

MINUTES OF THE SENATE AGRICULTURE

The meeting was called to order by Chairman Mark Taddiken at 8:30 a.m. on February 14, 2006 in Room 423-S of the Capitol.

All members were present except:

Derek Schmidt- excused

Committee staff present:

Raney Gilliland, Kansas Legislative Research
Lisa Montgomery, Office of Revisor of Statutes
Judy Seitz, Committee Secretary

Conferees appearing before the Committee:

John Bottenberg, Kansas Pork Association
Sue Schulte, Kansas Corn Growers Association
Senator Janis Lee
Lise Streit, Kansas Horse Council
Dr. Jon Haggard, Kansas Horse Council
Gary Niehues, Land O Lakes Purina Feed
Jo Turner, Kansas Horse Council
Chris Wilson, Kansas Horse Council
Constantine Cotsoradis, Kansas Department of Agriculture
Mary Jane Stankiewicz, Kansas Grain & Feed Association

Others attending:

See attached list.

John Bottenberg appeared in support of **SR 1809--Congratulating and commending the Kansas Pork Association on its 50th anniversary.** Tim Stroda was unable to attend but sent written testimony and a pork industry fact sheet. (Attachment 1). Mr. Bottenberg stated that the pork industry in Kansas had sales last year totaling more than \$400,000,000.

Mr. Bottenberg stood for questions.

Sue Schulte submitted written testimony in support of **SR 1809** (Attachment 2).

Senator Pine made a motion to adopt SR 1809 with a change in line 28 - adding "s" to soybean. Motion seconded by Senator Ostmeyer. Motion passed.

SB 532--Repealing tax levies for fair association buildings and grounds was then heard. Senator Lee appeared in support of **SB 532** (Attachment 3). One page of Senator Lee's handout was an e-mail from DeWayne Craighead, Hodgeman County Extension. She said that originally the bill was written to repeal K.S.A. 2-131d. Senator Lee now recommends requesting an interim committee on fair board issues. A letter from the Agriculture Committee requesting an interim committee on fair board issues will be written to Representative Mays, chairman of the Legislative Coordinating Council (LCC). Senator Lee made a motion that the Committee send a letter to the LCC (copy to President Morris) requesting an interim committee on the organization and funding of county fairs. Motion seconded by Senator Pine. Motion passed.

Hearings on **SB 542--Creation of the equine industry research and promotion board** were opened. Lise Streit spoke in favor of **SB 542** (Attachment 4). Her organization supports this bill due to the benefits and economic impact that this fund represents to the continued growth of the equine industry in Kansas. (Copies of Kansas Equine Survey 1996, brochures on the Kansas Horse Council and Equifest on file in Senator Taddiken's office.)

Ms. Streit stood for questions.

CONTINUATION SHEET

MINUTES OF THE Senate Agriculture at 8:30 a.m. on February 14, 2006 in Room 423-S of the Capitol.

Mr. Gilliland briefed the Committee on **SB 542**. He said this bill would create the Kansas Equine Industry Research and Promotion Board consisting of seven members serving for terms of four years. He reviewed the duties and the duties of the Board. He also reviewed the assessment fees in Sec. 4 and the violations in Sec. 6.

Mr. Gilliland took questions from the Committee.

Dr. Jon Haggard testified in favor of **SB 542** (Attachment 5). The money raised could be used to help fund education programs, to help improve parks and recreation activities to increase the tourism industry in Kansas. It could also be used to help in natural disasters and creation of a statewide system to care for abused and neglected animals.

Chairman Taddiken requested that question be deferred until all conferees have testified.

Gary Niehues spoke in favor of **SB 542** (Attachment 6). He said that a fund that will benefit the equine industry in Kansas will in turn increase feed demand and benefit feed manufacturers through increased sales.

Jo Turner testified in support of **SB 542** (Attachment 7). She said the economic impact will benefit not only the horse industry but all economic sectors with direct or indirect links to equine activities including food sales, fuel sales, hotels, truck, trailer and tire sales and repair, feed, hay and livestock equipment and products.

