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Date: January 23, 2020

To: Representative John Barker, Chairman, House Federal and State Affairs Committee

From: Shahira Stafford, Kansas Cooperative Council

**RE: House Bill 2411 – Limiting Budget Director’s Review of Certain Rules and Regulations**

Mr. Chairman and Members of the Committee,

Thank you for the opportunity to testify neutral to House Bill 2411. The Kansas Cooperative Council (KCC) represents all types of cooperatively structured businesses across the state. The KCC exists to promote, support, and advance the interest, business success, and understanding of the agricultural, utility, credit, and consumer cooperatives and their members through legislation and regulatory efforts and education.

Simply, co-ops differ from for-profit businesses because they are member-owned, member-controlled, democratically-governed, and business profits are returned directly to their members. However, just like other business structures, cooperatives must adhere to rigorous state and federal guidelines. Our agricultural coops in particular, operate in a highly-regulated industry, and for good reason. Grain elevators and ag retail coops are integral in the Kansas production agriculture chain, which we recognize directly impacts the safety and health of the communities that we serve. Our members take that responsibility seriously every single day.

The agribusiness industry supported the intent of House Bill 2280 – that Governor Colyer signed into law in 2018 – to ensure that the regulated industries are consulted during the development of an economic impact statement of a proposed rule or regulation. And we continue to support more transparency and careful analysis of the need for proposed regulations that impact our member businesses.

We also understand that the provisions in that law have placed additional requirements on the Budget Director’s time as he reviews and analyzes each proposed economic impact statement submitted. The KCC is more than willing to work with his office in further amending the Rules and Regulations Filing Act to alleviate some of those burdens, while being careful to not steer away from the original intent of adding layers of transparency and accountability to the rule-making process and to the taxpayer.

On behalf of the Kansas Cooperative Council, I appreciate the opportunity to comment on House Bill 2411, and I’d be happy to answer questions at the appropriate time.