



Kansas Grain & Feed Association
Kansas Agribusiness Retailers Association
Renew Kansas Biofuels Association

January 23, 2020

To: House Committee on Federal and State Affairs
From: Randy Stookey, Senior Vice President & General Counsel
Re: **Neutral Testimony with Concerns on House Bill 2411, limiting review of certain rules and regulations by the Budget Director**

Chairman Barker and members of the House Committee on Federal and State Affairs, thank you for the opportunity to testify on House Bill 2411. This testimony is being submitted jointly by the Kansas Grain and Feed Association (KGFA), Kansas Agribusiness Retailers Association (KARA), and Renew Kansas Biofuels Association.

KGFA is the state association of the grain receiving, storage, processing and shipping industry in Kansas. KGFA's membership represents 99% of the commercially licensed grain storage in the state. KARA is a trade association of over 700 agribusiness firms that supply fertilizers, crop protection products, seed, petroleum products, and agronomic services to Kansas farmers. Renew Kansas is the trade association of the Kansas biofuels industry.

Broadly, members of these associations operate in the area of agribusiness, which is an important but highly-regulated industry. Most regulations are necessary and proper. However, because regulations have the full force and effect of law, the process of adopting regulations should be deliberate and fully transparent to the regulated industry.

In 2018, the Kansas legislature passed House Bill 2280 which, principally, was intended to increase the transparency of the fiscal impact of proposed regulations. As the economic impact of proposed regulations is something that must be analyzed carefully, our members strongly supported the passage of that legislation.

It is our understanding that following passage of HB 2280, the work load of the Budget Director was increased. For that reason, this bill seeks to omit some of the review process. We agree that changes could be made to the process to alleviate some of the duties on the Budget Director. Therefore, we appear neutral on this bill today.

We do have a concern about some portions of this bill that seek to remove parts of the review process. For instance, Section 2, 77-420(a)(4) would add language omitting the requirement for the Budget Director to review or approve a proposed regulation and economic impact statement when the regulation has been proposed because of a federal mandate - even if the economic impact exceeds \$3 million. We disagree with this exemption on the basis that the existence of a federal mandate neither decreases the impact on the regulated community, nor negates the need for third-party review and transparency in the process.

Under HB 2280, the independent review of the economic impact analysis by the Budget Director was intended to infuse third-party review of the regulatory process, concerning the economic analysis, outside of the state agency. In exchange for the loss of that independent analysis by the Budget Director, as proposed by the current bill, we would ask to reduce the \$3 million impact threshold to a \$2 million threshold.

Thank you for allowing us to present our thoughts on this bill, and we would stand for questions at the appropriate time.