Chris Wilson spoke in support of **SB 542** but had no written testimony.

Mary Jane Stankiewicz offered testimony opposing **SB 542** (Attachment 8). She said the Kansas Grain and Feed Association has concerns about the task of collecting and paying into the research fund and would prefer a different means of funding the program than a checkoff program where they are the reporting entity. She offered an amendment (Attachment 9) on page 3, Sec. 4 (b) to read "*Any manufacturer or retail seller that sells 200 tons or less of commercial equine feed shall be exempt from this act.*"

Conferees stood for questions.

The meeting was adjourned at 9:30 a.m.

The next meeting is scheduled for February 15, 2006.

SENATE AGRICULTURE COMMITTEE GUEST LIST

DATE: February 14, 2006

NAME	REPRESENTING
Lisa Streit	Kansas Horse Council
Jo Turner	KHC - Roy Frey Western
Dr. Jon Hegeard	KHC - Equine Veterinarian
Gary Niehus	KHC - Land Olakes Purina Feed
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Estelle Montgomery	Hein Law Firm
Dennis Hope	KSA
John A. Donley	KS Livestock Assoc.
Matt Todd	Sen. Lee
Chris Wilson	KS Horse Council
Mary Jane Stankiewicz	KGFA
CV Cotsozadis	KDA
Sandy Braden	GBBA
BRAD HARRELSON	KFB



Testimony on Senate Resolution 1809

Presented on behalf of the Kansas Pork Association

By Tim Stroda, President-CEO

February 14, 2006

Mr. Chairman, members of the committee, my name is Tim Stroda. I serve as the President-CEO of the Kansas Pork Association. Thank you for this opportunity to testify on behalf of our organization and the pork industry.

For 50 years, Kansas pork producers have worked together through their association to make their business stronger.

Our members are very proud to provide a safe, nutritious product to help feed consumers worldwide. They are also proud to say their industry provides a boost to the state's economy through sales totaling more than \$400,000,000 last year.

The Kansas Pork Association is working every day to help our members continue to be a successful part of Kansas agriculture. Our association's goal is to serve our members for another 50 years.

The members of the KPA ask for your favorable consideration of Senate Resolution 1809.

2601 Farm Bureau Road • Manhattan, Kansas 66502 • 785/776-0442 • FAX 785/776-9897

e-mail: kpa@kspork.org • www.kspork.org

Senate Agriculture Committee

2-14-06

Attachment 1

Kansas Pork Industry Facts



50th Anniversary

In 1956, a small group of pork producers held the first meeting of the Kansas Swine Improvement Association. Their purpose was to work together to make their businesses more profitable while keeping the swine industry healthy and flourishing statewide. Fifty years later, the Kansas Pork Association is working everyday to achieve this same goal.

Kansas pork producers help feed the world

There are 1,500 hog farms in Kansas. Of these operations, 310 produce 95% of the state's pork.

Kansas is the number 9 state in hog and pig inventory producing about 2.7 percent of the nation's total.

In 2005, Kansas producers sold 3,047,022 market hogs, feeder pigs and seedstock with a gross market value of \$402,596,058. These hogs produced over 450,000,000 pounds of **Pork The Other White Meat®** which helped feed nearly 10 million people.



Pork industry important to Kansas economy

Kansas pork operations consume over 34 million bushels of grain. Primarily, these operations utilize Kansas-grown milo, but they also feed significant amounts of corn and soybean products.

The Kansas swine industry annually spends about:

- \$145 million for feed grains
- \$35 million in construction
- \$30 million in labor costs
- 20 million in supplies
- \$10 million for utilities (gas, propane & electric)
- \$10 million for trucking (hog marketing only, no grain)
- \$8 million in interest

Tim Stroda

President - CEO
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**Testimony on Senate Resolution 1809
to
Senate Committee on Agriculture**

**by Sue Schulte
Director of Communications
Kansas Corn Growers Association**

February 13, 2006

Good morning Chairman Taddiken and members of the committee. I am Sue Schulte, and I am here to testify on behalf of the Kansas Corn Growers Association as well as the Kansas Grain Sorghum Producers Association in support of Senate Resolution 1809 congratulating the Kansas Pork Association on its 50th anniversary.

