

MINUTES OF THE SENATE AGRICULTURE COMMITTEE

The meeting was called to order by Chairman Mark Taddiken at 8:30 a.m. on March 10, 2009 in Room 446-N of the Capitol.

All members were present except:

Senator Steve Morris- excused

Committee staff present:

Corey Carnahan, Kansas Legislative Research Department

Jason Thompson, Revisor of Statutes Office

Kristen Kellems, Revisor of Statutes Office

Judy Seitz, Committee Assistant

Conferees appearing before the Committee:

Constantine Cotsoradis, Deputy Secretary, Kansas Department of Agriculture (KDA)

Leslie Kaufman, Executive Director, Kansas Cooperative Council (KCC)

Mary Jane Stankiewicz, Chief Operating Officer and Senior Vice President, Kansas Agribusiness Retailers Association (KARA)

Brad Harrelson, State Director, Governmental Relations, Kansas Farm Bureau (KFB)

Others attending:

See attached list.

Chairman Taddiken said that **SB 256 - Creating the pesticide safety education fee fund**, needs further work and the program is funded for another year.

He noted the Committee had received copies of the minutes for the February 17, 18, 24 and 25 meetings and would be acted on later.

Kristen Kellems, Revisor of Statutes Office, reviewed **HB 2121 - Amendments to department of agriculture fertilizer and pesticide programs, fixing fees, definitions**. She said this bill would enact modifications and additions to the statutes relating to pesticides and fertilizers. She also noted that some of the modifications would make permanent temporary fee limitations and others would increase those fee limitations. Ms. Kellems said in addition, some of the modifications would change substantive law in the regulation of pesticides and fertilizers.

Chairman Taddiken opened the hearing on **HB 2121**.

Constantine Cotsoradis, Deputy Secretary, Kansas Department of Agriculture (KDA) testified in support of **HB 2121 (Attachment 1)**. He said that perhaps the most important part of the bill would bring the industry out from under the Environmental Protection Agency (EPA) authority and place it under the State's authority. The EPA fines and enforcement actions are more severe than the KDA's; so this change would be beneficial to the pesticide industry in Kansas.

Mr. Cotsoradis also said that part of the bill would be a restructuring of fees for recertification and examinations to make them more equitable.

He said most of the other changes proposed in the bill are technical and would remove archaic language and provide clarity about the intent of the law

Mr. Cotsoradis requests **HB 2121** be amended to insert language that would extend the dairy fee sunset from 2010 to 2015 (**Attachment 2**). This insures the dairy inspection program is adequately funded so that it can continue to provide consumer protection in compliance with the pastuerized milk ordinance. Failure to comply with the requirements of the pastuerized milk ordinance will threaten a producers ability to ship their milk intrastate or interstate. He said the Kansas Dairy Association approves the proposed amendments.

Mr. Cotsoradis offered to stand for questions.

Gary Meyer, Program Manager, Pesticide and Fertilizer Program, KDA, took questions.

CONTINUATION SHEET

Minutes of the Senate Agriculture Committee at 8:30 a.m. on March 10, 2009 in Room 446-N of the Capitol.

Leslie Kaufman, Executive Director, Kansas Cooperative Council (KCC) testified in support of **HB 2121** (Attachment 3). She said the KDA has tried to better match fees to the service provided under this proposal and has come close to revenue neutrality for in-state certifications. She said the KCC believes fee funds generated for a specific program must be used for the purpose collected. Ms. Kaufman said that a key factor in the bill is to have state level enforcement for the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA). She said that her industry sees great benefit from being able to work with a regulator who knows and understands Kansas agriculture.

Ms. Kaufman offered to take questions.

Mary Jane Stankiewicz, Chief Operating Officer and Senior Vice President, Kansas Agribusiness Retailers Association (KARA), provided testimony in support of **HB 2121** (Attachment 4). She said the changes are prudent, especially the section that allows their industry to be regulated by the state as opposed by the EPA. She said members of the KARA support the minimal fee increase because it is critical to their industry to maintain a credible program.

Ms. Stankiewicz took questions.

Brad Harrelson, State Director, Governmental Relations, Kansas Farm Bureau (KFB) provided neutral testimony on **HB 2121** (Attachment 5). He said that the KFB opposed **HB 2121** as originally drafted. Mr. Harrelson said that the House amendments addressed many of KFB's concerns. He stated the bill no longer contains increased fees and extends the promise made to industry that fees would be reduced to 2002 levels in 2010 to 2014. He also stated that the Committee should leave intact the sunset provision and leave the fees at the current level.

