

MINUTES OF THE SENATE AGRICULTURE COMMITTEE

The meeting was called to order by Chairman Derek Schmidt at 8:30 a.m. on January 13, 2004 in Room 423-S of the Capitol.

All members were present.

Committee staff present:

Alan Conroy, Legislative Research
Amy VanHouse, Legislative Research
Lisa Montgomery, Office of the Revisor of Statutes
Robert Myers, Committee Secretary

Conferees appearing before the committee:

Laurel Murdie - Legislative Division of Post Audit
Mark Hassman - General Manager of Hassman Termite and Pest Control, Salina

Others attending:

See Attached List.

Laurel Murdie presented to the committee the Performance Audit Report on Food Safety Programs in Kansas. She spoke as a proponent of consolidation, stating that Kansas could benefit from the combination of the programs that currently exist within both the Kansas Department of Health and Environment and the Kansas Department of Agriculture. The benefits she proposed were the streamlining of operations and money savings. She did not specify under which of the two agencies in question this consolidation should occur.

Laurel Murdie identified three major problems within the existing system of Food Safety Programs:

- 1) Inefficient inspection methods
- 2) Lack of coordination between the two departments (i.e., KDHE and KDA)
- 3) Inconsistent inspection requirements

Laurel Murdie followed by presenting two primary recommendations to the committee:

- 1) Combine the Food Safety Programs of the two agencies (i.e., KDHE and KDA)
- 2) Implement a risk-based approach with regard to the designation of inspection frequencies

Mark Hassman appeared before the committee on behalf of the Kansas Pest Control Association in order to request the introduction of a bill that would increase liability insurance policies for pesticide businesses (Attachment 1).

Senator Tyson moved to introduce a bill that would increase liability insurance policies for pesticide businesses as described by Mark Hassman, seconded by Senator Corbin. The motion carried.

SB 296: Renaming the department of agriculture and transferring certain powers and duties.

SB 296 has been referred to the Senate Agriculture Committee

The meeting was adjourned at 9:34 a.m.

The next meeting is scheduled for Wednesday, January 14, 2004.

2-2448

Chapter 2.--AGRICULTURE Article 24.--PEST CONTROL

2-2448. Surety bond, liability insurance, letter of credit or escrow account required for pesticide business license. (a) Except as provided by subsection (b), the secretary shall not issue a pesticide business license until the applicant has furnished proof of financial responsibility by one of the following:

(1) A surety bond in an amount not less than ~~\$6,000~~ **\$50,000** per year. The bond shall be executed by a corporate surety and shall state the effective date and the expiration date. The surety bond shall be executed on a form approved by the secretary. The applicant shall be named as the principal in the bond. Such bond shall be to the state of Kansas and shall be conditioned upon compliance by the principal and by the principal's officers, agents, representatives and employees, with the provisions of this act and acts amendatory thereof and supplemental thereto. It shall be unlawful for any licensed person to use the words "bond" or "bonded" in advertising or in publicizing such person's operations in connection with the application of pesticides unless such bond is a performance bond and that fact and the amount of such bond are specified.

(2) A certificate of liability insurance. The certificate of liability insurance shall be executed by an insurance company authorized to do business in Kansas or by a licensed insurance agent operating under authority of K.S.A. 40-246b, and amendments thereto, and shall state the effective date and the expiration date of the policy. Such liability insurance shall be subject to the insurer's policy provisions filed with and approved by the commissioner of insurance pursuant to K.S.A. 40-216, and amendments thereto, except as authorized by K.S.A. 40-246b, and amendments thereto. The liability insurance policy shall provide: (A) Coverage for not less than ~~\$25,000~~ **\$250,000** for bodily injury liability for each occurrence; and (B) coverage for not less than ~~\$5,000~~ **\$250,000** for property damage liability for each occurrence. In addition to the coverage specified above, if the applicant for a pesticide business license is an aerial applicator, the liability insurance policy shall provide coverage for any pesticide such applicant will be applying and for comprehensive chemical coverage. Pesticide application equipment, if required to be registered under K.S.A. 2-2456, and amendments thereto, shall be covered. The insurer shall notify the secretary, in writing, of any expiration, reduction or cancellation of liability insurance, furnished as a prerequisite of licensure, not later than 10 days before the expiration, reduction or cancellation takes effect. Upon expiration, reduction or cancellation of the liability insurance, the secretary shall suspend such pesticide applicator's business license until the insurance requirement is met by the licensee for the current license period. The certificate shall be executed on a form approved by the secretary.

(3) A ~~\$6,000~~ **\$50,000** letter of credit from a Kansas financial institution, as defined in K.S.A. 16-117, and amendments thereto. The letter of credit shall be executed on a form approved by the secretary. The letter of credit shall state the effective date and the expiration date and shall be valid through the term of the applicant's business license. Upon cancellation of the letter of credit, the secretary shall suspend such pesticide applicator's business license until the letter of credit requirement is met by the licensee

*Senate Agriculture
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Attachment 1*

Mark Hassman

for the current license period.

(4) Maintaining a minimum balance of ~~\$6,000~~ **\$50,000** in an escrow account in a Kansas financial institution as defined in K.S.A. 16-117, and amendments thereto. The escrow account shall maintain the minimum balance through the term of the applicant's business license. The secretary shall be notified in writing by the financial institution within 10 days if the amount in the escrow account falls below the ~~\$6,000~~ **\$50,000** minimum balance. Upon notification, the secretary shall suspend such pesticide applicator's business license until the escrow account minimum balance is at ~~\$6,000~~ **\$50,000**.

(b) **(Change dates as appropriate for this change in the statute.)** Before June 1, 1994, the financial responsibility and proof of financial responsibility required pursuant to this section prior to March 1, 1994, shall continue to apply to any pesticide business holding a valid pesticide business license on February 28, 1994, and no different or additional financial responsibility or proof of financial responsibility shall be required of such business. On or before June 1, 1994, each pesticide business licensed before March 1, 1994, shall furnish to the secretary proof of financial responsibility conforming to the requirements of this section as amended by this act.

(c) **(Change date as appropriate.)**The requirements of this section as amended by this act shall apply to any applicant applying for an original pesticide business license on or after March 1, 1994, and no different or additional financial responsibility or proof of financial responsibility shall be required of such applicant.

History: L. 1976, ch. 1, § 11; L. 1982, ch. 8, § 1; L. 1989, ch. 6, § 17; L. 1994, ch. 199, § 2; April 21.