While we work to build new markets for Kansas corn and grain sorghum, we never lose sight of the fact that the state's livestock industry is our #1 customer. The pork industry in Kansas is our valued customer providing a market for over 34 million bushels of feed grains grown on our farms.

In addition, the Kansas Pork Association is an asset to not only its members but also to Kansas agriculture. We applaud the association and its producer members for the leadership they provide to Kansas agriculture.

We are proud to offer our support of this resolution honoring the Kansas Pork Association.

*Senate Agriculture Committee
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Attachment 2*

Janis Lee

From: "DeWayne Craghead" <dcraghea@oznet.ksu.edu>
To: <jlee@ink.org>
Sent: Monday, February 13, 2006 11:11 PM
Subject: SB 532 fair comment (revised)

Dear Senator Lee,

I made a mistake on the last email. I have underlined the correction.

Thanks again.

I approve of the work on 2-131d with the following changes, rather than repelling the statute:

Please change - ***which multiplied by the total assessed tangible valuation of the county, will result in producing more than \$3,000 to to exceed five-tenths of one mill upon all the taxable tangible property of the county for the purpose of raising funds to be used for the erection and maintenance of buildings of such a fair association (with a maximum increase of two-tenths of one mills in any one year)***

If this statute is eliminated, then our fair board ceases to exist, along with others organized in this manner.

We discussed a certain \$ amount, however after reading statute 2-131b, I felt like it would be a more applicable solution since it is working in other counties.

Thank you for your work in this area.

DeWayne Craghead
Hodgeman County Extension, Ag
620-357-8321

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2-14-06
Attachment 3

2/14/2006

2-131c. Tax levy in certain counties for buildings and maintenance thereof; request.

The board of county commissioners of any county having a population of more than one hundred twenty-five thousand persons and having an assessed tangible valuation of more than one hundred fifty million dollars in which there is a fair association and a livestock show association which are organized and operating under the provisions of K.S.A. 2-125 to 2-131, both sections inclusive, and amendments thereto, upon the request of such fair association or livestock association is hereby authorized and empowered to make an annual tax levy of not to exceed one-fortieth of one mill upon all of the taxable tangible property of the county for the purpose of raising funds to be used for the erection and maintenance of buildings or the purchase of supplies and equipment of such fair association or livestock association. The board of county commissioners shall determine the amount necessary to be raised by such levy. The moneys raised by such levy shall be divided equally between the fair association and the livestock show association. The tax levy authorized by this section shall be in addition to all other tax levies authorized or limited by law and shall be outside the aggregate limitation provided in K.S.A. 79-1947, and the amount collected therefrom shall be paid to such fair association and livestock association for the purposes and in the proportions herein specified, and shall be in addition to the amount allowed to such associations under the provisions of K.S.A. 2-129 and amendments thereto.

History: L. 1947, ch. 3, § 1; June 30.

2-131d. Certain counties having fair associations; tax levy for buildings and grounds, use of proceeds.

The board of county commissioners of any county in which there is a county fair association officially recognized by the Kansas state board of agriculture, upon the request of such fair association, may make an annual tax levy for the purpose of raising funds to be used for the purchase of grounds and the erection and maintenance of buildings of such fair associations and to pay a portion of the principal and interest on

pay a portion of the principal and interest on bonds issued under the authority of K.S.A. 12-1774, and amendments thereto, by cities located in the county in any one year. The tax levy authorized shall be in addition to all other tax levies authorized or limited by law and shall not be subject to or within the aggregate tax levy limit prescribed by K.S.A. 79-1947. The amount collected by the county for such purpose, except for an amount to pay a portion of the principal and interest on bonds issued under the authority of K.S.A. 12-1774, and amendments thereto, by cities located in the county, shall be paid to such fair associations for the purposes herein specified, upon request of such fair association. The fair association may use any portion of this amount, not needed for purchase of grounds and the erection and maintenance of buildings, to supplement and increase premiums and awards for exhibitions by 4-H members and organized F.F.A. members.