There were no questions for Mr. Harrelson.

Chairman Taddiken closed the hearing on **HB 2121**.

Senator Francisco moved the adoption of the proposed amendments concerning dairy fees from the Department of Agriculture; seconded by Senator Barnett. Discussion on the motion was held. Motion carried.

Senator Barnett made a motion to a change on page 26, line 7, to add back the \$10 fee and change the date from 2010 to 2015 on line 9, and that **HB 2121** be passed as amended; seconded by Senator Ostmeyer. Motion carried. **HB 2121** passed as amended.

Senator Pyle moved approval of the minutes February 17, 18, 24 and 25 as written. Minutes of the February 28 committee were corrected on page 2, paragraph 15, in the motion made by Senator Lee to delete "the authority for the fee as", add "and" before "make" and add "all sections" after "make", motion seconded by Senator Huelskamp. Motion carried. Minutes of the February 17, 24 and 25 were approved as written, February 18 minutes were approved as corrected.

The next meeting is scheduled for March 17, 2009.

The meeting was adjourned at 9:10 a.m.

SENATE AGRICULTURE COMMITTEE GUEST LIST

DATE: March 10, 2009

NAME	REPRESENTING
Gary Meyer	KDA
Katie Howard	KDA
Lindsey Douglas	KDA
Constantine Cotsoradis	KDA
Eric Wisner	KDA
John Donley	KS Lusk Ass'n
Neal Hudson	KPCA
Leslie Kaufman	Ks Co-op Council
J. J. Jones	Commerce.

Testimony on HB 2121
to

the Senate Agriculture Committee

by Constantine V. Cotsoradis
Deputy Secretary
Kansas Department of Agriculture

March 10, 2009

Good morning, Chairman Taddiken and members of the committee. I am Constantine Cotsoradis, deputy secretary of agriculture, and I am here in support of House Bill 2121.

HB 2121 proposes changes to the Chemigation Safety Law, the Agricultural Liming Materials Act, the Agriculture Chemical Act, the Kansas Pesticide Law and the Kansas Fertilizer Law. Changes include extending the sunset on pesticide and fertilizer fees, restructuring fees in the Kansas Pesticide Law, and providing additional authority in the Agriculture Chemical Act and the Kansas Pesticide Law. The changes are necessary to sustain the current program, make the fees more equitable, to clarify language and to limit the need to refer cases to the U.S. Environmental Protection Agency.

It is essential that we extend the sunset so we can sustain current services. We had originally proposed removing the sunset date, but the House amended the bill to extend the sunsets to 2015. If these fees are allowed to sunset, the revenue generated from fees will be reduced by \$237,000, or 18 percent. The pesticide and fertilizer program protects human health and the environment. The program investigates allegations of pesticide misuse, licenses pesticide applicators, verifies fertilizer label guarantees and helps obtain EPA's permission to use pesticides for purposes not identified on the label when unexpected conditions threaten crops.

This bill would also give us the authority to deal with certain pesticide violations that we currently refer to EPA. EPA fines and enforcement actions are more severe than ours, so this change is beneficial to our state pesticide industry. The state will also benefit by having any monies received from penalties remain in Kansas.

We are restructuring our fees for recertification and examinations to make them more equitable. Currently, individuals can pay the examination fee and take the test as many times as they want. Essentially, these folks are using the test to learn instead of studying. Those who study and pass the test on the first try are unfairly paying for those who are allowed to take the test repeatedly. Under the proposed language in this bill, a fee will be required for each examination. The fees will cover our costs developing, administering and scoring the

[As Amended by House Committee of the Whole]

As Amended by House Committee

Session of 2009

HOUSE BILL No. 2121

By Committee on Agriculture and Natural Resources

1-27

Proposed Amendment
Prepared by: Kristen Kellems
Revisor of Statutes Office
March 9, 2009

