

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE.

The meeting was called to order by Chairman Dan Johnson at 3:30 p.m. on February 2, 2000, in Room 423-S of the Capitol.

All members were present except: Representative Showalter - excused

Committee staff present: Raney Gilliland, Research Department
Gordon Self, Revisor of Statutes Office
Kay Scarlett, Committee Secretary

Conferees appearing before the committee:

Tom Tunnell, Kansas Grain and Feed Association
Dr. Marc Johnson, Dean and Director, Kansas State University Agricultural Experiment Station and Cooperative Extension Service
Dr. Walter H. Fick, Associate Professor, Department of Agronomy, Kansas State University
Harry E. Huff, Huff's Gardens, Inc., Burlington, Kansas
Larry Seivley, Seivley's Garden Center, El Dorado, Kansas
Ben Miller, Stutzman Greenhouse, Hutchinson, Kansas
Loren Bloomgren, Grigsby Greenhouse, Salina, Kansas (written only)
Alan Stevens, Executive Secretary, Kansas Greenhouse Growers Association

Others attending: See attached list

Minutes of the January 24 and 26 meetings were distributed. Chairman Johnson asked members to notify the committee secretary of any corrections or additions prior to 5:00 p.m., February 3, or they will be considered approved as presented.

Chairman Johnson gave an update on his testimony before the House Appropriations Subcommittee on the Department of Commerce and Housing Budget to request additional EDIF funding for enhancement of the programs of the Agriculture Products Development Division. The Chairman reported that the Governor supports this proposal.

Tom Tunnell, Kansas Grain and Feed Association, requested introduction of a committee bill concerning an amendment to the Kansas warehouse act to make it consistent with federal law. He said this proposal was also introduced as a Senate bill. Representative Schwartz moved to introduce this request as a committee bill. Seconded by Representative Mollenkamp, the motion carried.

Dr. Marc Johnson, Dean and Director, Kansas State University Agricultural Experiment Station and Cooperative Extension Service, discussed the proposed site development plan for the new Grain Science and Industry Complex at Kansas State University. He explained that the complex will have five buildings, the first four to be built with private funds, including support from the grain commodity commissions on the International Grains Program Building. (Attachment 1)

Dean Johnson discussed proposed changes in the Kansas County Extension Council Law to change procedures for electing County Extension Council members that was introduced in the Senate. The proposal is to elect a 7-member County Extension Council in regular, nonpartisan spring elections held during odd-numbered years; four members would be selected in one election and three in the next, with four-year terms. He said the current two-year term is considered too short for effective leadership, and it is hoped that this proposal will increase voter participation. No changes in the county extension budgeting process are proposed. (Attachment 2)

Dr. Walter H. Fick, Associate Professor, Department of Agronomy, Kansas State University, reported on the

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objectives and progress of sericea lespedeza research being conducted by the University. Their goal is to develop a research and extension program to limit the spread and enhance the management of sericea lespedeza in Kansas. Sericea lespedeza will become a statewide noxious weed July 1, 2000. Dr. Fink provided a copy of their new color brochure on the history, characteristics, and identification of sericea lespedeza. ([Attachment 3](#))

Hearing on HB 2702 - Sales and property tax exemption for greenhouse machinery and equipment.

Chairman Johnson opened the hearing on **HB 2702** and asked Raney Gilliland to explain the bill. As this was a tax bill, April Holman, Legislative Research Department, was in attendance to answer questions. Mr. Gilliland explained that **HB 2702** would exempt farm machinery and equipment used in the operation of a greenhouse from all property or ad valorem taxes levied under the laws of the State of Kansas. The bill would, also, exempt sales tax on the sale, repair, parts, and service of machinery and equipment used in the operation of a greenhouse. Current law exempts nurseries, the confusion is whether or not this includes greenhouses. The fiscal note for this bill had not been prepared; however, Shirley Sicilian, Kansas Department of Revenue, said that the fiscal impact would be minimal.

Harry E. Huff, Huff's Gardens, Inc., Burlington, testified in support of **HB 2702** to include the wording *greenhouses and greenhouse ornamental crops* within the definition of agriculture in the Kansas Statutes. He reported being denied agriculture status because greenhouses are not specifically exempted in the statutes. After hiring an attorney and applying for a hearing before the State Board of Tax Appeals, he said his business was designated agriculture. ([Attachment 4](#))

Larry Seivley, Seivley's Garden Center, El Dorado, appeared in support of **HB 2702**. He said clarification of the statutes is needed so that taxation will be uniform in all counties in the state in regard to greenhouse growing operations. ([Attachment 5](#))

Ben Miller, Stutzman Greenhouse, Inc., Hutchinson, testified in support of **HB 2702**. He related their experiences to prove their agriculture status and asked for clarifying language to include the terms *greenhouse and greenhouse ornamental crops* in the statutes. ([Attachment 6](#))

Mr. Miller read the written testimony submitted by Loren Bloomgren, owner and operator of Grigsby Greenhouse in Salina, in support of **HB 2702**. His testimony asked that the words *greenhouses and greenhouse ornamental crops* be included in the definition of agriculture in the Kansas Statutes to eliminate confusion and make the tax laws consistent statewide. ([Attachment 7](#))

Alan Stevens, Executive Secretary, Kansas Greenhouse Growers Association, spoke in support of **HB 2702** to amend Kansas Statutes wherein agriculture is defined to include the wording *greenhouses and greenhouse ornamental crops*. He said the exclusion of such specific wording has caused Kansas greenhouse companies undo harm in the form of legal fees, wasted managerial time, and unfair disadvantage in the market place. He said that various local and county governing entities are interpreting Kansas Statutes differently as they relate to the wholesale greenhouse industry. ([Attachment 8](#))

The committee expressed concern about how to differentiate between a production wholesale greenhouse and a retail greenhouse for tax purposes. Mr. Huff suggested using the definition *production greenhouses and greenhouse ornamental crops*. It was suggested that possibly these tax exemptions could be handled through rules and regulations. Stating that the confusion is at the county level, the conferees would like a state definition in the Kansas Statutes.

The meeting adjourned at 4:47 p.m. The next meeting is scheduled for February 7, 2000.