

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE.

The meeting was called to order by Chairman Dan Johnson at 3:30 p.m. on March 13, 2000, in Room 423-S of the Capitol.

All members were present except: Representative Aurand - excused  
Representative Flower - excused  
Representative Larkin - excused  
Representative Light - excused  
Representative Tedder - excused

Committee staff present: Raney Gilliland, Legislative Research Department  
Gordon Self, Revisor of Statutes Office  
Kay Scarlett, Committee Secretary

Conferees appearing before the committee:

Alan Alderson, Legislative Counsel, Western Retail Implement and Hardware Association  
Jim Meinhardt, President, Meinhardt Farm Equipment, Wamego, and President, Western Retail Implement and Hardware Association  
George Teagarden, Livestock Commission, Kansas Animal Health Department  
Mike Beam, Executive Secretary, Cow-Calf/Stocker Division, Kansas Livestock Association

Others attending: See attached list

In response to questions concerning the regulation of probable carcinogens at the hearing on **SB 501**, Representative Joann Freeborn distributed copies of an EPA fact sheet on Carbon Tetrachloride. (Attachment 1)

**Hearing on SB 586 - Reimbursement for warranty work on farm equipment, outdoor power equipment, and lawn and garden equipment.**

Chairman Johnson opened the hearing on **SB 586**.

Alan Alderson, Legislative Counsel, Western Retail Implement and Hardware Association, appeared in support of **SB 586** that would require manufacturers of various types of machinery and equipment to compensate dealers for warranty repair work at the same hourly rate which the dealer charges for non-warranty work. He said the bill was amended by the Senate Agriculture Committee to add a provision requested by Caterpillar to take into account the specific type of agreement manufacturers have with their dealers. (Attachment 2)

Jim Meinhardt, President, Meinhardt Farm Equipment, Wamego, and President, Western Retail Implement and Hardware Association, testified in support of **SB 586** that would require manufacturers to reimburse dealers of farm equipment and other types of machinery and equipment for warranty repair work at the dealer's normal charge to customers. He explained that a dealer's actual expenses for repairing machinery and equipment under warranty are not fully reimbursed by the manufacturers; not enough diagnostic time, little or no travel time, and no reimbursement for hauling equipment from the farm to the dealer's service area. (Attachment 3)

The hearing on **SB 586** was closed.

**Hearing on SB 588 - Contracts for farm equipment, outdoor power equipment, and lawn and garden equipment.**

Chairman Johnson opened the hearing on **SB 588**.

Alan Alderson, Legislative Counsel, Western Retail Implement and Hardware Association, testified in support of **SB 588** that amends the buyback statutes governing farm equipment, outdoor power equipment, and lawn

## CONTINUATION SHEET

and garden equipment making the laws consistent with each other. He explained that the proposed changes would require manufacturers or suppliers to repurchase parts and equipment whether the dealership agreement is cancelled by the manufacturer or the dealer; to pay 100 percent of the net cost on new equipment and 95 percent on new repair parts; to pay 5 percent for handling, packing and loading unless the supplier elects to perform these functions; and to make all required payments within 60 days. The current provision which does not require equipment purchased more than 12 months before termination to be repurchased would be extended to 24 months.

Mr. Alderson; Jim Meinhardt; and Jeff Flora, Chief Executive Officer, Western Retail Implement and Hardware Association, answered committee questions.

The Chairman closed the hearing on **SB 588**.

### **Hearing on SB 533 - Allowing the livestock commissioner to charge on-site inspection and mileage fees for brand inspections.**

Chairman Johnson opened the hearing on **SB 533**.