12 AN ACT concerning agriculture; relating to pesticide and fertilizer pro-
13 grams of the department of agriculture; ~~concerning~~ fees for such pro-
14 grams, definitions; amending K.S.A. 2-2203, 2-2205, 2-2206, 2-2207,
15 2-2209, 2-2214, 2-2440a, 2-2440c, 2-2440e, 2-2446, 2-2449, 2-2450, 2-
16 2454, 2-2455, 2-2470 and 2-2471 and K.S.A. 2008 Supp. 2-1205, 2-
17 2202, 2-2204, 2-2438a, 2-2440, 2-2440b, 2-2441a, 2-2443a, 2-2445a,
18 2-2469, 2-2905, 2-2906, 2-3304, 2-3306 and ~~2-3309~~ and repealing the
19 existing sections; also repealing K.S.A. 2-1211 and 2-2466.
20

fees

milk and dairy products

2-3309, 65-778 and 65-781

21 *Be it enacted by the Legislature of the State of Kansas:*
22 Section 1. K.S.A. 2008 Supp. 2-1205 is hereby amended to read as
23 follows: 2-1205. An inspection fee shall be collected upon all commercial
24 fertilizers sold, offered or exposed for sale, or distributed in Kansas, which
25 shall be at a rate per ton of 2,000 pounds fixed by rules and regulations
26 adopted by the secretary of agriculture, except that such rate shall not
27 exceed \$1.67 per ton of 2,000 pounds. The secretary of agriculture may
28 adopt rules and regulations establishing the inspection fee rate under this
29 section. Each person registering any commercial fertilizer shall pay the
30 inspection fee on such commercial fertilizer sold, offered or exposed for
31 sale, or distributed in Kansas. Each such person shall keep adequate re-
32 cords showing the tonnage of each commercial fertilizer shipped to or
33 sold, offered or exposed for sale, or distributed in Kansas. The secretary,
34 and duly authorized representatives of the secretary, shall have authority
35 to examine such records and other pertinent records necessary to verify
36 the statement of tonnage.
37 Each person registering any commercial fertilizer shall file an affidavit
38 semiannually, with the secretary, within 30 days after each January 1 and
39 each July 1, showing the tonnage of commercial fertilizer sold or distrib-
40 uted in Kansas for the preceding six-month period. Each such person
41 shall pay to the secretary the inspection fee due for such six-month period,
42 except that the registrant shall not be required to pay the inspection fee
43 or report the tonnage of commercial fertilizers or fertilizer materials sold

Senate Agriculture Committee
3-10-09
Attachment 2

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1 chemicals;

2 (9) information of procedures to be followed should chemicals in-
3 advertently enter the water supply source as a result of the chemigation
4 process;

5 (10) label information, especially chemigation instructions;

6 (11) applicable state and federal laws and regulations; and

7 (12) any other subject which the secretary deems necessary.

8 (c) The examination provided for in subsection (b) may be waived for
9 any individual who has been certified as a pesticide applicator in the
10 category of chemigation pursuant to the Kansas pesticide law.

11 (d) The chemigation equipment operator certification shall expire on
12 December 31 of the fourth calendar year after the year of issue. A chem-
13 igation equipment operator certification shall be renewed for a succeed-
14 ing five year period upon payment of the certification fee and passing the
15 examination specified in either subsection (b) or (c).

16 (e) The fee for certification as a chemigation equipment operator or
17 for renewal of such certification shall be \$10, ~~or commencing July 1, 2002,~~
18 ~~and ending June 30, 2010, such certification shall be \$25~~, **except that**
19 **on and after July 1, 2015, such certification shall be \$10**.

20 Sec. 31. K.S.A. 2008 Supp. 2-3309 is hereby amended to read as
21 follows: 2-3309. (a) The secretary of agriculture shall administer this act
22 and shall have authority to employ such qualified persons deemed nec-
23 essary to carry out the provisions of this act.

24 (b) The secretary shall adopt, ~~within 60 days after the effective date~~
25 ~~of this act~~, such rules and regulations the secretary deems necessary to
26 ~~carry out the provisions of this act.~~

Sec. 32. K.S.A. 2008 Supp. 65-778
and
Sec. 33. K.S.A. 2008 Supp. 65-781
(see attached)

27 Sec. 32. K.S.A. 2-1211, 2-2203, 2-2205, 2-2206, 2-2207, 2-2209, 2-
28 2214, 2-2440a, 2-2440c, 2-2440e, 2-2446, 2-2449, 2-2450, 2-2454, 2-2455,
29 2-2466, 2-2470 and 2-2471 and K.S.A. 2008 Supp. 2-1205, 2-2202, 2-
30 2204, 2-2438a, 2-2440, 2-2440b, 2-2441a, 2-2443a, 2-2445a, 2-2469, 2-
31 2905, 2-2906, 2-3304, 2-3306 ~~and 2-3309~~ are hereby repealed.

