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**Testimony in Support of HB 2478 to
The House Agriculture Committee
by Chad Bontrager
Kansas Department of Agriculture
January 22, 2018**

Good afternoon Chairman Hoffman and members of the committee. My name is Chad Bontrager and I am the Director of the Division of Agribusiness Services for the Kansas Department of Agriculture (KDA). I appreciate the opportunity to provide testimony in support of HB 2478.

The bill addresses fees collected across programs in the agency including Plant Protection and Weed Control, Pesticide and Fertilizer, the Division of Conservation, Food Safety and Lodging and the Division of Animal Health. Each section of the bill makes adjustments to laws already in place and administered by KDA. There are no adjustments to the actual license fees charged by the agency. In the case of the Division of Conservation and the Division of Animal Health, portion adjustments are made to the due date for license fees, but no adjustments are made to the actual fees. In the case of the other programs, late fees are put in place with no changes to the current license fees being charged by the agency.

The agency believes late fees are a reasonable and effective motivator for compliance with on-time renewal. Late fees allow for a lower license fee and no additional monetary penalty for compliant businesses. They also allow the additional cost of pursuing non-compliant businesses to be passed onto those businesses through the assessment of a late fee. The agency invests significant time and resources in working with businesses to help them acquire appropriate licenses, as the alternative is the illegal operation of a business which can lead to forced closure.

Section one amends the plant pest act which is administered by the Plant Protection and Weed Control program. Live plant dealers are required to obtain a license from KDA which expires on January 31 each year. There is currently no late fee in place for live plant dealers. Section one, letter (e) of this bill contains new language which creates a late fee for live plant dealers. The late fee would be 40 percent of the current application fee and would be assessed to any dealer who does not renew prior to February 1. The current application fee is capped at \$80, therefore the maximum late fee at 40 percent comes to \$32.

Section two amends the pest control act which is administered by the Pesticide and Fertilizer program. Pesticide businesses are required to obtain a license from KDA which expires on December 31 each year. There is currently no late fee in place for pesticide businesses. Section two, letter (c) of this bill contains new language which creates a late fee for pesticide businesses. The late fee would be 40 percent of the current application fee and would be assessed to any pesticide business that does not renew prior to January 1. The current application fee is capped at \$140, therefore the maximum late fee at 40 percent comes to \$56.

Section three continues with amendments to the pest control act. Pest control technicians are required to obtain a registration from KDA annually. Section three, letter (b) of this bill contains new language which creates a late fee for pest control technician registrations. The late fee would be \$25 or 40 percent of the current application fee, whichever is greater, and would be assessed to any pest control technician who does not renew prior to January 1. The current application fee is capped at \$40, therefore the maximum late fee would be \$25.

Section four amends the Kansas Agricultural Liming Materials Act administered by the Division of Conservation. Manufacturers of liming materials are required to obtain a license from KDA which expires on June 30 each year. Section four, letter (b) is new language that sets up the opportunity for manufacturers to delay registration until July 31 if they submit their registration concurrently with the annual statement required.

Sections five and eleven amend the food service and lodging establishments laws administered by the Food Safety and Lodging program. Food and lodging establishments are required to obtain a license from KDA which expires on March 31 each year. The current late fee is \$25 for a period of 30 days, after which time, the license is treated as expired and a new license must be acquired. The cost of a new license is greater than the cost of a renewal. Section 5 contains new language that would make the late fee equal to \$25 or 40 percent of the current license fee, whichever is greater, and would be assessed to any food or lodging establishment that does not renew their license prior to April 1 but does renew prior to May 1. Section 11 contains the same language and would apply to food processors. The most common food establishment license renewal fee is capped at \$250, therefore the maximum late fee would be \$100.

Sections six through ten amend laws administered by the Division of Animal Health. For many years, the due date for license renewal related to these sections has been set as September 30 by budget proviso language overriding the June 30 date set in statute. The agency would like to make September 30 the permanent renewal date and eliminate the need for ongoing budget proviso language.

Thank you for the opportunity to present testimony in support of HB 2478. I will stand for questions at the appropriate time.