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Date: March 9, 2022

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

From: Shahira Stafford, Kansas Cooperative Council

**RE: Proponent Testimony on Substitute for Senate Bill 34**

Mr. Chairman and Members of the Committee,

On behalf of the Kansas Cooperative Council (KCC), thank you for the opportunity to provide proponent testimony on Substitute for Senate Bill 34. The KCC is a statewide association that works on behalf of all types of cooperatively structured businesses in Kansas. Some of the industries organized as cooperatives include agriculture, utility, financial, and insurance. Simply, cooperatives differ from other businesses because they are member-owned, member-controlled, democratically governed, and profits are returned to member-owners.

Cooperatives are regulated under the Kansas Cooperative Marketing Act and must adhere to many other rigorous state and federal guidelines. In particular, our agricultural cooperatives operate in a highly regulated industry, and for good reason. Grain elevators and agricultural retail cooperatives 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 day.

Many regulations beyond those thought of as traditional agricultural policy have the potential to impact farmer co-ops and their farmer members. These issues include environmental regulations, labor, food safety, financial services, and tax policy. The agribusiness industry has long supported statewide efforts to ensure that the regulated industries are consulted during the development of an economic impact statement of a proposed rule or regulation. We continue to support more transparency and careful analysis of the need for proposed regulations that impact our members.

Legislative oversight is a fundamental check and balance. As states have assumed greater responsibilities for government programs and services, the importance of legislative oversight has increased. The KCC supports the periodic review by the regulating agency and Legislature of all standing rules and regulations, in addition to allowing a fast-track repeal of any regulation that is expired, not applied, or found unnecessary. We believed that this is good policy that will affirm rules and regulations adopted by the executive branch do not extend beyond legislative intent.

On behalf of the Kansas Cooperative Council, thank you for the opportunity to comment on Sub. SB 34, and we respectfully ask for your support.