

MINUTES OF THE HOUSE AGRICULTURE AND NATURAL RESOURCES COMMITTEE

The meeting was called to order by Chairman Larry Powell at 3:30 p.m. on March 2, 2010, in Room 783 of the Docking State Office Building.

All members were present except:

Representative Johnson - Excused

Committee staff present:

Jason Thompson, Office of the Revisor of Statutes - Excused  
Daniel Yoza, Office of the Revisor of Statutes  
Corey Carnahan, Kansas Legislative Research Department  
Raney Gilliland, Kansas Legislative Research Department  
Pat Matzek, Committee Assistant

Conferees appearing before the Committee:

Dick Koerth, Assistant Secretary for Administration, Kansas Department of Wildlife and Parks  
Ron Hein, Kansas Restaurant and Hospitality Association  
Constantine Cotsoradis, Deputy Secretary of Agriculture, Department of Agriculture  
Leslie Kaufman, Executive Director, Kansas Cooperative Council  
Mary Jane Stankiewicz, Kansas Agribusiness Retailers Association, and Kansas Grain and Feed Association

Others attending:

See attached list.

Chairman Powell opened the meeting with the hearing on **SB 396** - Laboratory equipment fund.

Raney Gilliland, Kansas Legislative Research Department, gave an explanation on **SB 396**, stating the bill came to this Committee from the Senate Committee on Ways and Means and provides a mechanism for the Department of Agriculture to gather funds for laboratory equipment by allowing the transfer at the end of the fiscal year of not more than 10% of the carryover balance in a series of fee funds. Those fee funds include the Dairy Fee Fund, Fertilizer Fee Fund, Pesticide Use Fee Fund, Agricultural Liming Materials Fee Fund, Petroleum Inspection Fee Fund, Meat and Poultry Inspection Fee Fund, Entomology Fee Fund, and the Weights and Measures Fee Fund.

**Hearing on SB 396:**

**PROPONENTS:**

Constantine Cotsoradis, Deputy Secretary of Agriculture, Department of Agriculture (KDA), spoke in favor of **SB 396** (Attachment 1), advising that this bill creates a source of funds that will be used for the acquisition, maintenance and replacement of equipment used in KDA's laboratory. Mr. Cotsoradis further stated the bill has three key points; it does not increase fees or establish new fees, it does not change how current fees are to be used, and the establishment of the laboratory fee fund is critical to insure vital analytical services are provided for regulatory purposes and for support of KDA's agricultural, manufacturing and service industries.

Leslie Kaufman, Executive Director, Kansas Cooperative Council (KCC), appeared as a proponent on **SB 396** (Attachment 2), stating the KCC represents agricultural, utility, credit, financial and consumer cooperatives, and believes members from those various cooperatives will benefit from the changes embodied in **SB 396** as it will allow the KDA to maintain a quality lab program, which is essential to so many of their regulatory functions.

Mary Jane Stankiewicz, Kansas Agribusiness Retailers Association, and Kansas Grain and Feed Association (Associations), presented testimony in favor of **SB 396** (Attachment 3), stating that establishing a fee fund will allow the KDA to maintain a quality lab operation since testing must be timely and is an essential regulatory component to the agency. Ms. Stankiewicz further added that this bill will allow for rapid response should there be equipment failure as this response is critical to the industry especially during harvest season. The Associations approve of including a cap of the amount in the fund as this will keep the fund at an

## CONTINUATION SHEET

Minutes of the House Agriculture and Natural Resources Committee at 3:30 p.m. on March 2, 2010, in Room 783 of the Docking State Office Building.

adequate level while allowing flexibility for it to be properly administered.

After questions were asked by members of the Committee, the hearing was closed on **SB 396**.

Chairman Powell then opened the hearing on **SB 380** - Establishing fees for wildlife and parks cabins.