History: L. 1951, ch. 6, § 1; L. 1969, ch. 1, § 1; L. 1979, ch. 52, § 17; July 1.

2-131e. No-fund warrants for purchase of grounds, erection and maintenance of buildings; limitation; tax levies.

Whenever the board of county commissioners of any county in which there is a county fair association officially recognized by the Kansas state board of agriculture, and having a population of not less than thirty-five thousand (35,000) nor more than forty-five thousand (45,000), and having an assessed tangible valuation of not less than fifty million dollars (\$50,000,000) and not more than eighty million dollars (\$80,000,000), shall determine, upon the request of such fair association, that it is in the best interest of the county to raise funds for the purchase of grounds or the erection and maintenance of buildings for such fair association, said board of commissioners is hereby authorized and empowered to issue no-fund warrants in an amount not to exceed, in the aggregate, five thousand dollars (\$5,000) for the purposes stated hereinbefore. No-fund warrants issued hereunder shall be issued in the manner and form and bear interest and be redeemed as prescribed by K.S.A. 79-2940, and acts amendatory thereof, except that they may be issued without the approval of the

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**STATEMENT OF THE KANSAS HORSE COUNCIL
TO THE SENATE AGRICULTURE COMMITTEE**

SENATOR MARK TADDIKEN, CHAIR

REGARDING S.B. 542

FEBRUARY 14, 2006

Chairman Taddiken and Members of the Committee, I am Lise Streit, Executive Director of the Kansas Horse Council. The KHC is a non-profit organization that provides the Kansas Equine Industry with leadership and direction through education, promotion, and public policy advocacy. We appreciate the Committee introducing S.B. 542 and the opportunity to come before you today in support of this bill.

Examples of Equine Prosperity in Kansas.

1. Retail and on-line commerce.
2. Events- EquiFest, Horse owner's workshops, clinics.
3. Clubs and Associations – 116 Equine Clubs, 115 4-H Clubs
4. Equine Center at K-State- Vet School, plans for treadmill lab, equine center.
5. Stables – 93 listed Stables in Kansas
6. Horse Communities- housing divisions built with horse properties.
7. Trail Riding Business- Bringing in State and Out of State tourism.
8. Trailer Sales- Many trailer manufacturers and dealers in Kansas.
9. Trainers/Schools- Horse training and riding instructors.
10. Veterinarians and Farriers- Growing, thriving industries.

Examples of Economic Impacts.

1. Travel and Tourism- In and out of State money entering local economies.
2. All above examples of prosperity have economic impact on Kansas.

Viable Area's In Need Of Funding.

1. Therapeutic Riding – Programs for the handicapped.
2. Equine Rescue Centers – Servicing abuse and neglect cases.
3. Public Education
4. Equine Assisted Psychological Therapy – Human psychological treatment.
5. Horse Related Camps – Girl & Boy Scouts, 4-H, YMCA
6. State Parks and Trails – Trail development and maintenance.
7. Kansas State University- Equine center

We support this bill due to the benefits and economic impact that this fund represents to the continued growth of the equine industry in Kansas.

We encourage the Committee to report S.B. 542 favorable for passage. Thank you for your consideration, and I would be glad to respond to questions at the appropriate time.