George Teagarden, Livestock Commissioner, Kansas Animal Health Department, appeared in support of **SB 533** which was introduced at his request. He said that Kansas has a county option brand inspection law and that currently there are three brand inspection areas in Kansas; Kearny, Hamilton, and Wichita Counties. He explained that this bill would allow the Livestock Commissioner to charge and collect an on-site brand inspection fee and a mileage fee for each mile traveled going to and returning from the place of brand inspection. He noted that this would be in addition to the current per head fee for brand inspection. (Attachment 4)

Mike Beam, Executive Secretary, Cow-Calf/Stocker Division, Kansas Livestock Association, testified in support of **SB 533** that would allow the agency to collect a minimum on-site inspection fee and a mileage fee to cover the expense of brand inspection services. Mr. Beam proposed two changes in the brand inspection definitions section of K.S.A. 47-434. He reported that during debate on the Senate floor it was noted that these definitions were no longer appropriate. He proposed new language for definition ( c) "resident owner of cattle" means any resident of a county who has owned one or more head of cattle at any time during the 12 preceding months. He suggested that the definition for "board" be repealed. (Attachment 5)

The Livestock Commissioner concurred with these changes.

Chairman Johnson closed the hearing on **SB 533**.

### **Discussion and action on HB 3026 - Certain agriculture inspection fees, plant pest activities funding.**

Jamie Clover Adams, Secretary, Kansas Department of Agriculture, explained that **HB 3026** would allow the fees from the feeding stuffs fee fund, fertilizer inspection fee fund, and the agricultural liming materials fee fund to be used to fund plant pest activities; not to exceed \$75,000 per year from each fee fund.

Representative Schwartz moved to recommend passage of **HB 3026**. Seconded by Representative Feuerborn, the motion carried.

### **Discussion and action on HCR 5070 - Concurrent Resolution urging the Department of Agriculture, Department of Commerce, Kansas State Research and Extension and others to assist producers of beef, pork and poultry to market their own products.**

Representative Thimesch moved to adopt **HCR 5070** which he had introduced. Seconded by Representative Faber, the motion carried.

The meeting adjourned at 4:33 p.m. The next meeting is scheduled for March 15, 2000.



## HOUSE CHAMBER

State Representative JOANN FREEBORN  
District 107

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Topeka, Kansas 66612  
1-800-432-3924  
during session



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March 13, 2000

F Y I

In committee last week I ask about the regulation of probable carcinogens and the gentlemen from U. S. EPA did not expand on his testimony. The KDHE provided me with this fact sheet. I thought you may be interested.

Sincerely,

  
Joann Freeborn

FROM THE DESK OF JOANN FREEBORN

House Agriculture Committee  
March 13, 2000  
Attachment 1



# EPA Facts About *Carbon Tetrachloride*

June 1992

## What is carbon tetrachloride?

Carbon tetrachloride ( $\text{CCl}_4$ ) is a clear, heavy liquid with a sweet odor. Because it evaporates very quickly, most  $\text{CCl}_4$  that escapes into the environment is found in the air as a gas. Small amounts can also be found dissolved in water.

$\text{CCl}_4$  does not occur naturally. It is produced in large quantities to make refrigerants and propellants for aerosol cans. Since these products have been found to affect the earth's ozone layer, production of these chemicals is being phased out. Consequently, the manufacture and use of  $\text{CCl}_4$  will also tend to decline.

In the past,  $\text{CCl}_4$  was widely used as a cleaning fluid, both in industry, where it served as a degreasing agent, and in the household, where it was used to remove spots from clothing, furniture, and carpeting. Because  $\text{CCl}_4$  does not burn, it was also used in fire extinguishers. These uses were discontinued in the mid-1960s. Until recently,  $\text{CCl}_4$  was used to fumigate grain, but this was stopped in 1986.

$\text{CCl}_4$  is very stable and, therefore, remains in the environment. Although it is broken down by chemical reactions in air, this happens so slowly that it takes between 30 and 100 years for one-half of the original amount of  $\text{CCl}_4$  to be destroyed.