Daniel Yoza, Office of the Revisor of Statutes, explained that **SB 380** would change existing law to allow the Secretary of Wildlife and Parks to directly set fees for the use of cabins owned or operated by the Kansas Department of Wildlife and Parks (KDWP). The maximum fees for use of KDWP cabins could not exceed \$250 per night, \$1,500 per week, or \$5,000 per month.

### **Hearing on SB 380:**

#### **PROPONENT:**

Dick Koerth, Assistant Secretary for Administration, Kansas Department of Wildlife and Parks, testified in favor of **SB 380** (Attachment 4), advising this bill would give KDWP the flexibility to adjust, in a timely manner, the fees charged for the use of public cabins at various state parks and public lands. The KDWP currently has 75 cabins with an additional 23 planned for 2010. Mr. Koerth further added that the provisions of this bill would allow KDWP to obtain approval from the Kansas Wildlife and Parks Commission for fee changes after a public meeting to discuss any changes being considered by the KDWP and in addition, the fees to be approved could not exceed the maximums established within the bill.

#### **NEUTRAL:**

Ron Hein, legal counsel for the Kansas Restaurant and Hospitality Association (KRHA), presented neutral testimony on **SB 380** (Attachment 5), stating that although the KRHA does not question the ability of the state to determine what procedure the state utilizes in setting fees for state operations, the KRHA challenges the entire concept of the state operating businesses in competition with the private sector. The KRHA acknowledges that situations arise where government is trying to promote tourism and economic development, but due to a number of factors, the private sector is not able to facilitate development of the lodging facilities necessary to accomplish those goals.

After questions were asked by members of the Committee, the hearing was closed on **SB 380**.

On the Subcommittee meeting on **HB 2493**, Representative Meier will replace Representative Wetta, who is unable to attend.

The next meeting is scheduled for March 3, 2010.

The meeting was adjourned at 4:30 p.m.



**Testimony on Senate Bill 396**  
to  
**The House Agriculture and Natural Resources Committee**

**by Constantine V. Cotsoradis**  
**Deputy Secretary**  
**Kansas Department of Agriculture**

**March 2, 2010**

Good afternoon, Chairman Powell and members of the committee. I am Constantine Cotsoradis, deputy secretary of agriculture, and I am here in support of Senate Bill 396

This bill creates a source of funds for the Kansas department of agriculture laboratory equipment fund created by K.S.A. 74-554. Moneys from this fund will be used for the acquisition, maintenance and replacement of equipment used in the department's agriculture laboratory. This bill has three key points:

1. It does not increase fees or establish new fees,
2. It does not change how current fees are to be used, and
3. The establishment of the laboratory fee fund is critical to insure vital analytical services are provided for regulatory purposes and for support of our agricultural, manufacturing and service industries.

Our laboratory is effective only if the equipment is up-to-date and functions properly. New instruments generally cost from \$10,000 to more than \$300,000. Laboratory instruments are used to analyze a wide variety of products. For example, we analyze raw milk for somatic cells, an indication of milk quality. We test feed for protein content and to ensure it is free from adulterants harmful to animals. Vegetation samples are analyzed to determine if humans were exposed to or a producer's crop was damaged by pesticide drift. Raw and ready-to-eat meat products are analyzed to determine if they are contaminated with harmful and even deadly pathogens.

Without access to reliable laboratory instruments, not only will the laboratory and its associated department regulatory programs be halted, industry will be negatively impacted as well. The dairy industry, for example, will not be in compliance with the Interstate Milk Shippers agreement affecting its ability to market milk. Feed lots and cattle producers may unknowingly purchase contaminated feed. Cattle may be fed prohibited materials, thus subjecting producers to financial hardships and damaging consumer confidence in beef both nationally and internationally.

