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Testimony Re: HB 2730
House Agriculture and Natural Resources Committee
Presented by Ron Hein
on behalf of
Kansas Restaurant and Hospitality Association
February 15, 2012

Mister Chairman, Members of the Committee:

My name is Ron Hein, and I represent the Kansas Restaurant and Hospitality Association (KRHA). The Kansas Restaurant and Hospitality Association, founded in 1929, is the leading business association for restaurants, hotels, motels, country clubs, private clubs and allied business in Kansas. Along with the Kansas Restaurant and Hospitality Association Education Foundation, the association works to represent, educate and promote the rapidly growing industry of hospitality in Kansas.

KRHA is neutral on HB 2730. The State last raised the statutory cap for food licensing fees in 2001, which cap was then set at \$200. At that time, food service was regulated by the Kansas Department of Health and Environment (KDHE). Today, food service and lodging regulation is under the jurisdiction of the Kansas Department of Agriculture (KDA).

There was much controversy in 2001 regarding the fee increase. The currently proposed fee increase has been handled very professionally by the KDA. The Department was desirous of assessing fees based upon the principle that fees should be allocated relative to the cost of inspection, so that facilities which required more inspection time would pay for such inspection, rather than having those facilities which require less inspection time subsidizing those facilities requiring more. KDA proposed to use a combination of size of facility, and, with regards to food service, the relative risk of the type of food service facility. KRHA does not object to that philosophical approach, and, in fact, sees great validity to that approach.

A few months ago, KDA approached the KRHA with their desire to restructure the fees, and we have been engaged in productive discussions during that period of time. They have revised their proposal to accommodate our concerns, and we very much appreciate the responsiveness of KDA and their willingness to work with our industry.

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HB 2730 also adds a fee for lodging establishments which provide food service to their guests, although not open to the public as a restaurant. As an industry, we would not want the perception by the public that such food service is not subject to KDA regulation, and we have consented to this new procedure being implemented as well.

We would like to raise the issue of monies received by KDA in the form of penalties going to the SGF. There are two schools of thought regarding keeping such monies in the Department, or having them transfer to SGF. One school would suggest you do not want to incentivize the agency to impose fines because they reap the benefit of the money. KRHA advocates for keeping money imposed on the industry in a program that would go back to food safety training to be administered by an acceptable and recognizable certified program, such as ServeSafe Foodsafety Certification.

One suggestion we would like to explore with the KDA is greater reliance on those facilities on which penalties are being imposed for non-compliance being able to avoid fines by, instead, undergoing food safety training programs. In addition, we would like to explore the issue of penalties going to a fund, not directly accessible to KDA for operating expenses, which could be used for food safety training in the industry. We would look forward to dialoguing with the KDA on these issues during the summer months.

KRHA believes that fee increases should be reasonable. This proposed fee structure results in fee increases for many facilities. Given the time period since the last increase, and given the intent to base fees upon inspection costs, this does seem reasonable to our industry. KRHA traditionally does not support fee increases, but we have no objection to HB 2730, and thus stand neutral on this bill.

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