Lise Streit, Executive Director, Kansas Horse Council

*Senate Agriculture Committee
2-14-06
Attachment 4*

Table 5A - Number of Horses by State

State	Number of Horses
Alabama	148,152
Alaska	11,449
Arizona	177,124
Arkansas	168,014
California	698,345
Colorado	255,503
Connecticut	51,968
Delaware	11,083
District of Columbia	33
Florida	500,124
Georgia	179,512
Hawaii	8,037
Idaho	158,458
Illinois	192,524
Indiana	202,986
Iowa	199,220
Kansas	178,651
Kentucky	320,173
Louisiana	164,305
Maine	37,854
Maryland	152,930
Massachusetts	37,529
Michigan	234,477
Minnesota	182,229
Mississippi	113,063
Missouri	281,255
Montana	129,997
Nebraska	150,891
Nevada	51,619
New Hampshire	14,681
New Jersey	82,982
New Mexico	147,181
New York	201,906
North Carolina	256,269
North Dakota	59,391
Ohio	306,898
Oklahoma	326,134
Oregon	167,928
Pennsylvania	255,763
Rhode Island	3,509
South Carolina	94,773
South Dakota	120,878
Tennessee	206,668
Texas	978,822
Utah	120,183
Vermont	24,540
Virginia	239,102
Washington	249,964
West Virginia	89,880
Wisconsin	178,636
Wyoming	99,257
TOTAL	9,222,847

Table 5B - Number of Horses by State, Ranked by Horse Count

State	Number of Horses
Texas	978,822
California	698,345
Florida	500,124
Oklahoma	326,134
Kentucky	320,173
Ohio	306,898
Missouri	281,255
North Carolina	256,269
Pennsylvania	255,763
Colorado	255,503
Washington	249,964
Virginia	239,102
Michigan	234,477
Tennessee	206,668
Indiana	202,986
New York	201,906
Iowa	199,220
Illinois	192,524
Minnesota	182,229
Georgia	179,512
Kansas	178,651
Wisconsin	178,636
Arizona	177,124
Arkansas	168,014
Oregon	167,928
Louisiana	164,305
Idaho	158,458
Maryland	152,930
Nebraska	150,891
Alabama	148,152
New Mexico	147,181
Montana	129,997
South Dakota	120,878
Utah	120,183
Mississippi	113,063
Wyoming	99,257
South Carolina	94,773
West Virginia	89,880
New Jersey	82,982
North Dakota	59,391
Connecticut	51,968
Nevada	51,619
Maine	37,854
Massachusetts	37,529
Vermont	24,540
New Hampshire	14,681
Alaska	11,449
Delaware	11,083
Hawaii	8,037
Rhode Island	3,509
District of Columbia	33
TOTAL	9,222,847

Note: Bold font indicates a focus state - with additional detail available in Breakout State Volume

Senate Agriculture Committee

Reference: SB 542

February 14, 2006

As President of the Kansas Horse Council and as an equine veterinarian, I am here today to express my support for the favorable passage of SB 542. I appreciate the opportunity to speak to you today on behalf of the Kansas Horse Council and equine veterinarians throughout the State of Kansas.

The horse industry is big business in Kansas. In my practice as a veterinarian, I see daily what Kansans spend to maintain their horses. I see Kansans building more homes in the country in order to have their horses at home. Horse owners often spend more than \$10,000 to build fencing for the horses they love and anywhere from \$10,000 to more than \$500,000 for a barn to keep their horse or horses in. They buy trucks and trailers to haul their horses to horse shows or trial rides. They may spend \$30,000 or more on their trucks and \$20,000 or more on their trailers.

People with horses in outside states spend their money on the horse industry in Kansas as well. Many bring their horses from out of state for popular trial rides or shows. I am a member of the Ft. Leavenworth Hunt, for example. People from Nebraska, Missouri, Oklahoma, Iowa and Arkansas come to the Hunt to participate. At one time, I was the State Veterinarian for the Woodlands, a race track in Kansas City. I can tell you from first hand experience that Kansas brings many horse trainers from out of State to live and work within the State in association with the racetrack.

