

MINUTES OF THE HOUSE	_ COMMITTEE ONAGRICULTURE
The meeting was called to order b	y <u>Representative Lee Hamm</u> at Chairperson
9:05 a.m./xxx on	Monday, March 25, 1991 in room 423-S of the Capitol.
All members were present except:	Representative Wisdom, excused Representative Freeman, excused Representative Heinemann Representative Mollenkamp
Committee staff present:	Raney Gilliland, Legislative Research Lynne Holt, Legislative Research Jill Wolters, Revisor of Statutes Office Pat Brunton, Committee Secretary

Conferees appearing before the committee:

Larry D. Woodson, Director, Division on Inspections, Kansas State Board of Agriculture

Chairman Hamm opened hearings on  $\underline{\text{SB 310}}$  - meat and poultry inspection act; civil penalties.

Larry D. Woodson, State Board of Agriculture, testified in support of SB 310. Mr. Woodson informed the committee if enacted, the legislation contained in SB 310 would provide for civil penalties to be imposed on persons, corporations or firms found to have violated provisions of the Kansas Meat and Poultry Inspection Act and regulations promulgated thereunder. Civil penalty authority would assist in expediting action on documented violations of the Kansas Meat and Poultry Inspection Act, which can include mislabeled or misbranded product, failure to register operations processing and/or slaughtering meat and poultry products not specifically exempted and numerous infractions of the act and regulations. He further stated if this legislation is enacted, this proposal would not require any additional staff as the Board of Agriculture already has civil penalty authority in the dairy and plant health programs and the addition of civil penalty authority in the meat and poultry inspection program could be handled with existing staff. (Attachment 1).

After a question and answer period, the hearings on SB 310 were closed.

Representative Rinehardt made a motion to pass SB 310. Representative Minor seconded the motion. Motion carried.

Chairman Hamm asked the committee to turn their attention to the proposed amendments to  $\frac{SB}{77}$  - an act creating the Kansas sheep commission. (Attachment 2).

Representative Gatlin moved to adopt the balloon as amendments. It was seconded by Representative Rezac. Motion carried.

Representative Reinhardt moved to pass SB 77 as amended. Representative Garner seconded the motion. Motion passed.

Representative Bryant made a motion to approve the minutes of March 19 and March 20, 1991. Representative Crumbaker seconded. Motion passed.

The meeting adjourned at 9:40 a.m. The next meeting of the House Agriculture Committee is Tuesday, March 26, 1991 at 9:00 a.m. in room 423-S of the State Capitol.

COMMITTEE: HOUSE AGRICULTURE

DATE: March 25, 1991

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
2600	Lewen	Rep Weemz
	Topeka	K5BA
Kenneth M. Wilke LARRY D. WOODSON	TOPEKA	KSBA
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## HOUSE AGRICULTURE COMMITTEE SENATE BILL 310

March 25, 1991

Good morning, Mr. Chairman and members of the House Agriculture Committee, I am Larry D. Woodson, Director of the Kansas State Board of Agriculture's Division on Inspections. I am here to testify in support of Senate Bill 310, which would provide civil penalty authority in the administration of the Kansas Meat and Poultry Inspection Act.

If enacted the legislation contained in Senate Bill 310 would provide for civil penalties to be imposed on persons, corporation or firms found to have violated provisions of the Kansas Meat and Poultry Inspection Act and regulations promulgated thereunder. Civil penalty authority would assist in expediting action on documented violations of the Kansas Meat and Poultry Inspection Act, which can include mislabeled or misbranded product, failure to register operations processing and/or slaughtering meat and poultry products not specifically exempted and numerous infractions of the act and regulations.

currently any case recommended for action beyond a letter of warning or administrative hearing must be filed with the local county or district attorney in whose jurisdiction the offense was committed. We have found that many county or district attorneys are already overloaded with pending cases and cases involving mislabeled or misbranded meat and/or poultry products (not posing a public health risk) become a low priority item. One case

Hs. Ag. 3-25-91 ATTACHMENT involving violations of the Kansas Meat and Poultry Inspection Act has been pending for 15 months with no resolution to date.

