTIAL CHANGED TO THE PRESENT CONDITION OF MODIFYING EXISTING EQUIPMENT, ADDING ADDITIONAL EQUIPMENT AND INFILL DRILLING TO PRODUCE ALLOWABLES BY DRAWING THE PRESSURES TO 10 TO 20 PSIG FROM THE SAME RESERVOIR FORMATIONS.

I PERSONALLY WITNESSED THE RESULTS OF A DEPLETED GAS FIELD IN TWO LOCATIONS IN TEXAS THAT WAS DEPENDANT ON NATURAL GAS AS A PRIME SOURCE OF EXISTANCE.

I DON'T HAVE STATISTICS RELATING TO MORTON COUNTY, BUT THEY ARE PROPORTIONALLY INDICATIVE OF STEVENS COUNTY, WHICH SINCE 1993 HAS SENT TO TOPEKA AN AVERAGE OF 4.6 MILLION DOLLARS A YEAR FOR A TOTAL OF 18.4 MILLION DOLLARS AS USD 210 SCHOOL TAX ASSESSMENT, AND AN AVERAGE OF 8.9 MILLION DOLLARS PER YEAR IN SEVERANCE TAX, OF WHICH, WE DID RECEIVE A 7% ALLOCATION BACK TO THE COUNTY. IF A TRANSPORTATION FEE IS ASSESSED BY PIPELINE COMPANIES IT COULD FURTHER ERODE OUR COUNTY TAX BASE DERIVED FROM NATURAL GAS BY 70 TO 80 MILLION DOLLARS PER YEAR. I WOULD VENTURE TO SAY THAT BY 2030 THE HUGOTON FIELD WILL BE ON A VACUUM(IF NOT BEFORE), WHICH IS THE FINAL DEPLETION STAGE OF A GAS RESERVOIR.

WE NEED TO LOOK FOR ALTERNATE SOURCES OF TAX BASE IF WE ARE GOING TO SURVIVE. WE FIRMLY BELIEVE THIS BILL WILL HAVE A NEGATIVE EFFECT ON OUR ABILITY TO ENHANCE ECONOMIC DEVELOPMENT AND BE A STEP IN THE DIRECTION OF LOSS OF LOCAL CONTROL.

WE AS COUNTY COMMISSIONERS WERE CRITICIZED BECAUSE WE DID NOT TESTIFY AGAINST SEABOARD FARMS AT THE HEARING RELATING TO THEIR TRANSACTION. THE HEARING DID NOT PASS BY US WITH OUT NOTICE. THE OPPOSITION APPEARED TO ME TO COME FROM SOURCES THAT HAD NOT USED THIS PROCESS AND PROBABLY WOULD NOT BUT DID NOT WANT ANY ONE ELSE TO.

WE DID NOT OBJECT TO THE PROCESS THEN AND DO NOT NOW.

IN CLOSING, AGAIN WE STRONGLY OPPOSE HB2951.

*House Agriculture
Attachment 8
2-20-96*