## How might exposure to carbon tetrachloride occur?

Past and present releases of  $\text{CCl}_4$  have resulted in low levels of this compound being dispersed throughout the environment. In air, concentrations of 0.1 parts per billion (ppb) are common around the world, with somewhat higher values (0.2 to 0.6 ppb) in cities. The term "parts per billion" is a way of expressing the concentration of a contaminant in a liquid or air. One part per billion is equal to one inch in a distance of about sixteen thousand miles, or a penny in ten million dollars, a very small amount.  $\text{CCl}_4$  is also found in some drinking water supplies, usually below 0.5 ppb. Exposure to levels of  $\text{CCl}_4$  higher than these typical background levels may occur at industrial locations where  $\text{CCl}_4$  is still used or near waste sites where releases into air, water, or soil are not properly controlled. Exposure from such sites could occur by breathing  $\text{CCl}_4$  in air, by drinking water contaminated with  $\text{CCl}_4$ , or by getting contaminated soil on the skin.  $\text{CCl}_4$  has been found in water or soil at about 7% of the waste sites investigated under *Superfund*, at concentrations from less than 50 to over 1,000 ppb.

## How can carbon tetrachloride affect human health?

Exposure to high levels of  $\text{CCl}_4$  can cause a number of harmful health effects, including death. The most immediate health effects usually involve the brain. Common effects are headaches and dizziness, along with nausea and vomiting. In severe cases, stupor or even coma may result. These effects usually disappear within a day or two following exposure, but permanent damage to nerve cells may occur in severe cases.

The liver is especially sensitive to  $\text{CCl}_4$ . In mild cases, the liver becomes swollen and tender, and fat tends to build up inside the tissue. In severe cases, many cells may be killed, leading to decreased liver function.

The kidneys are also sensitive to  $\text{CCl}_4$ , with the main effect being a decrease in urine formation. This can lead to accumulation of water in the body (especially in the lungs) and buildup of waste products in the blood. Kidney failure is often the main cause of death in people who die as a result of exposure to  $\text{CCl}_4$ .

Fortunately, if injuries to the liver and kidneys are not too severe, these effects disappear once exposure ceases. This is because both organs can repair damaged cells and replace dead tissue. Function is often nearly normal within a few days or weeks following exposure.  $\text{CCl}_4$  also causes harm to other tissues in the body, but this is not usually as important as the effects on the liver, kidneys, and brain. Limited information from animal studies indicates that  $\text{CCl}_4$  does not cause birth defects, but might decrease the survival rate of newborn animals. Most information on the health effects of  $\text{CCl}_4$  in humans stems from cases in which individuals have been exposed only once or for a short period of time to relatively high levels of the chemical. Studies of the effects of long-term exposure to low levels of  $\text{CCl}_4$  on humans have not been performed and the effects of such exposures are unknown.

Is there a medical test to identify carbon tetrachloride exposure?

Several very sensitive and specific tests can detect CCl<sub>4</sub> in exposed persons. The most convenient way is simply to measure CCl<sub>4</sub> in exhaled air; CCl<sub>4</sub> can also be measured in the blood, fat, or other tissues. Because special equipment is needed, these tests are not routinely performed in doctors' offices. Although these tests can identify exposure to CCl<sub>4</sub>, the test results cannot yet be used to predict harmful health effects. Because CCl<sub>4</sub> is removed from the body fairly quickly, these methods are best suited to detection of exposures that have occurred within the past several days.

How can carbon tetrachloride enter and leave the body?

Carbon tetrachloride can enter the body through the lungs by breathing air containing CCl<sub>4</sub>, or through the stomach by swallowing food or water containing CCl<sub>4</sub>. Liquid CCl<sub>4</sub> can also pass through the skin into the body. Most CCl<sub>4</sub> is exhaled through the lungs within a few hours. Some CCl<sub>4</sub> in the body is temporarily absorbed by fat, and is then removed more slowly by the lungs.

What recommendations has the federal government made to protect human health?