Ag & Natural Resources Committee  
Date 3-9-10  
Attachment 1

Our laboratory instruments are used daily to serve our constituents. It is easy to become complacent and forget their importance. A very serious situation like the one two years ago reminds us of our important mission. You may recall that during the summer of 2008 our wheat harvest was threatened by the late application of a fungicide. We had to convince the food and drug administration, the environmental protection agency and the United States department of agriculture that the wheat being harvested did not contain unsafe levels of the fungicide. We had to assure the federal authorities that the wheat could be marketed as a safe food product. In that case, we used our LC/MS/MS instrument to analyze wheat samples from across the state and convince those federal agencies. Without the LC/MS/MS we could not have protected our harvest and assured the consumer that the wheat was safe. Many of you are aware of this event, but most do not realize that this instrument went down during a critical analytical phase. Fortunately, it was quickly repaired. Had the problem been more serious, farmers and our economy could have faced a financial disaster. We have requested the funds to purchase another LC/MS/MS not only for pesticide analysis, but to analyze feed for harmful adulterants such as melamine.

Our laboratories need a reliable source to fund the purchase and maintenance of laboratory instrumentation. These instruments are necessary to continue to provide the high-level of regulatory assurance that both consumers and industry require of us.

The creation of the laboratory fee fund provides the funding mechanism without increasing fees or imposing any financial burdens on the taxpayer.

I will answer questions at the appropriate time.

House Agriculture & Natural Resources Committee  
March 2, 2010

SB 396 - Creating the laboratory fee fund within the  
Kansas Dept. of Agriculture.

Chairman Powell and members of the House Agriculture & Natural Resources Committee, thank you for the opportunity to comment on behalf of our members in support of SB 396. I am Leslie Kaufman, Executive Director for the Kansas Cooperative Council.

The Kansas Cooperative Council (KCC) 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. Many of these farm supply cooperatives provide agricultural chemical sales and application, petroleum product sales and distribution, feed sales, as well as other similar services. Thus, these member-owned businesses are stakeholders for many of the programs coordinated by the Kansas Department of Agriculture (KDA) and contributors to several of the fee funds described in SB 396.

We do believe that our members will benefit from the changes embodied in SB 396 as it will allow the KDA to maintain a quality lab program, which is essential to so many of their regulatory functions. We commend the KDA for their forward vision and for sharing this concept with us prior to session, allowing us ample time to work the concept through our policy process.

Timely testing is critical to our members' ability to perform many of their regular business functions, particularly in busy times such as harvest. Lab equipment breakdown at such a time would need to be addressed immediately and creation of the fund as described in SB 396 would provide the financial resources for the KDA to react quickly to equipment failure.

The Council has a long history of advocating that fee funds remain within the specific program generating those fees. Our board has discussed the proposal outlined in SB 396 and, although the new fund will be a separate accounting for some of the fee dollars, the money will still be used to benefit the programs the dollars are derived from. Thus, we consider the plan to be consistent with our overall fee philosophy.

We appreciate the fact that the KDA's proposal has a "shut-off" that keeps the fund at a reasonable level. We also think the concept of shifting only carry-over balances, rather than automatically taking a cut out of the funds, is a wise approach and protects the integrity of the underlying funds.

We appreciate the opportunity to share our support for SB 396 and encourage positive action on this bill. Thank you.

Ag & Natural Resources Committee  
Date 3-9-10  
Attachment 2



**Kansas Cooperative Council**

816 S.W. Tyler St., Suite 300  
Topeka, Kansas 66612

Phone: 785-233-4085

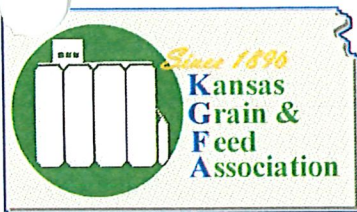
Fax: 785-233-1038

Toll Free: 888-603-COOP (2667)

Email: council@kansasco-op.coop

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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.