Most violations documented and filed by compliance investigators have been resolved without going to trial. Civil penalty authority would allow violations not involving adulteration or a public health risk would be resolved administratively without filing criminal charges and adding to an already overburdened judicial system. Serious cases involving product adulteration and public health endangerment, which are felonies, will continue to be referred to local prosecutors for action.

If enacted, this proposal would not require any additional staff. The Board of Agriculture already has civil penalty authority in the dairy and plant health programs and the addition of civil penalty authority in the meat and poultry inspection program could be handled with existing staff.

I will now stand for any questions you may have.

ession of 1991

## SENATE BILL No. 77

By Committee on Agriculture

1-29

AN ACT creating the Kansas sheep commission; relating to the powers and duties thereof; levying an assessment on sheep or wool, or their products amending K.S.A. 1990 Supp. 75-3170a and repealing the existing section.

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Be it enacted by the Legislature of the State of Kansas:

Section 1. As used in this act:

(a) "Commission" means the Kansas sheep commission.

(b) "First purchaser" means any person, public or private corporation, association or partnership who resells sheep or wool purchased from a producer or offers for sale a product produced from the sheep or wool for any purpose.

(c) "Producer" means a person who is actively engaged within this state in the business of producing or marketing sheep or wool and who receives income from the production of sheep or wool.

(d) "Sale" or "sold" means a transaction in which the property in or to sheep or wool is transferred from the producer to a first purchaser for full or partial consideration.

(e) "Secretary" means the secretary of the state board of agriculture.

(f) "Sheep" means an animal of the ovine species, regardless of age, produced or marketed in this state for slaughter.

(g) "Wool" means the natural fiber produced by sheep.

(h) "Seller" means any private entity or a corporation that sells sheep or wool at a first point of sale in Kansas.

Sec. 2. (a) There is hereby created the Kansas sheep commission. Such commission shall be attached to and be a part of the division of markets of the state board of agriculture.

(b) The commission shall consist of seven members to be appointed by the governor. The governor shall make the selection from nominations provided by the Kansas sheep association. No more than four members of the commission shall be from the same political party. Vacancies which may occur shall be filled for unexpired terms in the same manner from among the producers of the state. Each commissioner appointed on and after the effective date of this act,

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other than a commissioner appointed to fill a vacancy for an unexpired term, shall be appointed for a term of four years except that three of the commissioners first appointed on and after the effective date of this act shall be appointed for a term of three years. Members serving on the commission on the effective date of this act shall continue as members until the expiration of the term for which such members were appointed. Upon the expiration of a term of a member of the commission, such member shall continue to serve as a member of the commission until a successor to such member is appointed and qualified.

(c) Members of the commission shall be residents of this state and have been an active producer in this state for at least five years immediately preceding their appointment. Of such members, two members shall be lamb feeders, two members shall have ewe flocks, one member shall produce purebred sheep and two members shall be from producers at large.

(d) The dean of the college of agriculture of Kansas state university or the dean's representative and the secretary or the secretary's designee shall serve as ex officio nonvoting members of the board.

(c) The board shall annually elect a chairperson from its membership.

(f) A member of the commission may cease to hold such member's position on the commission for any of the following reasons, at the discretion of a majority of the commission, upon resolution duly adopted by the commission dismissing such member: (1) Failure to attend two or more regular meetings of the commission; or (2) ceasing to be a producer.

(g) Members of the Kansas sheep commission attending meetings of such commission, or attending a subcommittee meeting authorized by such commission, shall be paid compensation, subsistence allowances, mileage and other expenses as provided in K.S.A. 75-3223, and amendments thereto.