The federal government has limited or banned the use of CCl<sub>4</sub> in most common household products and fire extinguishers, and has discontinued its use as a grain *fumigant*. The U.S. Environmental Protection Agency (EPA) has also set limits on the amount of CCl<sub>4</sub> released from an industrial plant into waste water, and is preparing to set limits on the amounts of CCl<sub>4</sub> released into outside air. One additional case of cancer may result in a group of 100,000 people exposed to CCl<sub>4</sub> in concentrations above 4 parts per billion in air or water over a period of 70 years.

What levels of exposure have resulted in harmful health effects?

Not all people are affected equally by exposure to CCl<sub>4</sub>. Individuals who drink alcohol are usually much more susceptible than people who do not. Most serious or fatal cases of CCl<sub>4</sub> *toxicity* have involved people who have had several alcoholic drinks before or during exposure to CCl<sub>4</sub>.

## GLOSSARY

*Background Levels:* The concentration of any substance which would normally be found in an area. This level is used as a basis of comparison in identifying contamination levels.

*Fumigant:* Substance producing fumes used to disinfect or to destroy pests.

*Superfund Program:* The program operated under the legislative authority of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), as amended by the Superfund Amendments and Reauthorization Act of 1986 (SARA) that funds the EPA solid waste emergency and long-term removal and remedial activities.

*Toxicity:* The degree to which a substance acts as a poison.

For more information about Carbon Tetrachloride, please contact EPA at the following address:

U.S. Environmental Protection Agency  
ATTN: Superfund Hotline  
401 M Street, S.W.  
Washington, D.C. 20460  
1-800-424-9346 or 1-800-535-0202

The information contained in this fact sheet was compiled from the Toxicological Profile for Carbon Tetrachloride, Agency for Toxic Substances and Disease Registry, U.S. Public Health Service, in collaboration with the U.S. Environmental Protection Agency, December 1989. *This fact sheet focuses on the impact of hazardous wastes on human health; however, EPA does evaluate these impacts on the environment, including plants and animals.*

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LICENSED TO PRACTICE IN  
KANSAS AND MISSOURI

**MEMORANDUM**

TO: Members, House Agriculture Committee

FROM: Alan F. Alderson, Legislative Counsel, Western  
Retail Implement and Hardware Association

RE: Senate Bills Nos. 586 and 588

DATE: March 13, 2000

Mr. Chairman and Members of the House Agriculture Committee, I am Alan Alderson, Legislative Counsel for the Western Retail Implement and Hardware Association. I appear here today to ask you to consider favorably Senate Bill Nos. 586 and 588.

Senate Bill No. 586 would simply require manufacturers of the various types of machinery and equipment to compensate dealers of that equipment at the same rate which the dealer charges for nonwarranty work. The bill was amended in the Senate Committee to add a provision requested by Caterpillar, to take into account the specific type of agreement they have with their dealers. This bill passed out of the Senate on a vote of 39 to 1.

Senate Bill 588 makes a number of conforming amendments to bring into uniformity the three laws which are known as the Fair Dealership laws, and specifically with regard to the buyback provisions of those laws. The three sets of laws apply to farm machinery and equipment, outdoor power equipment (construction equipment) and lawn and garden equipment. Those conforming amendments are as follows:

1. Provisions of the laws which require manufacturers or suppliers to repurchase parts and equipment would apply whether or not the dealership agreement was cancelled by the manufacturer or the dealer. [Now, only the lawn and garden equipment law applies when a dealer terminates the agreement.]

2. The buyback laws would all require manufacturers or suppliers to pay 100 percent of the net cost on new equipment

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Attachment 2

and 95 percent on new repair parts. [Now, farm equipment is 100%/85%; outdoor power equipment and lawn and garden equipment is 90%/90%].

3. The manufacturer or supplier would be required to pay 5 percent for handling, packing and loading unless the supplier elects to perform those functions itself. [This provision now only applies to farm equipment].

4. Payments required to be made under all laws would be due in 60 days. [This provision now only applies to farm equipment].

