

Testimony on HB 2050
to
The Senate Committee on Agriculture
By Erik Wisner
Kansas Department of Agriculture
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Good morning, Chairman Love, and members of the committee. I am Erik Wisner, regulatory and policy special assistant, with the Kansas Department of Agriculture. I am here to express KDA's support of House Bill 2050.

This bill proposes to make two necessary updates to pesticide and fertilizer law in Kansas: 1) it eliminates an exemption for alternative brand name products to pay for registration and 2) it updates the pesticide law, requiring certificates of liability insurance coverage for pesticide businesses.

An alternate brand name (ABN) is a pesticide product with the same company name, EPA number and pesticidal claims as a currently registered pesticide product (primary product). ABNs are used preferentially to target market sectors. KDA incurs additional costs of verifying that ABN products meet specific standards due to the detailed comparison of the ABN labels to their primary product labels. However, current statute prohibits the secretary from assessing a fee for an ABN registration. Kansas is one of only 11 states (the only one in the Midwest) allowing ABNs to be registered at no cost. All of our neighboring states assess ABN fees.

This bill will eliminate the exemption that allows some companies to avoid paying the fee necessary to fund the registration of ABN products in Kansas. This statutory change will enable the department to provide the important service of verifying the safety of agricultural chemicals and to recover our regulatory costs for performing this service.

HB 2050 also establishes that sufficient liability insurance will now be how the business establishes proof of financial responsibility. The bill repeals surety bond, escrow and letter of credit requirements while also increasing the liability insurance amount in the pesticide law. It is a common business practice for companies to maintain liability insurance but it is important for companies to carry adequate insurance coverage. The current requirement for liability insurance is inadequate to cover anything more than minor damage. Even though liability insurance may be cancelled, it's a more durable form of financial responsibility than either the letter of credit, escrow or the surety bond because the insurance underwriter has a vested interest in the insured's business practices.

Thank you for the opportunity to speak with you today. I will stand for questions at the appropriate time.