**House Agriculture and Natural Resources Committee  
Written Testimony re: SB 396, Creating the Laboratory Fee Fund within the  
Kansas Department of Agriculture  
Submitted by Mary Jane Stankiewicz  
on behalf of  
Kansas Agribusiness Retailers Association and Kansas Grain and Feed Association  
March 2, 2010**

Thank you Chairman Powell, members of the House Agriculture Committee, I am Mary Jane Stankiewicz, Chief Operating Officer and Senior Vice President of Government Affairs of the Kansas Grain and Feed Association (KGFA) and the Kansas Agribusiness Retailers Association (KARA). The KGFA is a voluntary state association with a membership encompassing the entire spectrum of the grain receiving, storage, processing and shipping industry in the state of Kansas. KGFA's membership includes over 950 Kansas business locations and represents 99% of the commercially licensed grain storage in the state. KARA's membership includes over 700 agribusiness firms that are primarily retail facilities which supply fertilizers, crop protection chemicals, seed, petroleum products and agronomic expertise to Kansas farmers. KARA's membership base also includes ag-chemical and equipment manufacturing firms, distribution firms and various other businesses associated with the retail crop production industry.

On behalf of these organizations, I am submitting testimony in support of SB 396. We believe that establishing a fee fund will allow Kansas Department of Agriculture to maintain a quality lab operation. Testing must be timely and is an essential regulatory component to the agency. This bill will allow for rapid response should there be equipment failure. This response is critical to the industry especially during times of harvest. We also approve of including a cap of the amount in the fund. This will keep the fund at an adequate level while allowing flexibility for it to be properly administered.

We again appreciate KDA's willingness to keep stakeholders informed of their proposal.

Thank you for your consideration.

KGFA & KARA MEMBERS ADVOCATE PUBLIC POLICIES THAT ADVANCE A SOUND ECONOMIC CLIMATE FOR AGRIBUSINESS TO GROW AND PROSPER SO THEY MAY CONTINUE THEIR INTEGRAL ROLE IN PROVIDING KANSANS AND THE WORLD THE SAFEST, MOST ABUNDANT FOOD SUPPLY.

**816 SW Tyler, Topeka KS 66612 – 785-234-0461 - Fax: 785-234-2930**

Ag & Natural Resources Committee  
Date 3-9-10  
Attachment 3

Testimony on Senate Bill No. 380  
To  
House Committee on Agriculture and Natural Resources

By  
Richard E. Koerth  
Assistant Secretary for Administration  
Kansas Department of Wildlife and Parks  
March 2, 2010

The Kansas Department of Wildlife and Parks (KDWP) appreciates the opportunity to discuss the provisions of Senate Bill No. 380 with the Committee. This bill will give KDWP the flexibility to adjust, in a timely manner, the fees charged for the use of public cabins provided by the Department at various state parks and public lands. The Department currently has 75 cabins with an additional 23 planned for 2010.

Currently the fees for the use of the public cabins are established through the Administrative Rules and Regulations process. Attached is the current listing of cabin camping permit fees as established within K.A.R. 115-2-3a. Each cabin has its own established fee. The fees vary by location and by time of year, but to change any fee requires utilization of the rules and regulations process. This is a time consuming process and does not allow KDWP to adjust a fee for market conditions (decreased demand of certain cabins) or to provide market incentives such as allowing "package" promotion fees for underutilized cabins.

The provisions of Senate Bill No. 380 allow KDWP to obtain approval from the Kansas Wildlife and Parks Commission for fee changes after a public meeting to discuss any changes being considered by the Department. In addition, the fees to be approved could not exceed the maximums established within the Bill. The KDWP Commission meets a minimum of six times per year which increases the ability of KDWP to provide appropriate fees in a timely manner without the delay of obtaining approval through the administrative rules and regulations process.



In addition, it should be noted that as an on-going process KDWP is still adding cabins for state parks and public lands. Currently the Department is required to obtain approval through the Administrative rules and regulations process before any fee can be charged. This process can delay the opening of new cabins until the permit fees can be established.

In summary, KDWP would appreciate having increased flexibility to market the use of public cabins with the intent of increasing the revenue generated by such use. The provisions of Senate Bill 380 allow this flexibility and the Department would support the passage of the bill. Thank you.

