



To: House Federal and State Affairs Committee

Subject: Neutral Written Testimony with Concerns on H. B. 2411, limiting review of certain rules and regulations by the Director of the Budget

Date: January 23, 2020

Chairman Barker and members of the House Federal and State Affairs Committee, thank you for the opportunity to present written neutral testimony today on H.B. 2411 on behalf of the Kansas Soybean Association (KSA). KSA represents Kansas soybean farmer interests on legislative and regulatory issues.

Kansas was ranked 10th in state soybean production at 186 million bushels in 2019. The Kansas Department of Agriculture reports that oilseeds, mainly soybeans, in Kansas have a direct economic output of more than \$1.28 billion and provide more than 1,000 jobs. Adding induced impacts, the oilseed industry supports over 4,000 jobs and creates a total economic contribution of about \$1.8 billion.

Even though agriculture is such a vital part of the Kansas economy, it remains a highly regulated industry. The review and adoption of agricultural regulations should be thorough and fully transparent to the industry generally and soybean farmers particularly, when they are impacted.

KSA testified and lobbied in support of H.B. 2280, which was intended to increase the transparency of the fiscal impact of proposed regulations, in 2018. H.B. 2280 was passed by the Legislature and signed into law. KSA members were staunchly supportive of the bill and were pleased with its passage.

Apparently, the work load of the Budget Director was increased as a result of H.B. 2280, and H.B. 2411 is designed to relieve some of that work. KSA agrees that possible changes could be made to lighten some of the Director's review responsibilities and would look forward to working with the Division of the Budget and the Federal and State Affairs Committee on how that might be accomplished.

KSA has serious reservations about Section 2, 77-420(a)(4), which would add language eliminating the Director's requirement to review or approve a proposed regulation and economic impact statement when the regulation is the result of a federal mandate, even if the economic impact exceeds three million dollars. KSA disagrees with this exemption since a federal mandate doesn't decrease the impact on the regulated group or remove the need for a third party review.

H.B. 2280 was intended to provide a third party review of the regulatory process outside of the state agency. In exchange for the loss of that independent analysis by the Director, KSA asks that the three million dollar impact threshold be reduced to a two million dollar threshold.

Thank you for the chance to present KSA's thoughts and reservations on H.B. 2411 and we would look forward to participating in discussions on the best way of serving the interests of all parties.

Respectfully submitted,

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Hiawatha, Kansas