. 2-3309, 65-778 and 65-781

32 Sec. 33. This act shall take effect and be in force from and after its
33 publication in the statute book.

And by renumbering the remaining sections accordingly

3-2

Sec. 32. K.S.A. 2008 Supp. 65-778 is hereby amended to read as follows: 65-778. (a) Any person who engages in business as a dairy manufacturing plant shall first apply for and obtain a dairy manufacturing plant license from the secretary and shall pay a license fee of \$120, or commencing July 1, 2002, and ending June 30, ~~2010~~ 2015, a license fee of \$155.

(b) Any person who engages in business as a distributor of milk, milk products or dairy products shall first apply for and obtain a milk distributor license from the secretary and shall pay a license fee of \$120, or commencing July 1, 2002, and ending June 30, ~~2010~~ 2015, a license fee of \$155. No milk distributor license shall be required for a licensed dairy manufacturing plant which distributes only those products which it manufactures.

(c) Any person who engages in business as a milk hauler shall first apply for and obtain a milk hauler license from the secretary and shall pay a license fee of \$25 or commencing July 1, 2002, and ending June 30, ~~2010~~ 2015, a license fee of \$35. As part of the application, the secretary may require the applicant to be tested regarding proper procedures for sampling, testing and weighing milk or cream and state laws and rules and regulations.

(d) Any person who operates a milk or cream transfer station or milk or cream receiving station shall first apply for and obtain a milk or cream station license from the secretary and shall pay a license fee of \$50, or commencing July 1, 2002, and ending June 30, ~~2010~~ 2015, a license fee of \$65.

(e) Any person who engages in business as a manufacturer of single service dairy containers or manufacturer of single service dairy container closures shall first apply for and obtain a single service manufacturing license from the secretary and shall pay a license fee of \$50, or commencing July 1, 2002, and ending June 30, ~~2010~~ 2015, a license fee of \$65.

(f) The dairy manufacturing plant license, milk distributor license, milk or cream station license and single service manufacturing license shall expire on December 31 of the year for which it was issued unless

suspended or revoked by the secretary pursuant to this act. The milk hauler license shall expire on June 30 following the date of issuance unless suspended or revoked by the secretary pursuant to this act.

(g) No license issued under this section shall be transferable. No license shall be renewed if any assessments or fees required under this act are delinquent.

(h) Each applicant for a license shall submit an application on a form supplied by the secretary accompanied by the license fee. All licenses shall be conspicuously displayed in the applicant's place of business.

Sec. 33. K.S.A. 2008 Supp. 65-781 is hereby amended to read as follows: 65-781. The following fees for the statewide system of milk inspection and regulatory services are hereby established:

(a) A fee of \$.01, or commencing July 1, 2002, and ending June 30, ~~2010~~ 2015, a fee of \$.015 for each 100 pounds of milk produced by milk producers under Kansas grade A inspection shall be paid. Each producer is hereby charged with such fee which shall be paid to the milk producers' cooperative, milk processor or milk distributor to whom the milk is sold or delivered. Each cooperative, processor or distributor is hereby charged with the duty of collecting such fees which shall be remitted to the secretary.

(b) A fee of \$.01, or commencing July 1, 2002, and ending June 30, ~~2010~~ 2015, a fee of \$.015 for each 100 pounds of packaged grade A pasteurized milk or milk products sold in Kansas at retail to the final consumer shall be paid. Each distributor is hereby charged with such fee which shall be remitted to the secretary.

(c) A fee of \$.01, or commencing July 1, 2002, and ending June 30, ~~2010~~ 2015, a fee of \$.015 per 100 pounds or fraction thereof of grade A raw milk for pasteurization delivered to a milk processor within the state of Kansas which is processed into grade A milk or grade A milk products shall be paid. Each milk processor is hereby charged with such fee which shall be remitted to the secretary.

(d) A milk fee of \$.01, or commencing July 1, 2002, and ending June 30, ~~2010~~ 2015, a fee of \$.015 per 100 pounds of milk or cream for manufacturing purposes

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5-8

produced by milk producers under Kansas manufacturing grade milk inspection shall be paid. Each producer is hereby charged with such fee which shall be paid to the milk producers' cooperative, dairy manufacturing plant or any other person to whom the milk or cream for manufacturing purposes is sold or delivered. Each cooperative, dairy manufacturing plant or other person is hereby charged with the duty of collecting such fees which shall be remitted to the secretary.