**115-2-3a. Cabin camping permit fees.** (a) The following cabin camping permit fees shall be in effect for the following state parks:

- (1) Cedar Bluff:
  - Cabins 1 and 2:
    - Year-round, per night.....\$45.00
  - Cabins 3 and 4:
    - Year-round, per night.....\$80.00
  - Cabin 5:
    - Year-round, per night.....\$60.00
  - Cabins 6 and 7:
    - Year-round, per night.....\$45.00
- (2) Cheney:
  - Cabins 1 through 7:
    - Sunday through Thursday, year-round, per night.....\$55.00
    - Friday and Saturday, May 1 through September 30, per night.....\$75.00
    - Friday and Saturday, October 1 through April 30, per night.....\$55.00
    - Year-round, per week.....\$370.00
  - Cabins 8 and 9:
    - Sunday through Thursday, year-round, per night.....\$95.00
    - Friday and Saturday, May 1 through September 30, per night.....\$110.00
    - Friday and Saturday, October 1 through April 30, per night.....\$95.00
    - Year-round, per week.....\$640.00
- (3) Clinton:
  - Cabins 1 through 6:
    - Sunday through Thursday, April 1 through September 30, per night.....\$65.00
    - Sunday through Thursday, October 1 through March 31, per night.....\$55.00
    - Friday and Saturday, April 1 through September 30, per night.....\$85.00
    - Friday and Saturday, October 1 through March 31, per night.....\$75.00
    - April 1 through September 30, per week.....\$450.00
    - October 1 through March 31, per week.....\$375.00
- (4) Crawford:
  - Cabins 1 and 2:
    - Sunday through Thursday, April 1 through September 30, per night..... \$70.00
    - Sunday through Thursday, October 1 through March 31, per night..... \$60.00
    - Friday and Saturday, April 1 through September 30, per night..... \$90.00
    - Friday and Saturday, October 1 through March 31, per night..... \$80.00
    - April 1 through September 30, per week..... \$485.00
    - October 1 through March 31, per week..... \$415.00
  - Cabins 3 through 5:
    - Sunday through Thursday, April 1 through September 30, per night.....\$55.00
    - Sunday through Thursday, October 1 through March 31, per night.....\$45.00
    - Friday and Saturday, April 1 through September 30, per night.....\$75.00
    - Friday and Saturday, October 1 through March 31, per night.....\$65.00
    - April 1 through September 30, per week.....\$395.00
    - October 1 through March 31, per week.....\$310.00
- (5) Cross Timbers:
  - Cabins 1 through 5:
    - Sunday through Thursday, April 1 through September 30, per night.....\$65.00
    - Sunday through Thursday, October 1 through March 31, per night.....\$55.00
    - Friday and Saturday, April 1 through September 30, per night.....\$85.00
    - Friday and Saturday, October 1 through March 31, per night.....\$75.00
    - April 1 through September 30, per week.....\$450.00
    - October 1 through March 31, per week.....\$375.00