The funds we are requesting on horse feeds sold in Kansas will help sustain the horse industry in Kansas. This bill is similar to what most of the feed manufacturing companies already have in place for other commodities. For example, soybeans and wheat programs are already collecting assessments for similar programs. This is an excellent way to raise money as it is only being paid by the people who will benefit from our program: the horse industry. This can be done with minimal burden to the horse owner; average around \$2.00 annually per horse.

For the horse industry in Kansas, the money raised would have substantial economic advantages. The money raised could be used to help fund educational programs, to help improve parks and recreation activities, to increase the tourism industry in Kansas, and to help our emergency preparedness programs as it pertains to natural disasters and as it pertains to creating a statewide system to care for abused and neglected animals.

Supporting educational programs are important to sustaining and promoting the growth of the horse industry in Kansas. The money raised may be used to fund scholarships for students wanting to pursue an education in equine-related fields in

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Attachment 5

Kansas, such as nutritionists, reproduction specialists, or those interested in stable management. It may also be used to help provide funds for programs, facilities, or faculty in the purposed Equine Center at Kansas State University. In addition, the funds may be used for educational programs regarding insurance, equine care, vaccination importance, or other topics that are important to the Kansas horse industry.

Supporting parks and recreation is vital to sustaining and promoting the growth of the horse industry in Kansas. Currently, many horse trails are closing because State and local governments cannot afford to maintain the trails. The passage of this bill could help fund maintaining these trails. Trail riding is popular among not only Kansans but also out of state horse owners.

Many out of state horse owners and enthusiasts travel to Kansas for a variety of reasons, including trail riding. These out of state horse owners also travel to the State for horse shows, events, and foxhunts. For example, more than 18,000 tickets were purchased for Equifest of Kansas in 2005, which is one of the 5 largest equine expositions nationally.

The money raised could also help prepare and maintain an emergency preparedness program for natural disasters. I personally volunteered in Louisiana after Katrina. I understand that it is important to not only have a plan in case of an emergency, but to also have a way to implement that plan. The money raised as a result of this bill could help fund a program that can actually be implemented.

Furthermore, as a veterinarian, I strongly believe that it is critical to have a statewide system to care for abused and neglected animals. I know from first hand experience that the current system does not work. If someone reports an allegedly abused or neglected animal, it takes months for any action to occur. Sadly, in many cases, this is simply too late to save the animal in question. The money raised could help fund a statewide program for dealing with these situations - promptly.

In conclusion, I would ask again for your favorable passage of SB 542. There has been a great deal of energy spent to have those who will see the benefits of the program give the support required to fund its existence.

Thank you for your time and consideration. I would be happy to entertain questions from the Committee.

Dr. Jon F. Haggard



President of the Kansas Horse Council

**STATEMENT OF THE KANSAS HORSE COUNCIL
TO THE SENATE AGRICULTURE COMMITTEE
SENATOR MARK TADDIKEN, CHAIR
REGARDING S.B. 542
FEBRUARY 14, 2006**

Chairman Taddiken and Members of the Committee, I am Gary Niehues,
Dealer Account Manager of Land O Lakes Purina Feed in St. Joseph, Mo.

As a representative of the manufacturing company I am here to support this bill.

Presently we are administering similar bills in Illinois and Maryland.

As a manufacturer we are responsible for the accounting and payment of the
feed check-off funds. This poses no difficulty or burden to our industry because
the necessary accounting is already in place.

We know that a fund that will benefit the equine industry in Kansas will in turn
increase feed demand, thus benefiting feed manufacturers through increased
sales.

We encourage the Committee to report S.B. 542 favorable for passage. Thank
you for your consideration.

Gary Niehues, Land O Lakes Purina

*Senate Agriculture Committee
2-14-06*

Attachment 6

STATEMENT OF JO TURNER
TO THE SENATE AGRICULTURE COMMITTEE
SENATOR MARK TADDIKEN, CHAIR

REGARDING S.B. 542

FEBRUARY 14, 2006

Chairman Taddiken and Members of the Committee, my name is Jo Turner. I am a past president and currently serve on the Board of Directors of the Kansas Horse Council. Additionally, I own Roy Frey Western, a North Topeka small business. I greatly appreciate the Committee introducing S.B.542 and I am grateful for the opportunity to speak to you today in support of this bill.