(h) The commission shall meet at least once every calendar quarter regularly and hold an annual meeting which shall be open to the public for discussion of policy and at which time the commission shall make its report to the governor. The day, time and place of each meeting shall be determined by the commission. The chairperson or any three members of the commission may call special meetings of the commission upon such notice as may be prescribed by the duly adopted rules of the commission.

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The commission created pursuant to this act shall meet as soon as practicable for the purpose of organizing. The commission may meet at any time deemed necessary and on call of the chairperson, but at least annually for public discussion of policy with respect to sheep, wool and products made therefrom.

Sec. 3. In the administration of this act, the commission shall have the following duties, authorities and powers:

- (a) To conduct a campaign of development, education and publicity;
- (b) to find new markets for sheep and wool, or their products;
- (c) to accept grants and donations;
- (d) to sue and be sued;

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- (e) to enter into such contracts as may be necessary or advisable for the purpose of this act;
- (f) to appoint an administrator and an assistant administrator and fix their such administrator's compensation and the administrator and assistant administrator shall be in the unclassified service of the Kansas civil service act. With the approval of the commission, the administrator may appoint such other personnel as is needed and such employees shall be in the classified service of the Kansas civil service act. Other than the administrator and the assistant of the administrator, all employees of the commission at the time this act takes effect, from such effective date, shall be in the classified service under the Kansas civil service act and each such employee shall attain permanent status in a classified position without examination and without a probationary period.
- (g) to cooperate with any local, state or, national or international organization or agency, whether voluntary or created by the law of any state, or by national law, engaged in work or activities similar to the work and activities of the commission, and to enter into contracts and agreements with such organizations or agencies for carrying on a joint campaign of development, education and publicity;
- (h) to establish an office of the administrator at any place in this state the commission may select;
- (i) (h) to prosecute in the name of the state of Kansas any suit or action for the collection of the assessment herein provided; and
- (i) to adopt, reseind, modify and amend all necessary and proper orders, resolutions and rules and regulations for the procedure and exercise of its powers and the performance of its duties.]

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(a) In the administration of this act the commission shall have the following duties, authorities and powers:

(1) To recommend to the secretary policy regarding marketing, campaigns of development, education and publicity for the Kansas sheep and wool and products made therefrom:

(2) to recommend to the secretary the acceptance of grants and donations:

(3) to recommend the secretary enter into such contracts as may be necessary or advisable for the purposes of this act;

(4) to recommend that the secretary cooperate with any local, state, national or international organization or agency, whether voluntary or created by the law of any state or by federal law, engaged in work or activities similar to the work and activities of the commission, and to direct the division to enter into contracts with such agencies or organizations for carrying on campaigns of development, education or publicity;

(5) to be advisory to and cooperate and work with Kansas state university or other educational or research facilities regarding research and development connected with sheep and wool

and related products represented by the commission.

(b) Notwithstanding any provision of this act or other law to the contrary, any determination by the secretary regarding any recommendation by the commission pursuant to subparagraphs one to five of this section may be disapproved by a vote of two-thirds (2/3) of the members of the commission but nothing herein shall be construed as authorizing the commission to abrogate, limit or otherwise affect the power of the secretary to administer and supervise the internal operations and management of the division.

Section 4. The division of markets shall have the following duties, authorities and powers:

