

SESSION OF 2006

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 542**

As Amended Without Recommendation

**Brief\***

SB 542 would create the Kansas Equine Industry Research and Promotion Board. The Board would be made up of seven members who would be elected at the annual meeting of the Kansas Horse Council. The board of directors of the Kansas Horse Council would serve as the interim board members until board members could be elected and qualified. Terms of board members would be four years and members could not serve more than two consecutive terms. Members of the Board would be required to be residents of the state and be equine owners. The Dean of the College of Agriculture of Kansas State University and the Secretary of Agriculture or their designees could be *ex officio* nonvoting members. The Board would be required to meet at least every calendar quarter.

Under the bill, the Board would have the following duties to:

- Conduct a campaign of equine industry development;
- Accept grants and donations;
- Sue and be sued;
- Enter into contract;
- Appoint an administrator and fix compensation;
- Cooperate or contract with local, state or national organizations or agencies;
- Establish an office;
- Adopt, rescind, modify and amend necessary and proper orders and resolutions for the exercise of its powers;

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

- Approve an annual budget; and
- Establish guidelines that include but are not limited to the issuance of grants for research development, education and scholarships, tourism and event promotion, equine trail development and maintenance, therapeutic programs, and equine rescue.

In addition, the bill would permit the Board to set an assessment at \$2 per ton or five cents per 50-pound bag of commercial equine feed, except that the assessment would not apply to manufacturers producing less than 188 tons of commercial feeding stuffs as provided in the Commercial Feeding Stuffs Law. Assessments collected are due to the Board semi-annually, according to the schedule for submission of the feeding stuffs tonnage report. Manufacturers would provide a receipt to each retail seller who pays the assessment. The amount of appropriate assessment would be provided to retail purchasers on their bills. Retail purchasers would be able to get a refund of the assessment so long as the amount of refund is \$5 or more.

The bill would require the Board to negotiate and contract with a person to collect and disburse the assessments provided for in the bill.

The bill would permit the Board to assess charges incurred in conjunction with action to secure compliance with the bill by persons who fail to remit any amount due the Board.

The Board would be required to prepare and submit an annual report to the Senate and House Agriculture Committees by February 1 of each year. In addition, the bill would require that there be an annual audit performed by a certified public accountant.

Finally, the bill would provide that the meeting of the Board be subject to the Open Meetings Act and that the records and other papers associated with the Board would be subject to the Open Records Act.

## **Background**

This bill was introduced by the Senate Agriculture Committee. At the hearing on the bill, proponents included the Executive Director of

the Kansas Horse Council, the president of the Kansas Horse Council, a representative of Land O Lakes Purina Feed, and a member of the board of the Kansas Horse Council. Comments in support of the bill were given by the legislative spokesperson for the Kansas Horse Council. A representative of the Kansas Grain & Feed Association appeared and expressed concern with the assessment collection mechanism provided in the original bill.

The Senate Committee on Agriculture amended the bill to:

- Provide that the election of board members would occur at an open session to all equine owners at the annual meeting of the Board;
- Provide that there would be an annual audit of the accounts of the Board by a certified public accountant;
- Eliminate the definition of “qualified industry organization”;
- Eliminate the civil penalty provisions contained in the original bill;
- Eliminate language allowing the Board to promulgate rules and regulations;
- Add language allowing the Board to establish guidelines for research and development, education and scholarships, tourism and event promotion, equine trail development and maintenance, therapeutic programs, and equine rescue;
- Limit the assessment to only those manufacturers producing more than 188 tons of commercial feeding stuffs;
- Clarify that assessments are due semi-annually, according to a schedule for submission of the feeding stuffs tonnage report required under the Commercial Feeding Stuff Law;
- Eliminate language that allowed the Board to establish an alternative means of collecting the assessment;
- Make permissive rather than mandatory the Board’s authority to assess any charges incurred in conjunction with action to secure compliance to the bill;
- Require that an annual report be made to the Senate and House Agriculture Committees by February 1 of each year;

- Make records and papers of the Board subject to the Open Records Act; and
- Make meetings of the Board subject to the Open Meetings Act.

The fiscal note on the original bill states that the Department of Agriculture believes that there would be no fiscal impact to the agency.