5. The current provisions which would not require repurchase of repair parts and broken or damaged packages or single repair parts priced as a set would be eliminated. [None of the current laws include these exclusions].

6. The current provisions which would not require equipment purchased more than 12 months before termination to be repurchased, would be extended to 24 months. [Now, both the farm equipment law and the outdoor power equipment law are already at 24 months].

I have with me today Jeff Flora, Chief Executive Officer for the Western Retail Implement and Hardware Association, Jim Meinhardt, President of Meinhardt Farm Equipment in Wamego, Kansas, who is also President of Western Retail Implement and Hardware Association, and Jack Selzer, the Association's legal counsel. Mr. Selzer and Mr. Meinhardt will provide additional testimony on these pieces of legislation. We urge you to favorably support each of these bills for the benefit of our local Kansas dealerships.



# Meinhardt

FARM EQUIPMENT inc.



18035 E Highway 24  
P O Box 310  
Wamego, KS 66547  
Ph. 913-456-2041  
Fax 913-456-7031

**TO:** Members, House Agriculture Committee

**FROM:** Jim Meinhardt, President, Western Retail Implement and Hardware Association

**RE:** Senate Bill No. 586

**DATE:** March 13, 2000

Mr. Chairman and Members of the House Agriculture Committee, I am Jim Meinhardt, President of Meinhardt Farm Equipment in Wamego, Kansas. I am also President of the Western Retail Implement and Hardware Association. I am here to ask you to support the passage of Senate Bill 586, which would provide dealers of farm equipment and other types of machinery and equipment with some relief on reimbursement for warranty work. I am also here to try to answer any questions you might have regarding normal and usual practices for billing repair work of this nature. I don't pretend to know how every manufacturer handles warranty work reimbursement, but I will get you the answers to your questions of I can.

Whenever equipment dealers seek legislation which would regulate the practices between dealers and manufacturers, there are always questions about why the legislature needs to intervene in these contractual matters. Anyone who has ever been involved in a franchise of this type knows that the contractual relationships between a dealer and a manufacturer are not negotiated on a level playing field. A dealer does not have the bargaining power that the manufacturer has and the dealer often has no choice but to accept the terms and conditions offered. He is not at liberty to say I insist upon being reimbursed for my actual and necessary expenses, if that is not the manufacturer's policy.

Typically, a dealer's actual and necessary expenses of repairing machinery and equipment are not fully reimbursed. Although manufacturers prescribe schedules of what they believe should be the appropriate time and charges for certain types of work, their schedules are developed in an ideal world as though the machinery and equipment was sitting in the factory. Dealers believe there are not enough diagnostic time, little or not travel time and no reimbursement for hauling equipment from the farm to the dealer's service area. These are the major complaints of dealers in terms of what expenses are not being appropriately reimbursed.

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Attachment 3



All we are asking you to do in Senate Bill No. 586 is to give us a little parity in bargaining with our manufacturers, by requiring them to reimburse us for warranty work that we would regularly and normally charge to our customer if the repairs were not covered by a manufacturer's warranty.

Most manufacturers are very responsive to the concerns of their dealers, and we do not want to single out any one manufacturer as being a problem. We just want to have the law express a general principle of fairness and equity.

I would be happy to try to answer any questions you might have about repair services, charges, and warranty reimbursement practices. Thank you for the opportunity to appear before you today.

STATE of KANSAS

**KANSAS ANIMAL HEALTH DEPARTMENT**

George Teagarden, Livestock Commissioner  
708 S. Jackson, Topeka, Kansas 66603-3714  
Phone 785/296/2326 Fax 785/296/1765  
e-mail – [gteagarden@cjnetworks.com](mailto:gteagarden@cjnetworks.com)

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March 13, 2000

House Agriculture Committee

Mr. Chairman and members of the committee, I am George Teagarden, Livestock Commissioner, Kansas Animal Health Department. Thank you for your time today, in hearing SB 533.