(1) To implement and coordinate the policies and practices

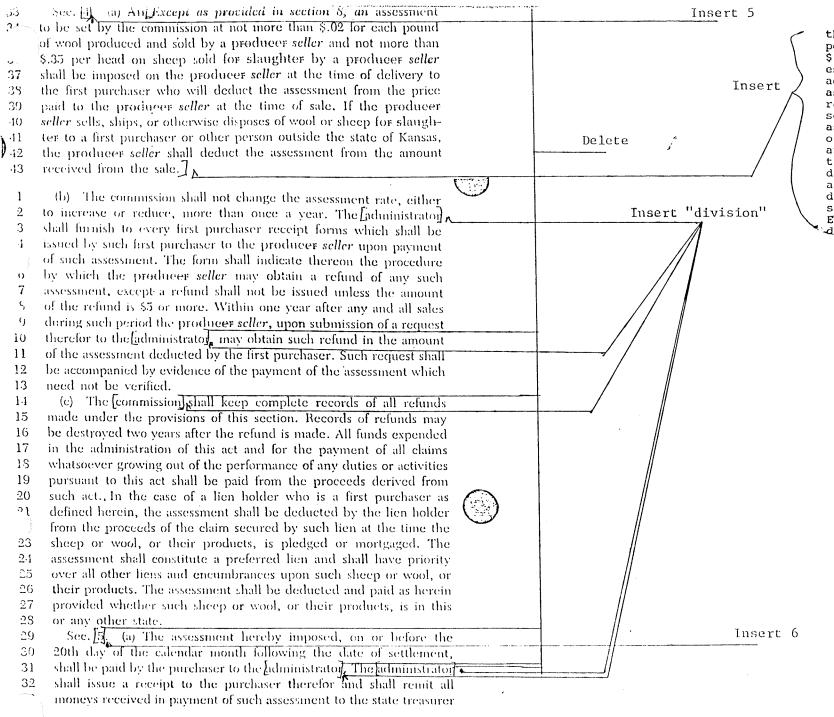
of the commission;

(2) to sue and be sued;

(3) to prosecute in the name of Kansas any suit or action for the collection of the assessment provided for by section \_\_\_\_

(4) to adopt rules and regulations for the procedure and exercise of its powers and the performance of its duties;

X (5) to hire such personnel deemed necessary to carry out the provisions of this act.



Except as provided in section 9, on and after July 1, 1991 there is hereby levied an assessment of \$.02 per pound on each pound of wool [produced and] sold by a seller and an assessment of \$.35 per head on sheep sold by a seller. Each assessment established by this section shall continue until changed by the adoption of a rule and regulation establishing a different assessment rate. Any assessment rate established by rule and regulation shall not exceed \$.02 per pound of wool [produced and] sold by a seller or \$.35 per head on sheep sold by a seller. Each assessment shall be imposed on the seller at the time of delivery of the wool or sheep to the first purchaser who shall deduct the amount of the assessment from the price paid to the seller at the tine of sale. The amount of assessment shall be shown as a deduction by the first purchaser from the amount paid to the seller at the time of sale. If the seller sells, ships or otherwise disposes of wool or sheep outside the state of Kansas, the seller shall deduct the assessment from the amount received from the sale. Each assessment deducted by the seller shall be remitted to the division as provided in section 6 of this act.

35 treasurer shall deposit the entire amount thereof in the state treasury. The amount prescribed by K.S.A. 75-3170a, and amendments thereto, of each such deposit shall be credited to the state general fund and the balance shall be credited to the Kansas sheep commission fund which is hereby created. Whenever refunds are made from the Kansas sheep commission fund, the amounts credited to the state general fund from subsequent deposits in the state treasury pursuant to this section shall be reduced by amounts which equal the amount prescribed by K.S.A. 75-3170a, and amendments thereto, of such refunds.

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(b) All money credited to the Kansas sheep commission fund shall be expended in the administration of this act, and for the payment of claims based upon obligations incurred in the performance of the activities and functions set forth in this act, and for no

(c) All expenditures from the Kansas sheep commission fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the administrator or by the chairperson of the Kansas sheep commission or by a person or persons designated by such administrator or chairperson.

Sec. [6] If the assessment is not deducted and paid to the fadministratorlas provided in section 5, or within 10 days thereafter, such lien, within one year after the expiration of such 10-day period, may be forcelosed by action in any court having jurisdiction in the county in which such sheep or wool, or their products, was sold, or in which such sheep or wool, or their products, may be found, or in which such sheep or wool, or their products, shall have been commingled with other sheep or wool, or their products.

