

SESSION OF 2017

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 60**

As Amended by Senate Committee on  
Agriculture and Natural Resources

**Brief\***

***Agency Fees and Regulations***

SB 60 would enact modifications and additions to statutes relating to fertilizer and agricultural chemicals; make adjustments to the fees dealing with fertilizer and agricultural chemicals; and extend the current fees imposed to administer programs dealing with pest control licensees, certification holders, and dealers; dam inspections; and various applications dealing with water appropriations.

***Modifications to Fertilizer and Agricultural Chemical  
Registration Law***

With respect to the registration of fertilizers, the bill would require the Secretary of Agriculture (Secretary) to reduce the inspection fee for fertilizers through administrative rules and regulations whenever it is determined that the fee is yielding more than is necessary for the administration of the inspection program. It also would allow the Secretary to increase the inspection fee through administrative rules and regulations when it is found there is inadequate revenue for the inspection program. In addition, the bill would decrease the amount of the fertilizer registration fee dedicated to the State Water Plan Fund from \$1.40 to \$1.35 out of the statutory maximum \$1.67 per ton fertilizer registration fee.

With respect to the agricultural chemical (pesticides) registration law, the bill would require the Secretary, through administrative rules and regulations, to reduce the fee for

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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>

registrations of agricultural chemicals whenever it is determined the fee is yielding more revenue than is necessary for the administration of the registration program. It also would allow the Secretary to increase the fee through administrative rules and regulations when the Secretary determines there is a need to produce sufficient revenue to administer the program. The bill would require \$100 of any registration fee be credited to the State Water Plan Fund regardless of the registration fee imposed by the Secretary.

### ***Agricultural Chemical Remediation Reimbursement Program***

With respect to the Agricultural Chemical Remediation Reimbursement Program (which provides for a cost share program to address pollution issues near certain agricultural facilities), the bill would amend the provision that allows for expenditures for administrative expenses. Specifically, the bill would increase the current maximum expenditure of a maximum of \$150,000 and replace it with a maximum of \$180,000. (Sec. 12)

### ***Water Structure Program Changes***

The bill would amend current law by inserting inspection fees of \$1,500 for Class 1 and Class 2 dams when these dams are inspected by personnel from the Kansas Department of Agriculture.

### ***Extension of Current Fees***

The bill would extend the sunset to July 1, 2015, on a number of fees imposed by the Secretary in the areas of fertilizer program administration, agricultural chemical program administration, and water appropriation program administration. The following table outlines the program, the specific fee, the amount the fee most would revert to on July 1, 2018, the fee amount which would be extended, and the section number where the change can be found.

**Modifications to Statutory Language Imposing Certain Fees by  
the Kansas Department of Agriculture**

<b>Program</b>	<b>Service</b>	<b>Amount the Current Fee Would Revert to on July 1, 2025</b>	<b>Extended fee under bill</b>	<b>Sec. No.</b>
Pesticide & Fertilizer	Failure to file affidavit and pay inspection fees	\$5 per day	\$10 per day	1
Pesticide & Fertilizer	Business License Application	\$112 per category	\$140 per category	4
Pesticide & Fertilizer	Uncertified Applicator Registration	\$10	\$15	4
Pesticide & Fertilizer	Government Agency Registration	\$35 maximum	\$50 maximum	4
Pesticide & Fertilizer	Pest Control Technician Registration	\$25 maximum	\$40 maximum	5
Pesticide & Fertilizer	Commercial Certification Examination per category and re-exam per category	\$35 maximum	\$45 maximum	6
Pesticide & Fertilizer	Certified Private Applicator Certificates	\$10 maximum	Fee fixed by rule and regulation	7
Pesticide & Fertilizer	Chemigation User Permit	\$55	\$75	10
Pesticide & Fertilizer	Chemigation User Permit for additional points of diversion	\$10	\$15	10
Pesticide & Fertilizer	Chemigation Equipment Operator Certification or renewal	\$10	\$25	10
Water Appropriations	Application for a permit to appropriate water based on acre feet	\$100 \$150 \$150+\$10	\$200 \$300 \$300+20	14
Water Appropriations	Application for a permit to appropriate water for storage based on acre feet	\$100 \$100+\$10 for each additional 250	\$200 \$200+20 for each additional 250	14
Water Appropriations	Application to change a point of diversion less than 300 feet	\$50	\$100	15
Water Appropriations	Application to change a point of diversion more than 300 feet	\$100	\$200	15