- (6) Eisenhower:
- Cabin 1:
    - Year-round, per night.....\$36.00
    - Year-round, for 3 consecutive nights.....\$100.00
    - Year-round, per week.....\$225.00
  - Cabins 2 through 6:
    - Sunday through Thursday, April 1 through September 30, per night.....\$65.00
    - Sunday through Thursday, October 1 through March 31, per night.....\$55.00
    - Friday and Saturday, April 1 through September 30, per night.....\$85.00
    - Friday and Saturday, October 1 through March 31, per night.....\$75.00
    - April 1 through September 30, per week.....\$450.00
    - October 1 through March 31, per week.....\$375.00
  - Yurts 1 and 2:
    - Year-round, per night.....\$36.00
    - Year-round, for 3 consecutive nights.....\$100.00
    - Year-round, per week.....\$225.00
- (7) El Dorado:
- Cabins 1 through 5:
    - Sunday through Thursday, year-round, per night.....\$30.00
    - Friday and Saturday, year-round, per night.....\$35.00
    - Year-round, per week.....\$175.00
    - Year-round, per month.....\$600.00
  - Cabin 6:
    - Year-round, per night.....\$100.00
    - Year-round, per week.....\$560.00
    - Year-round, per month.....\$1,800.00
  - Cabin 7:
    - Year-round, per night.....\$110.00
    - Year-round, per week.....\$560.00
    - Year-round, per month.....\$1,800.00
  - Cabins 8 and 9:
    - Year-round, per night.....\$85.00
    - Year-round, per week.....\$525.00
    - Year-round, per month.....\$1,650.00
  - Cabin 10:
    - Year-round, per night.....\$75.00
    - Year-round, per week.....\$455.00
    - Year-round, per month.....\$1,350.00
- (8) Elk City:
- Year-round, Sunday through Thursday, per night.....\$65.00
  - Year-round, Friday and Saturday, per night.....\$75.00
- (9) Fall River:
- Cabins 1 through 4:
    - Sunday through Thursday, April 1 through September 30, per night.....\$65.00
    - Sunday through Thursday, October 1 through March 31, per night.....\$55.00
    - Friday and Saturday, April 1 through September 30, per night.....\$85.00
    - Friday and Saturday, October 1 through March 31, per night.....\$75.00
    - April 1 through September 30, per week.....\$450.00
    - October 1 through March 31, per week.....\$375.00
- (10) Glen Elder:

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	Cabins 1 through 4:	
	Year-round, per night.....	\$75.00
	Year-round, per week.....	\$450.00
(11)	Hillsdale:	
	Cabins 1 through 8:	
	Sunday through Thursday, April 1 through September 30, per night.....	\$65.00
	Sunday through Thursday, October 1 through March 31, per night.....	\$55.00
	Friday and Saturday, April 1 through September 30, per night.....	\$85.00
	Friday and Saturday, October 1 through March 31, per night.....	\$75.00
	April 1 through September 30, per week.....	\$450.00
	October 1 through March 31, per week.....	\$375.00
(12)	Kanopolis:	
	Cabins 1 through 7:	
	Sunday through Thursday, year-round, per night.....	\$55.00
	Friday and Saturday, April 1 through September 30, per night.....	\$70.00
	Friday and Saturday, October 1 through March 31, per night.....	\$55.00
	April 1 through September 30, per week.....	\$400.00
	October 1 through March 31, per week.....	\$350.00
(13)	Lovewell:	
	Cabins 1 through 6 (fee covers two adults; add \$5.00 for each additional adult):	
	Year-round, per night.....	\$45.00
	Cabins 7 through 10 (fee covers two adults; add \$5.00 for each additional adult):	
	Year-round, per night.....	\$75.00
(14)	Milford:	
	Cabins 1 through 3:	
	Sunday through Thursday, year-round, per night.....	\$45.00
	Friday and Saturday, April 1 through September 30, per night.....	\$65.00
	Friday and Saturday, October 1 through March 31, per night.....	\$45.00
	April 1 through September 30, per week.....	\$300.00
	October 1 through March 31, per week.....	\$275.00
	Cabins 4 through 8:	
	Sunday through Thursday, April 1 through September 30, per night.....	\$75.00
	Friday and Saturday, April 1 through September 30, per night.....	\$95.00
	Sunday through Thursday, October 1 through March 31, per night.....	\$65.00
	Friday and Saturday, October 1 through March 31, per night.....	\$85.00
	April 1 through September 30, per week.....	\$520.00
	October 1 through March 31, per week.....	\$445.00
(15)	Perry:	
	Cabins 1 through 4:	
	Sunday through Thursday, April 1 through September 30, per night.....	\$55.00
	Sunday through Thursday, October 1 through March 31, per night.....	\$45.00
	Friday and Saturday, April 1 through September 30, per night.....	\$65.00
	Friday and Saturday, October 1 through March 31, per night.....	\$55.00
	Year-round, per week.....	\$300.00
	Cabins 5 through 8:	
	Sunday through Thursday, April 1 through September 30, per night.....	\$75.00
	Sunday through Thursday, October 1 through March 31, per night.....	\$65.00
	Friday and Saturday, April 1 through September 30, per night.....	\$95.00
	Friday and Saturday, October 1 through March 31, per night.....	\$85.00
	April 1 through September 30, per week.....	\$520.00