Sec. 7. Any person who shall violate any of the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction shall be punished by a fine of not less than \$25 nor more than \$500 or by imprisonment in the county jail for not less than 30 nor more than 90 days, or by both such fine and imprisonment.

New Sec. [8. (a) No assessments for sheep or wool, or their products shall be collected pursuant to this act while the national checkoff program for sheep or wool, or their products, remains in effect. Collection of assessments pursuant to this act shall be reinstated upon the withdrawal of the national checkoff program for sheep or wool, or their products.

(b) On and after the effective date of the national checkoff program for sheep or wool, or their products, the assessment shall be collected upon all sheep or wool, or their products, sold in the state of Kansas. Such assessment shall be levied and assessed to the seller at the time of sale and shall be collected pursuant to the terms of the national checkoff program for sheep or wool, or their products and any rules and regulations or marketing orders promulgated or issued thereunder. Under the provisions of this act, no sheep or



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Milker regardativities inverse bisher with persons across ever conserve proforced lien and shall have a priority over all other liens and enbrances upon such sheep or wool, or their products. Any

assessment made under this section shall be deducted and paid as herein provided whether such sheep or wool, or their products, are

stored in this or any other state.

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(c) Any assessment collected pursuant to the national checkoff program for sheep or wool, or their products, shall be paid to the division on or before the 20th day of the calendar year following the date of settlement and shall be paid by the purchaser of the sheep or wool, or their products, to the division. The division shall issue a receipt to the purchaser and shall remit all moneys received in payment of such assessment to the state treasurer at least monthly. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount thereof in the state treasury and shall credit such amount to the sheep or wool promotion and research fee fund which is hereby created.

(d) Whenever refunds are made from the national checkoff program for sheep or wool, or their products, such refunds shall be made as authorized by the federal law and not be subject to the

refund provisions found in this act.

(e) All money so credited to the sheep or wool promotion and research fee fund shall be expended for the sheep commission in the administration of the national checkoff program for sheep or wool, or their products, the administration of this act and for the payment of claims upon obligations incurred in the performance of the activities and functions set forth in this act and for no other purpose.

(f) All expenditures made from these funds shall be in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the director of the division of markets of the state board of agriculture for the sheep commission or by a person or persons designated by the director.

(g) The Kansas sheep commission shall have the ability to pay and transfer portions of the assessments collected pursuant to the national checkoff program for sheep or wool, or their products, to

the national board as required.

Sec. [9] K.S.A. 75-3170a is hereby amended to read as follows: 75-3170a. (a) The 20% credit to the state general fund required by K.S.A. 1-204, 2-2609, 2-3008, 9-1703, 16-609, 16a-2-302, 17-1271, 17-2236, 17-5609, 17-5610, 17-5612, 17-5701, 20-1a02, 20-1a03, 34-102b, 44-324, 44-926, 47-820, 49-420, 55-131, 55-155, 55-609, 55-711, 55-901, 58-3074, 65-6b10, 65-1718, 65-1817a, 65-2011, 65-2418, 65-2855, 65-2911, 65-4610, 66-1,155, 66-1503, 74-715, 74-1108, 74-1405, 74-1503, 74-1609, 74-2704, 74-2902a, 74-3903, 74-5805, 74-7009, 74-7506, 75-1119b, 75-1308 and 75-1509 and K.S.A. 4987 1990 Delete and replace wiht 10

cets amendatory of any of the foregoing including amendments by er sections of this act, is to reimburse the state general fund for counting, auditing, budgeting, legal, payroll, personnel and purchasing services, and any and all other state governmental services, which are performed on behalf of the state agency involved by other state agencies which receive appropriations from the state general fund to provide such services.

(b) Nothing in this act or in the sections amended by this act or referred to in subsection (a) of this section, shall be deemed to authorize remittances to be made less frequently than is authorized under K.S.A. 75-4215 and amendments thereto.