Kansas is extremely rich in western heritage and very passionate about horses as demonstrated by the many breeds and uses of equine in the state. The equine industry of Kansas is relatively silent but it is a mighty force which truly needs a vehicle to help spark growth and sustain industry development. I can think of no better way to achieve this spark than having the horse owners contribute to their own success thru the passage of S.B. 542.

The economic impact of the S.B. 542 will benefit not only the horse industry in Kansas, but all economic sectors with direct or indirect links to equine activities including food sales, fuel sales, hotels, truck, trailer and tire sales and repair, feed, hay and livestock equipment and products.

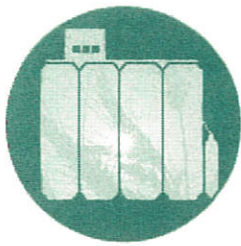
The Kansas Reining Horse Association hosted an international event last August that brought in trainers and horses from all across the United States and Germany, England, Brazil, and Sweden. Purina hosted a Dream Ride in the Flint Hill this past fall with riders from all across the United States. The Kansas Equifest brings over 17,000 attendees to Wichita and is one of the top five equine events in the United States with an economic impact of over \$2 million for 3 days. The 2005 National Barrel Horse Association Kansas State Championship event at the Kansas Expo Centre drew over 650 contestants and 498 horses. The total economic impact of this week-end event is \$2,175,000.00. The Kansas Expo Centre hosts approximately 20 large equine events during the year, bringing an economic impact well over \$25 million to Topeka.

Event producers struggle every year to continue to pay increasing facility and insurance charges and rising costs associated with putting on large events. We do not want to lose these large events in Kansas and see the S.B. 542 as a means to help support equine associations through grants for trail and facility improvements, event promotion, education and many other ways yet to be determined. The economic impact of equine events helps all sizes of communities, be it a horse show, rodeo, trail ride, roping or barrel race jackpot or a 4-H event. As a small business owner I can attest to the dramatic increase in business traffic associated with equine events held in the Topeka area. Historically, large events held at the Expo Center and the North Topeka Saddle Club have resulted in as much as a 400% increase in sales during the days scheduled for the event.

The Kansas Horse Council currently has no funding available to help people in the equine industry from starting careers to helping them when disaster strikes. The recent fire at the Eureka Horse Track left one trainer devastated. Not only did he lose his entire herd of horses, but his business as well. Kansas currently has two Equine Rescue Centers with limited capability to cater the needs of abused horses. The Kansas Horse Council office receives a minimum of one call per month from local authorities or concerned individuals concerning equine abuse. Therapeutic riding centers for the handicapped are at capacity in Kansas and need our support for growth. As you can see, the passage of S.B. 542 would help fill a variety of equine industry needs in Kansas.

We encourage the Committee to report S.B. 542 favorable for passage. Thank you for your consideration, and I will be glad to respond to questions at the appropriate time.

Senate Agriculture Committee
2-14-06
Attachment 7



Kansas Grain & Feed Association

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Topeka, KS 66601-2429

Phone: 785-234-0461
Fax: 785-234-2930
www.KansasAg.org

Senate Agriculture Committee

Senate Bill No. 542

February 14, 2006

Mary Jane Stankiewicz

Good morning Chairman Taddiken and members of the Senate Agriculture Committee. My name is Mary Jane Stankiewicz and I am the Vice President and General Counsel for the Kansas Grain and Feed Association (KGFA). KGFA represents the 98% of the storage capacity of the grain elevators in Kansas and some of these entities are also feed mills.