	October 1 through March 31, per week .....	\$445.00
(16)	Pomona:	
	Cabins 1 and 2:	
	Sunday through Thursday, April 1 through September 30, per night.....	\$65.00
	Sunday through Thursday, October 1 through March 31, per night.....	\$55.00
	Friday and Saturday, April 1 through September 30, per night.....	\$85.00
	Friday and Saturday, October 1 through March 31, per night.....	\$75.00
	April 1 through September 30, per week.....	\$450.00
	October 1 through March 31, per week .....	\$375.00
(17)	Prairie Dog:	
	Cabins 1 and 2:	
	Year-round, per night.....	\$45.00
	Cabins 3 and 4:	
	Year-round, per night.....	\$70.00
	Year-round, per week.....	\$455.00
(18)	Scott:	
	Cabins 1 and 2:	
	Year-round, per night.....	\$70.00
	Year-round, per week.....	\$420.00
(19)	Tuttle Creek:	
	Cabins 1 through 4:	
	Sunday through Thursday, April 1 through September 30, per night.....	\$65.00
	Sunday through Thursday, October 1 through March 31, per night.....	\$55.00
	Friday and Saturday, April 1 through September 30, per night.....	\$85.00
	Friday and Saturday, October 1 through March 31, per night.....	\$75.00
	April 1 through September 30, per week.....	\$450.00
	October 1 through March 31, per week .....	\$375.00
	Cabins 5 through 9:	
	Sunday through Thursday, April 1 through September 30, per night.....	\$75.00
	Sunday through Thursday, October 1 through March 31, per night.....	\$65.00
	Friday and Saturday, April 1 through September 30, per night.....	\$95.00
	Friday and Saturday, October 1 through March 31, per night.....	\$85.00
	April 1 through September 30, per week.....	\$520.00
	October 1 through March 31, per week .....	\$445.00
(20)	Webster:	
	Cabin 1:	
	Sunday through Thursday, year-round, per night.....	\$60.00
	Friday and Saturday, year-round, per night.....	\$80.00
	Year-round, per week.....	\$420.00
	Cabin 2:	
	Sunday through Thursday, year-round, per night.....	\$50.00
	Friday and Saturday, year-round, per night.....	\$70.00
	Year-round, per week.....	\$400.00
(21)	Wilson:	
	Cabins 1 through 7:	
	Sunday through Thursday, April 1 through September 30, per night.....	\$60.00
	Friday and Saturday, April 1 through September 30, per night.....	\$70.00
	October 1 through March 31, per night.....	\$50.00
	April 1 through September 30, per week.....	\$380.00
	October 1 through March 31, per week .....	\$325.00

(b) The following cabin camping permit fees shall be in effect for the following state fishing lakes and wildlife areas:

- (1) Atchison:
  - Cabins 1 and 2:
    - Year-round, per night.....\$60.00
    - Year-round, per week.....\$420.00
- (2) Benedictine:
  - Cabins 1 and 2:
    - Year-round, per night.....\$60.00
    - Year-round, per week.....\$420.00
- (3) Clark:
  - Cabins 1 and 2:
    - Year-round, per night.....\$60.00
    - Year-round, per week.....\$420.00
- (4) Fall River:
  - Cabin 1:
    - Year-round, per night.....\$60.00
    - Year-round, per week.....\$420.00
- (5) Jamestown:
  - Cabins 1 and 2:
    - Year-round, per night.....\$60.00
    - Year-round, per week.....\$420.00
- (6) Kingman:
  - Cabins 1 and 2:
    - Year-round, per night.....\$60.00
    - Year-round, per week.....\$420.00
- (7) McPherson:
  - Cabin 1:
    - Year-round, per night.....\$60.00
    - Year-round, per week.....\$420.00
- (8) Mined land:
  - Cabins 1 and 2:
    - Year-round, per night.....\$60.00
    - Year-round, per week.....\$420.00
- (9) Ottawa:
  - Cabin 1:
    - Year-round, per night.....\$60.00
    - Year-round, per week.....\$420.00
- (10) Woodson:
  - Cabins 1 and 2:
    - Year-round, per night.....\$60.00
    - Year-round, per week.....\$420.00