Program	Service	Amount the Current Fee Would Revert to on July 1, 2025	Extended fee under bill	Sec. No.
Water Appropriations	Application to change the place of use	\$100	\$200	15
Water Appropriations	Application to change the use made of water	\$150	\$300	15
Water Appropriations	Term permit based on acre feet	\$100 \$100 \$150+\$10	\$200 \$300 \$300+\$20	16
Water Appropriations	Term permit for storage based on acre feet	\$100 \$100+\$10	\$200 \$200+\$20	16
Water Appropriations	Reinstatement Request	\$100	\$200	17
Water Appropriations	Extension of time for diversion work or perfection of water right	\$50	\$100	17
Water Appropriations	Temporary permit or extension	\$100	\$200	18

## Background

The bill was introduced at the request of a spokesperson from the Kansas Department of Agriculture (KDA). At the hearing on the bill, a spokesperson from KDA testified in support of the bill and described its original content. Appearing as a neutral conferee was a spokesperson representing the Kansas Grain and Feed Association, the Kansas Cooperative Council, and the Kansas Agribusiness Retailers Association. This conferee indicated the groups he represented were neutral on the bill, but had the following concerns: some of the fees were higher than some of those in surrounding states; the State Water Plan Fund has not been receiving statutory transfers from the State General Fund and the Economic Development Initiatives Fund; and the original bill proposes to raise the amount of administrative fee which the KDA could receive for administration of the Agricultural Chemical Remediation Reimbursement Program.

There were no conferees appearing in opposition to the bill.

The Senate Committee on Agriculture and Natural Resources amended the bill to:

- Delete proposed language which would have given authority to the Secretary to charge and collect the amount of money necessary to administer the fertilizer registration program;
- Delete provisions that would have allocated the fertilizer registration moneys on a percentage basis to the State Water Plan Fund, the Fertilizer Research Fund, and for administration of the agency's program;
- Add a provision which would allocate \$1.35 rather than \$1.40 of the fertilizer registration fee to the State Water Plan Fund;
- Add language that would require the Secretary to reduce the inspection fee on fertilizer whenever the fee is yielding more than is necessary for administration;
- Add language that would allow the Secretary to increase the inspection fee on fertilizer whenever the fee does not raise adequate revenue to administer the program;
- Add language similar to the language above to reduce and increase the fee on agricultural chemical (pesticides) depending upon the ability of the Secretary to administer the program regarding agricultural chemicals;
- Add language requiring \$100 of the agricultural chemical registration fee be credited to the State

Water Plan Fund regardless of the amount of the registration fee;

- Delete proposed language which would have allowed the Secretary to charge and collect an amount necessary for the purpose of covering costs for the Agricultural Chemical Remediation Reimbursement Program;
- Add language to limit the maximum amount the Secretary may charge for administration of the Agricultural Chemical Remediation Reimbursement Program from \$150,000 to \$180,000; and
- Clarify the new inspection fees for Class 1 and Class 2 dams would be for those inspections conducted by the Chief Engineer or a designee of the Chief Engineer.

The fiscal note on the original bill prepared by the Division of the Budget, indicates that enactment of the bill would give the KDA authority to directly offset administrative costs associated with the services described in the original bill from fee receipts. Currently, the agency is paying 100.0 percent of the charges assessed for online fees and registrations, although the agency's share of the fee receipts is much less. The fiscal note states the original bill would allow the agency to distribute the online charges to the other entities for which KDA is receipting money, such as the Kansas Water Office, Kansas State University, and the Kansas Agricultural Remediation Board. This would reduce KDA expenditures from its fee funds by \$54,507 in FY 2018 and \$81,761 in FY 2019. These amounts are based on a 50.0 percent online renewal adoption rate in FY 2018 and a 75.0 percent online renewal adoption rate in FY 2019. The agency estimates enactment of the bill would increase fee fund receipts for dam inspections by \$21,000 in FY 2018 and \$7,500 in FY 2019.