While the KGFA members do not have a concern with the establishment of an equine industry research and promotion board, we have concerns about the task of collecting and paying into the research fund and would prefer a different means of funding the program than a checkoff program where we are the reporting entity. Currently, our members are the collection and remittance group for the wheat, sorghum and corn checkoff programs. This only adds another set of paperwork and filing requirements for our members. This is on top of all the other regulatory paperwork that is required to stay in compliance with the various state and federal agencies.

Our original concern centers around the fact that our industry does not manufacture large quantities of commercial equine food. Therefore, the monthly reporting requirements would be laborious to our members and would not generate a great deal of money for the equine industry. Under this bill, some of our members that only produce 2 tons of commercial equine feed will be required to keep track of all the sales and send various checks throughout the year only totally \$4.00. Even if they sell 10 tons a year, the revenue will only be \$20. The time and effort to track the sales, fill out the necessary paperwork and remit a check for a couple of dollars is totally out of proportion to the revenue remitted. Therefore, we would like to exempt the smaller operations that sell or manufacture less than 200 tons a year. We do not think this would significantly impact the equine fund.

Thank you for your time and consideration regarding this bill. I will be happy to try and address any questions you may have at this time.

*Senate Agriculture Committee
2-14-06
Attachment 8*

1 the board may select;
 2 (h) to adopt, rescind, modify and amend all necessary and proper
 3 orders, resolutions and rules and regulations for the procedure and ex-
 4 ercise of its powers and the performance of its duties; and

5 (i) to approve an annual budget and establish a reserve. Each project
 6 budgeted and approved by the board shall include a stated objective and
 7 anticipated results. In the board's annual report to the industry, the board
 8 shall include those objectives and actual results.

9 Sec. 4. (a) The board shall set the assessment at \$2 per ton or 5 cents
 10 per 50-pound bag of commercial equine feed. The assessed amount shall
 11 apply to all manufacturers of commercial equine feed when the feed is
 12 sold or imported for sale in Kansas. The assessment when assessed by
 13 the manufacturer to the retail seller shall be listed as a separate line on
 14 the bill labeled "Kansas equine research and promotion assessment". As-
 15 sessments collected are due to the board on the 25th day of each quarter
 16 and shall include the total collected for the previous calendar quarter.

17 (b) The administrator shall furnish to every manufacturer receipt
 18 forms which shall be provided by such manufacturer to each retail seller
 19 who pays such assessment. The form shall indicate thereon the procedure
 20 by which the retail purchaser may obtain a refund of any such assessment,
 21 except a refund shall not be issued unless the amount of the refund is \$5
 22 or more. Within one year after any and all sales during such period the
 23 retail purchaser, upon submission of a request therefor to the adminis-
 24 trator, may obtain such refund in the amount of the assessment charged
 25 by the retail seller. Such request shall be accompanied by evidence of the
 26 payment of the assessment which need not be verified.

27 (c) The board shall keep complete records of all refunds made under
 28 the provisions of this section. Records of refunds may be destroyed two
 29 years after the refund is made. All funds expended in the administration
 30 of this act and for the payment of all claims whatsoever growing out of
 31 the performance of any duties or activities pursuant to this act shall be
 32 paid from the proceeds derived from such act.

33 Sec. 5. (a) The board shall negotiate and contract with a person or
 34 persons to collect and disburse the assessments pursuant to this act.

35 (b) The person or persons shall issue a receipt to the purchaser there-
 36 fore and shall remit all moneys received in payment of such assessment
 37 to a bank account at least monthly.

38 (c) Each bank account for use in operating and conducting the
 39 board's duties shall be secured by pledge of securities in the manner
 40 prescribed for state bank accounts under K.S.A. 75-4218, and amend-
 41 ments thereto, or if such bank account is in an institution outside the state
 42 of Kansas, the institution shall be licensed by a state or the federal
 43 government.

Any manufacturer or
 retail seller that sells
 200 tons or less of
 commercial equine feed
 shall be exempt from
 this act.

Mary Jane Stankiewicz
 Senate Agriculture Committee
 2-14-06
 Attachment 9