(e) A fee of \$.0075, or commencing July 1, 2002, and ending June 30, ~~2010~~ 2015, a fee of \$.01 per 100 pounds of Kansas produced milk or cream for manufacturing purposes or other Kansas produced milk delivered to a dairy manufacturing plant shall be paid on all Kansas milk used in the manufacturing of dairy products. As used in this subsection, the term dairy products shall not include any frozen dairy dessert or frozen dairy dessert mix. Each dairy manufacturing plant shall pay such fee which shall be remitted to the secretary.

(f) In lieu of the fee prescribed in subsection (e), a fee of \$1, or commencing July 1, 2002, and ending June 30, ~~2010~~ 2015, a fee of \$1.50 per thousand gallons of frozen dairy dessert or frozen dairy dessert mix shall be paid by the manufacturer thereof. Each manufacturer of frozen dairy dessert or frozen dairy dessert mix is hereby charged with such fee which shall be remitted to the secretary. Frozen dairy dessert mix which is further processed into the corresponding frozen dairy dessert by the manufacturer of the frozen dairy dessert mix shall not be subject to the fee required by this subsection.

(g) A fee of \$1, or commencing July 1, 2002, and ending June 30, ~~2010~~ 2015, a fee of \$1.50 per thousand gallons of frozen dairy dessert or frozen dairy dessert mix imported for retail sale in Kansas shall be paid by the milk distributor who imports these products.

(h) If any fee computed pursuant to subsection (a) through (e) is less than \$2.50, then the sum of \$2.50 shall be paid in lieu of the computed fee. If any fee computed pursuant to subsection (f) or (g) is less than \$7.50, a minimum fee of \$7.50 shall be paid in lieu of the computed fee.

(i) All fees established herein shall be paid to the secretary in the following manner:

(1) The fees established in subsections (a) through (e) shall be remitted on or before the 30th day of each

month for the calendar month immediately preceding and shall be accompanied by a report, in the form prescribed by the secretary, indicating the quantities upon which the remittance is based.

(2) The fees established in subsections (f) and (g) shall be remitted on April 30, July 31, October 31 and January 31 for the three calendar months immediately preceding and shall be accompanied by a report, in the form prescribed by the secretary, indicating the quantity of frozen dairy dessert or frozen dairy dessert mix upon which the remittance is based.

(j) Any person who fails to remit all or any part of the required fee or to submit the required report by the date due may be assessed an additional charge equal to 1% of the amount of delinquent fees for each day after the date due, or \$5, whichever amount is greater.

2-6

Senate Agriculture Committee

March 10, 2009
Topeka, Kansas

HB 2121 - pesticide and fertilizer program fees.

Chairman Taddiken and members of the Senate Agriculture Committee, thank you for the opportunity to comment in support of HB 2121. I am Leslie Kaufman and I serve the Kansas Cooperative Council as Executive Director.

The Kansas Cooperative Council represents all forms of cooperative businesses across the state -- agricultural, utility, credit, financial and consumer cooperatives. Approximately half of our members are grain elevator/farm supply cooperatives. These member-owned businesses deal in fertilizer and pesticides and fall under the Kansas Department of Agriculture's (KDA/Department) programs regulatory programs.

Prior to the session, the KDA came to us and informed us of their intent to seek changes to the fee structure for the fertilizer and pesticide program. No business likes to see their operational costs increases, and we appreciate the Department keeping this in mind. We do believe the KDA tried to better match fees to the service provided under this proposal and has come close to revenue neutrality for in-state certifications. We appreciate the Department's efforts to work with stakeholders and keep us informed of their legislative activities.

We have recognized several times throughout the bill where fees are allowed to be lowered under regulations and/or lowered where fee balances are increasing beyond program needs. We feel these are important provisions, especially in times where fee fund balances are targets for propping up state revenues. The Council firmly believes fee funds generated for a specific program must be used for the purpose collected. We do believe that KDA has been cognizant of the fee sweep potential over the years and has been careful to avoid/spend down higher fee balances. We certainly appreciate this.

While the caption on this bill specifically mentions fees, one of the key features in this proposal implements state-level enforcement for Federal Insecticide, Fungicide and Rodenticide Act (FIFRA) violations. In practical terms, the KDA will be able to address violations rather than referring FIFRA enforcement issues to the US Environmental Protection Agency. Our industry sees great benefit from being able to work with a regulator that knows and understands Kansas agriculture. For us, this is the biggest benefit in passing HB 2121.

