

MINUTES OF THE HOUSE AGRICULTURE COMMITTEE

The meeting was called to order by Chairman Dan Johnson at 3:30 p.m. on February 11, 2004, in Room 423-S of the Capitol.

All members were present.

Committee staff present:

Raney Gilliland, Legislative Research Department
Amy VanHouse, Legislative Research Department
Gordon Self, Revisor of Statutes Office
Kay Scarlett, Committee Secretary

Conferees appearing before the committee:

Adrian Polansky, Secretary, Kansas Department of Agriculture
David Pope, Chief Engineer, Division of Water Resources, Kansas Department of Agriculture
Doug Wareham, Senior Vice President, Kansas Agribusiness Retailers Association
Leslie Kaufman, Director, Governmental Relations, Kansas Cooperative Council
Herbert Graves, Executive Director, State Association of Kansas Watersheds
Ethel King, Manager and Contracting Officer for Six Watershed Districts
Marilyn Snider, Watershed Manager

Others attending:

See attached list.

Minutes of the February 2 and 4 meetings were distributed. Members were asked to notify the committee secretary of any corrections or additions prior to 5:00 p.m., February 13, or the minutes will be considered approved as presented.

Leslie Kaufman, Director, Governmental Relations, Kansas Cooperative Council, asked that the Committee rescind her request for a committee bill to allow grain warehouses to dump grain on the ground in emergency situations. There being no objection, the Chairman so ordered.

Hearing on HB 2622 - Fees collected by department of agriculture

Chairman Johnson opened the hearing on **HB 2622**. Raney Gilliland explained that **SB 438** passed during the 2002 legislative session increased certain fees in the Department of Agriculture commencing July 1, 2002. The bill required that the fees being increased return to prior levels on July 1, 2005. **HB 2622** essentially removes the "sunset" provisions for these fee increases thereby making these fee increases permanent. He provided an outline of the fees which are proposed to become permanent. (Attachment 1)

Adrian Polansky, Secretary, Kansas Department of Agriculture, appeared in support of **HB 2622**. He stressed that this legislation does not increase any of the department's fees, it merely removes the July 1, 2005, sunset provisions to allow fees to stay at current levels. In 2002 when **SB 438** was passed, it was hoped that the state's general fund balances would recover and that adjusting fees downward might be possible; however, that recovery has not taken place. The Department of Agriculture estimates they will lose a total of \$853,372 of fee revenue per year if this legislation is not acted upon favorably by the legislature. (Attachment 2)

David Pope, Chief Engineer, Division of Water Resources, Kansas Department of Agriculture, discussed fees charged in the division's water appropriation program and responded to committee questions.

Doug Wareham, Senior Vice President, Kansas Agribusiness Retailers Association, testified in support of **HB 2622** to remove the sunset provisions on the fee funds in the Department of Agriculture. KARA supports adequate funding of the department to ensure that all parties in Kansas that store, transport, handle, and apply fertilizer and ag-chemical products do so in accordance with Kansas laws and regulations. KARA has recently expressed concerns to KDA regarding increased commercial activity by non-licensed parties in Kansas, as well as the proliferation of bulk storage facilities in Kansas that are not properly contained as Kansas fertilizer and pesticide regulations call for. They believe there is clearly sufficient work to be done by KDA and maintaining adequate financial support is essential. (Attachment 3)

Leslie Kaufman, Director, Governmental Relations, Kansas Cooperative Council, appeared in support of **HB**

CONTINUATION SHEET

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2622 and for a strong Department of Agriculture and the adequate staffing and funding of KDA's current programs. She stated that although they understand the need to continue these fees, at least in the short term, the Kansas Cooperative Council firmly believes there is a great need to identify new means for infusing state general fund dollars into the Department of Agriculture. KDA programs that benefit and/or protect the state as a whole or the general public need to be funded significantly by state general funds. The Council suggests that rather than eliminating the sunset provisions, the legislature might want to consider extending the sunset provisions, forcing the issue to be directly revisited at a specific date. (Attachment 4)

Herbert Graves, Executive Director, State Association of Kansas Watersheds, testified in opposition to **HB 2622** and fees in general being charged to Kansas watershed districts by the Department of Agriculture as they are a division of state government. The main purpose of watershed district activities is to preserve and protect our natural resources for the future of Kansas. He asked what rationale exists for the State to impose fees upon itself that make it even tougher to accomplish that purpose. He explained that watershed districts gain no financial rewards from this stored water and, therefore, have no means to recoup the costs of the water appropriation fees. SAKW requests that **HB 2622** be amended to exempt all watershed districts from paying all fees imposed on them by the Department of Agriculture. (Attachment 5)

Ethel King, Manager and Contracting Officer for Six Watershed Districts, appeared in opposition to **HB 2622** and requested elimination of all Department of Agriculture fees being charged to watershed districts. She discussed the various fees a watershed district is required to pay for certification of the completion of a watershed structure. (Attachment 6)

Marilyn Snider, Watershed Manager from Holton, submitted written testimony in opposition to **HB 2622**. She states that watershed districts are a division of the State of Kansas and as such are supported by local taxes on the land within the district. In order to pay the permit fees, watershed districts must use funds that would otherwise be used to benefit the local communities by control of flooding, reduction of siltation, and providing improved water supplies. Her watershed district feels it is improper to require watershed districts to use limited tax money to pay permit fees to the Department of Agriculture or any other agency. (Attachment 7)

As there were no other conferees, Chairman Johnson closed the hearing on **HB 2622**.

Discussion and action on HB 2531 - Historical preservation; consideration of established agricultural use of land required.

Chairman Johnson opened the floor for discussion.

Todd Johnson, Governmental Affairs Staff, Kansas Livestock Association, proposed an amendment to HB 2531, discussed at the hearing, to strike the words "an unincorporated portion of" on page 2, line 38. Representative Minor, seconded by Representative Powell, moved to accept the proposed amendment. The motion carried.

Representative Powell moved to recommend HB 2531, as amended, favorable for passage. Seconded by Representative Minor, the motion carried.

The meeting adjourned at 4:50 p.m. As next week is reserved for subcommittee meetings on the animal identification program, the next meeting of the House Agriculture Committee is scheduled for February 23, 2004.