

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE.

The meeting was called to order by Chairman Dan Johnson at 3:30 p.m. on February 7, 2000, in Room 423-S of the Capitol.

All members were present except: Representative Faber - excused
Representative Thimesch - excused

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

Conferees appearing before the committee:
Carla Stovall, Attorney General, State of Kansas

Others attending: See attached list

Minutes of the January 31 meeting were distributed. Chairman Johnson asked members to notify the committee secretary of any corrections or additions prior to 5:00 p.m., February 8, or they will be considered approved as presented.

The Kansas Dairy Marketing Advisory Board submitted its annual report to the Senate and House Agriculture Committees. (Attachment 1) The Kansas Dairy Marketing Advisory Board recommends that the Kansas Legislature continue to monitor the following issues:

- Low prices to dairy farmers and impact on this important segment of Kansas agriculture of volatile prices;
- Congressional action on the Southern Dairy Compact; and the
- Effects and impacts of the implementation of the revised milk market order that includes Kansas.

Carla Stovall, Kansas Attorney General, updated the committee on the Kansas vs Colorado and the Kansas vs Nebraska water lawsuits. She reported that they just finished the damages phase of the Kansas vs Colorado lawsuit on January 28. Kansas presented damages based on expert testimony in four categories: 1) Cost of pumping that was necessary to replace the surface water flow, \$6.8 million; 2) Greater pumping costs resulting from having to pump from greater depths, \$6.6 million; 3) Crop losses, \$45 million; and 4) Secondary economic impact, \$3.7 million, for a total of \$62.1 million. Colorado maintains that they might owe us \$3 million, but would prefer to settle the case for an increase in water over the next 25 years. It is estimated the case will go to the Supreme Court later this year or in early 2001.

Attorney General Stovall reported that the Special Master's 45-page decision in the Kansas vs Nebraska case also came down on January 28, finding for Kansas that ground water pumping does affect the amount of water flow in the Republican River. The case now goes to the U.S. Supreme Court to accept or deny. If the case is accepted, the Special Master wants to be in trial on the liability issue within 5 years. The Attorney General said the lack of regulation and metering of water wells in Nebraska is making it difficult to quantify the loss of water to Kansas.

Commenting on the two anti-trust proposals dealing with the Packers and Stockyards Act (**HB 2712** and **SB 474**), Attorney General Stovall noted that at the current time the law doesn't allow any action by the Attorney General's office or County District Attorneys in that arena. It would take a statutory change for them to do anything under state law. She said her office will do whatever is directed by the Legislature, but that additional resources would be needed. Attorney General Stovall reported that her office supports the Governor's anti-trust proposal which is more comprehensive. The Governor's bill would give more investigative powers; update the remedies; take away the criminal liability; increase penalties from \$100 per

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day, mandatory, to \$5,000 per day, permissible; and clean up other anti-trust language in the statutes. Again, she said the money issue needs to be addressed.

Discussion and possible action on HB 2702 - Sales and property tax exemption for greenhouse machinery and equipment.

Chairman Johnson opened discussion on **HB 2702**. Following much discussion, Representative Feuerborn suggested appointing a subcommittee to work out the necessary changes in the bill. Chairman Johnson appointed a subcommittee on **HB 2702** comprised of Representative Dahl, Chairman; Representative Weiland; and Representative Compton.

Discussion and possible action on HCR 5005 -Concurrent Resolution urging Congress to remove or restrict the use of trade sanctions.

Chairman Johnson opened discussion on **HCR 5005**. Representative Freeborn moved to recommend adoption of HCR 5005 and because the resolution is of a noncontroversial nature be placed on the consent calendar. Seconded by Representative O'Brien, the motion carried.

Discussion and possible action on HCR 5050 - Concurrent Resolution urging Congress to pass legislation allowing state-inspected meat to be shipped interstate; increasing the number of poultry slaughtered.

Chairman Johnson opened discussion on **HCR 5050**. Representative Larkin, seconded by Representative O'Brien, moved to recommend adoption of HCR 5050 and that it be placed on the consent calendar.

Representative Schwartz offered a substitute motion to remove the section of HCR 5050 to raise the number of poultry that can be slaughtered at home and offered for sale to consumers; thereby, emphasizing consideration for interstate shipment of state-inspected meat and meat products. Seconded by Representative Feuerborn, the motion carried.

Representative Schwartz moved to recommend adoption of HCR 5050 as amended. The motion was seconded by Representative Freeborn. Motion carried.

The meeting adjourned at 4:45 p.m. The next meeting is scheduled for February 9, 2000.