We certainly appreciate the opportunity to share our support for HB 2121. We respectfully request the Committee act favorably on this bill. Thank you.

*Senate Agriculture Committee
3-10-09
Attachment 3*



Kansas Cooperative Council

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The Mission of the Kansas Cooperative Council is to promote, support and advance the interests and understanding of agricultural, utility, credit and consumer cooperatives and their members through legislation and regulatory efforts, education and public relations.



KANSAS AGRIBUSINESS RETAILERS ASSOCIATION

SAFE AND ABUNDANT FOOD THROUGH SOUND SCIENCE

Testimony in Support of HB 2121 Senate Agriculture Committee March 10, 2009

Good morning, Chairman Taddiken and members of the Senate Agricultural Committee. Thank you for the opportunity to submit testimony on HB 2121, legislation making changes to pesticide and fertilizer programs within the Kansas Department of Agriculture (KDA). I am Mary Jane Stankiewicz, Chief Operating Officer and Senior Vice President for the Kansas Agribusiness Retailers Association (KARA). KARA is a voluntary state association made up of over 700 business locations across the state. Our members are primarily ag retail facilities but they include agronomy services, chemical, fertilizer and seed sales and manufacturing companies, and equipment manufacturing, distribution and sales companies.

On behalf of the members of KARA, I stand in support of HB 2121. We were contacted by KDA last fall concerning these changes and, after review; KARA believes the changes are prudent, especially the section that allows our industry to be regulated by the state as opposed to EPA. The KDA is quicker at responding, more responsive and has a better understanding of our industry than EPA therefore we believe that this is a good thing for our industry while still providing protection to the environment and people of Kansas. As currently written, HB 2121 provides adjustments that will allow KDA to more efficiently and effectively administer its pesticide and fertilizer programs. While there is a very minimal fee increase, our members support these changes because we understand that it is critical to our industry for KDA to maintain a credible program, so our legislative committee and board voted to support these fees. We have also worked with the KDA and support the amendment in an effort to clarify how multiple year registrations will be handled by the department. We also appreciate KDA's willingness to keep stakeholders involved and receive feedback with regard to regulatory changes.

Thank you for your time and attention. I would gladly stand for questions at the appropriate time.



PUBLIC POLICY STATEMENT

SENATE COMMITTEE ON AGRICULTURE

RE: HB No. 2121 – act relating to certain fees fixed by the
Secretary of Agriculture.

**March 11, 2009
Topeka, Kansas**

**Testimony provided by:
Brad Harrelson
State Policy Director
KFB Governmental Relations**

Chairman Taddiken, and members of the Senate Committee on Agriculture, thank you for the opportunity to appear before you today. I am Brad Harrelson, State Policy Director—Governmental Relations for Kansas Farm Bureau. KFB is the state's largest general farm organization representing more than 40,000 farm and ranch families through our 105 county Farm Bureau Associations.

Kansas Farm Bureau is supportive of the Kansas Department of Agriculture and believes the agency should be a strong and vigorous advocate for production agriculture. Furthermore, we understand the need for effective regulatory programs provided primarily for the protection of the general public. Because the citizens of Kansas are beneficiaries of these regulatory programs it is appropriate that significant funding should come from state general funds.

Kansas farmers and ranchers also acknowledge that the industry shares a partnership role with the department in the administration of the programs being considered under this proposed legislation. As such, they are willing to accept some reasonable user fees.

*Senate Agriculture Committee
3-10
Attachment 5*

However, we are unable to support user fee increases that are exorbitant (in some cases 50% increases) simply as a means to fund programs during budgetary and fiscal shortfalls. Clearly the state has an interest and an obligation to support these programs. Additionally, we have been unable to identify any significant increase in the level of services that would accompany these increases. We encourage the legislature to recognize the importance of production agriculture and prioritize Kansas Department of Agriculture programs and increase SGF funding so it can effectively meet their statutory requirements.

As originally drafted, KFB opposed HB 2121. However, House amendments addressed many of our concerns. The bill before you today no longer contains increased fees and simply extends the promise made to industry that fees would be reduced to 2002 levels in 2010 to 2015. In these unprecedented times we feel this is a reasonable approach.

If the committee chooses to work HB 2121 we would respectfully ask that you leave intact the sunset provision and leave fees at current levels. Thank you, once again, for the opportunity to appear before you and share the policy of our members. KFB stands ready to assist you as you consider this important measure. Thank you.