(Authorized by and implementing K.S.A. 32-807 and K.S.A. 2008 Supp. 32-988; effective Jan. 1, 2005; amended Jan. 1, 2007; amended July 25, 2007; amended Jan. 1, 2008; amended May 16, 2008; amended Dec. 1, 2008; amended Nov. 20, 2009.)

**HEIN LAW FIRM, CHARTERED**

5845 SW 29<sup>th</sup> Street, Topeka, KS 66614-2462

Phone: (785) 273-1441

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*Attorney-at-Law*  
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**Testimony Re: SB 380**  
**House Agriculture and Natural Resources Committee**  
**Presented by Ronald R. Hein**  
**on behalf of**  
**Kansas Restaurant and Hospitality Association**  
**March 2, 2010**

Mr. Chairman, Members of the Committee:

My name is Ron Hein, and I am legislative counsel for the Kansas Restaurant and Hospitality Association (KRHA). The KRHA is the Kansas professional association for restaurant, hotel, lodging and hospitality businesses in Kansas.

KRHA is neutral on SB 380. Although we do not question the ability of the state to determine what procedure the state utilizes in setting fees for state operations, we challenge the entire concept of the state operating businesses in competition with private sector.

We also question the ability of government to compete with private sector when the state tips the scales in their own favor by making the rules of the game for the state owned businesses more favorable than private business competitors. This unfair competition can include exemption from payment of taxes, such as property taxes, income taxes, sales taxes, transient guest taxes, and other taxes. It can include setting rates that are lower than competitive rates. It can include exemption from other legal prohibitions, such as the recent exemption of state owned casinos from the smoking ban.

Therefore, we question why government owned lodging facilities are permitted in the first place, and, if operated by the government, why they are not required to pay taxes and comply with other requirements so that they are not given a competitive advantage over privately owned lodging facilities.

The first question that should be addressed is: Should state or local governments develop lodging facilities at all? Should the state be looking at other options, including contracting for development of lodging facilities with private companies? Should government even permit development of lodging facilities on government owned property?

The KRHA recognizes the interest by government to facilitate development of lodging facilities to promote tourism and economic development in certain instances, but

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development of such facilities should be accomplished by the private sector lodging industry.

The KRHA acknowledges that situations arise where government is trying to promote tourism and economic development, but due to a number of factors, the private sector is not able to facilitate development of the lodging facilities necessary to accomplish those goals. An example of lodging facilities that might be developed by the government or privately developed on government property include property around Corps of Engineers lakes where private acquisition of the land is not permitted by federal law. However, in those instances, the government can contract for a long term lease of the land by a private sector entity.

KRHA feels that, as a general rule, government should not compete with the private sector. Development of a governmentally owned lodging facility raises issues relating to tax revenue lost, competition with private business, government subsidy of one competing business vs. another, and numerous other philosophical issues.

Government involvement in development of lodging facilities, should be done as a last resort only, if at all.

Governmental involvement in lodging facilities, or any other private sector business, should always be at the least possible level. The first option should always be to attempt to attract a private sector industry to locate on privately owned real estate to serve the economic development and the tourism goal of the governmental unit. If a private facility cannot be located on private property, consideration should be given to contracting for the lodging facility to be developed on government property utilizing an open bid process. The facility should be a private sector operation, paying taxes and being subject to requirements of all other competing facilities.

**Lastly, with the SGF so limited this year, maybe consideration should be given to selling these government owned facilities to the private sector.**

Government should not enter the private business arena and should not depart from constitutional governmental functions by inappropriately competing with the private sector.

Thank you very much for permitting me to testify, and I will be happy to yield to questions.