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- (c) Notwithstanding any provision of any section statute referred to in or amended by this act or referred to in subsection (a) of this section, whenever in any fiscal year such 20% credit to the state general fund in relation to any particular fee fund is \$200,000, in that fiscal year the 20% credit no longer shall apply to moneys received from sources applicable to such fee fund and for the remainder of such year the full 100% so received shall be credited to such fee fund, except as otherwise provided in subsection (d) of this section or (f).
- (d) Notwithstanding any provision of K.S.A. 2-2609 and 2-3008 and amendments thereto or any provision of any section statute referred to in subsection (a) of this section, the 20% credit to the state general fund no longer shall apply to moneys received from sources applicable to the grain research and market development agencies funds, as specified for each such fund by this subsection, and for the remainder of a fiscal year the full 100% of the moneys so received shall be credited to the appropriate fund of such funds, whenever in any fiscal year:
- (1) With respect to the Kansas wheat commission fund, such 20% credit to the state general fund in relation to such fund in that fiscal year is equal to that portion of \$100,000 that bears the same proportion to \$100,000 as the amount credited to the Kansas wheat commission fund during the preceding fiscal year bears to the total of the amounts credited to the Kansas wheat commission fund, the Kansas corn commission fund, the Kansas grain sorghum commission fund and the Kansas soybean commission fund during the preceding fiscal year;
- (2) with respect to the Kansas corn commission fund, such 20% credit to the state general fund in relation to such fund in that fiscal year is equal to that portion of \$100,000 that bears the same proportion to \$100,000 as the amount credited to the Kansas corn
- commission fund during the preceding fiscal year bears to the total of the amounts credited to the Kansas wheat commission fund, the Kansas corn commission fund, the Kansas grain sorghum commission fund and the Kansas soybean commission fund during the preceding year;

(9) when respect to the Kansas gram sorghum commission jund, such 20% credit to the state general fund in relation to such fund in that fiscal year is equal to that portion of \$100,000 that bears the same proportion to \$100,000 as the amount credited to the Kansas grain sorghum commission fund during the preceding fiscal year bears to the total of the amounts credited to the Kansas wheat commission fund, the Kansas corn commission fund, the Kansas grain sorghum commission fund and the Kansas soybean commission fund during the preceding fiscal year; and

(4) with respect to the Kansas soybean commission fund, such 20% credit to the state general fund in relation to such fund in that fiscal year is equal to that portion of \$100,000 that bears the same proportion to \$100,000 as the amount credited to the Kansas soybean commission fund during the preceding fiscal year bears to the total of the amounts credited to the Kansas wheat commission fund, the Kansas corn commission fund, the Kansas grain sorghum commission fund and the Kansas soybean commission fund during the preceding fiscal year.

(e) As used in this section, "grain research and market development agencies" means the Kansas wheat commission, the Kansas corn commission, the Kansas grain sorghum commission and the Kansas soybean commission. Such agencies have been created to fund appropriate research projects; to conduct campaigns of development, education and publicity; and to find new markets or maintain existing markets for commodities and products made from those commodities, among their other duties. Such grain research and market development agencies shall be funded by an assessment collected from the grower at the time of the sale of such commodity by the first purchaser. The assessment shall be sent to the proper grain research and market development agency.

(f) (1) Through June 30, 1993, notwithstanding any provision of any statute referred to in subsection (a), whenever in any fiscal year such 20% credit to the state general fund in relation to the Kansas sheep commission fund is \$8,000, in that fiscal year the 20% credit no longer shall apply to moneys received from sources applicable to such fund and for the remainder of such year the full 100% so received shall be credited to such fund.

(2) On and after July 1, 1993, the provision of subsection (c)

Sec. [16] K.S.A. 75-3170a is hereby repealed.

Sec. 8 [17]. This act shall take effect and be in force from and described by the publication in the statute book.

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