

SESSION OF 2013

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2049

As Amended by Senate Committee on
Agriculture

Brief*

HB 2049 would add a new provision to the law concerning milk processing fees. The new language would exempt Grade A and manufacturing milk dairy operations from processing fees when the milk is processed or manufactured at the dairy where it was produced, eliminating duplication of the production and processing fees for those facilities.

The bill also would require applicants for pesticide business licenses to file a certificate of liability insurance with the Secretary of Agriculture before the license can be issued. Under current law, applicants can file a bond, insurance, letter of credit, or proof of an escrow account when applying for a pesticide business license.

In addition, the bill would set the license fee for weights and measures service company licenses at \$100. The license fee would sunset on July 1, 2015. The previous sunset on the fee went into effect in 2010, lowering the license fee from \$100 to \$50. The \$100 fee also would apply to service company license renewals.

Background

The bill was introduced by the House Committee on Agriculture and Natural Resources at the request of the Kansas Department of Agriculture (KDA).

*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>

At the House Committee hearing on the bill, a spokesperson from the KDA provided proponent testimony on the bill. A spokesperson from the Kansas Farm Bureau provided neutral testimony.

The House Committee on Agriculture and Natural Resources amended the bill by extending the sunset provisions to July 1, 2019.

At the Senate Committee hearing on the bill, spokespersons from Groundwater Management District No. 3 and the Kansas Water Authority provided additional proponent testimony on the bill.

The Senate Committee on Agriculture amended the bill by removing the July 1, 2019, sunset provisions, as added by the House Committee, and reinstated current statutory language that sunsets the fees on and after July 1, 2015. (The Senate Committee also approved a motion for the Chairperson to request an interim study on topics including KDA fees.)

According to the fiscal note on the original version of the bill, the KDA has indicated the fiscal impact of the bill would be negligible in FY 2014 and 2015. If the bill is not passed, the KDA estimates an annual reduction in revenue of up to \$746,528 for the Dairy, Water Appropriations, and Pesticide programs beginning in FY 2016.