Kansas has county option brand inspection law. Determination of a brand inspection area is made by cattle producers within the county by petitioning the county commission to adopt brand inspection by resolution. We currently have three (3) brand inspection areas in the state; Kearny, Hamilton and Wichita counties.

KSA 47-436 indicates that the commissioner and brand inspectors shall provide for inspection in these areas, within the limits of funds provided. This activity is a self supporting function of our department through the county option fee fund.

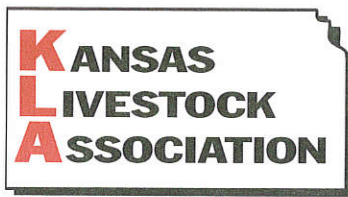
Current law allows for only a per head fee of not more than \$.75. This bill amends the statute to allow for a minimum fee and mileage.

We are currently making some inspections that do not even pay enough to cover mileage, let alone any wages for the inspector. I have not determined what the minimum might be, but would suspect it to be +or- \$25. Mileage would be the same as the Central Motor Pool charges our agency, currently \$.22 per mile for pickups.

In FY '99 we conducted 31 inspections where a minimum might apply. One month we had 8 inspections that averaged \$1.06 per stop. I don't know how far the inspector drove to get to the site. Another month, 11 inspections netted us \$4.22 per stop.

Thank you! I will stand for questions.

House Agriculture Committee  
March 13, 2000  
Attachment 4



*Since 1894*

To: The House Agricultural Committee  
Representative Dan Johnson, Chairman

From: Mike Beam, Executive Secretary, Cow-Calf/Stocker Division

Subj: **Senate Bill 533** – Brand Inspection Fees

Date: March 13, 2000

Mr. Chairman, and committee members, the Kansas Livestock Association (KLA) supports SB 533. Commissioner Teagarden discussed these issues with KLA's Animal Health and Brand Committee at our Annual Meeting last December. They voted in favor of this change in the county brand inspection law.

Current law limits KAHD's collections of brand fees to 75 cents per head. It is apparent the agency loses substantial money if they are called to send an inspector to inspect one animal or a small number of livestock. It makes sense to us to amend KSA 47-437 and allow the agency to collect a minimum on-site inspection fee and a mileage fee to cover the expense of brand inspection services.

I have attached proposed amendments to an existing statute (KSA 47-434) that we would like this committee to consider. During debate on the Senate floor, it was noted all qualified petitioners seeking to initiate brand inspection or repeal their county option brand program must have listed their livestock for property tax purposes during the preceding year. This requirement is no longer appropriate since the legislature and voters repealed the property taxes on livestock and inventories in 1986.

We also suggest the definition of "board", as the board of directors of the Kansas livestock association, be repealed. We can no longer find any reference to the KLA Board in article 4, which addresses the brand laws.

Again, KLA supports this bill and I will be happy to respond to any questions. Thank you.

House Agriculture Committee  
March 13, 2000  
Attachment 5

# 47-434

## Chapter 47.--LIVESTOCK AND DOMESTIC ANIMALS Article 4.--MARKS AND BRANDS

**47-434. Brand inspection areas; definitions.** As used in this act:

(a) "Commissioner" means the state livestock commissioner;

(b) "brand inspection area" means any county which has been designated as such by the board of county commissioners of such county in the manner provided by K.S.A. 47-435 and amendments thereto;

(c) "resident owner of cattle ~~or sheep~~" means any resident of a county who ~~listed one~~ has owned or more head of cattle ~~or sheep, or both, for taxation during the preceding tax assessment period;~~

(d) "brand inspection" means the inspection of brands, marks, and other identifying characteristics of cattle or sheep, or both, for the purpose of determining the ownership thereof; at any time during the 12 preceding months ;

(e) "person" means any individual, firm, association, partnership or corporation; and

~~(f) "board" means the board of directors of the Kansas livestock association.~~

**History:** L. 1959, ch. 228, § 1; L. 1989, ch. 156, § 7; July 1.