

Approved: 3-15-94
Date

MINUTES OF THE SENATE COMMITTEE ON AGRICULTURE.

The meeting was called to order by Chairperson David Corbin at 10:00 a.m. on March 10, 1994 in Room 423-S of the Capitol.

All members were present except: Senator Sallee who was excused.

Committee staff present: Raney Gilliland, Legislative Research Department
Jill Wolters, Revisor of Statutes
Lila McClafflin, Committee Secretary

Conferees appearing before the committee:

Jamie Clover Adams, Kansas Grain and Feed Association
Dave Frederking, Farmway Coop, Beloit, KS
Larry Woodson, Director, Division of Inspections, Kansas Board of Agriculture
John Falk, Kansas Board of Agriculture

Others attending: See attached list

Chairperson Corbin opened the hearing on HB 3024 - concerning agriculture; relating to commercial feeding stuffs. He called on Jamie Clover Adams.

Jamie Clover Adams, Kansas Grain and Feed Association, supported the bill because it would be cost-effective and will enhance overall product quality and food safety within the industry, and she suggested some amendments (Attachment 1). Ms. Adams responded to questions regarding her request for an amendment to the language on page 5, in line 9, striking "advertising" and inserting "labeling".

David Frederking testified in support of HB 3024, because he thought firm licensing would help all feed manufacturers (Attachment 2).

Larry Woodson, Director, Division of Inspections, testified in support of HB 3024. He said the bill would enhance their ability to address problems at the firm level, recognize market diversification, refocus the Department of Agriculture resources to outreach and education, and increase cost-effectiveness for both the industry and the Department (Attachment 3).

A summary of fiscal information received from the Department of Agriculture was distributed (Attachment 4).

John Falk from the Kansas Department of Agriculture responded to questions.

Chairperson Corbin suggested Ms. Adams and Staff work up a balloon of suggested amendments and they be discussed at the March 14 meeting.

The hearing on HB 3024 was closed.

Chairperson Corbin opened the hearing on HB 3023 - concerning weights and measures relating to standards and enforcement for point-of-sale systems; concerning annual inspection for scales and dispensing devices. He called on Larry Woodson.

Larry Woodson, Director, Division of Inspections, testified in support of the bill. Mr. Woodson stated the purpose of the bill was to address technology changes in the industry and to provide the agency with clear authority to inspect and regulate point of sale or electronic price scanning equipment (Attachment 5).

A motion was made by Senator Morris to pass HB 3023. Motion was seconded by Senator Karr. Motion carried.

The meeting adjourned.

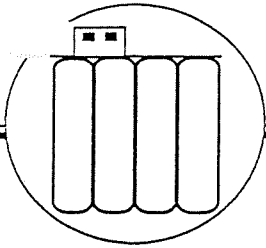
The next meeting is scheduled for March 14, 1994.

GUEST LIST

COMMITTEE: Senate Agriculture

DATE: 3-10-94

[illegible]



KANSAS GRAIN AND FEED ASSOCIATION

STATEMENT OF THE
KANSAS GRAIN AND FEED ASSOCIATION
TO THE
SENATE AGRICULTURE COMMITTEE
SENATOR DAVID CORBIN, CHAIRMAN
REGARDING H.B. 3024
MARCH 10, 1994

Mr. Chairman and members of the committee, I am Jamie Clover Adams, Director of Legislative and Regulatory Affairs for the Kansas Grain and Feed Association (KGFA). Our more than 1200 members are involved in the transportation, warehousing and merchandising of grain, as well as feed manufacturing. Feed manufacturers and ingredient suppliers are an integral link in the food chain in Kansas, representing 70% of the cost of meat, milk and eggs. KGFA requested and strongly supports H.B. 3024.

The proposal recognizes changes in the feed industry over the last decade. Manufacturers strive to provide producers with products to meet their specific needs rather than promoting a one-size-fits-all line of feed. Further, H.B. 3024 acknowledges increased industry scrutiny by consumers in their pursuit of food safety by establishing an appropriate regulatory scheme to move with the industry and the public into the next century.

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attachment 1

KGFA believes H.B. 3024 makes favorable changes for several reasons. These include: (1) enhanced ability to address problems at the firm level rather than on a product by product basis; (2) recognition of market diversification which requires a different regulatory approach to quality and safety; (3) refocusing Department resources to outreach and education, as well as increased emphasis on quality control and compliance; and, (4) increased cost-effectiveness for both industry and the Department without sacrificing food safety.

KGFA worked closely with the Inspection Division to ensure this proposal not only met the needs of the industry, but also addressed the enforcement concerns of the Department. H.B. 3024 does several things. First, the heart of the proposed changes is Section 1 which establishes a firm license requirement for all entities selling feed in Kansas. It recognizes the dealer role in the distribution process and exempts them from the license requirement as long as they distribute products of a licensed entity. It establishes a \$10 annual fee which is comparable to those in the 15 other states with some type of license scheme. This section also gives the Secretary authority to cancel or refuse to renew a license and permits the Department to request labels, both pursuant to rules and regulations. H.B. 3024 gives the Department a fine system for late or inaccurate tonnage reports and permits discretion when addressing violations.

KGFA believes firm licensing will enhance overall product quality and food safety by allowing the Department to address problems at the firm level rather than on a product by product basis. Under current law, the same firm could continually have problems with a variety of products but the Department can only address each product and not deal with the overall problem at the site. Firm licensing gives the Department the tools to deal with the problem instead of the symptoms.

Firm licensing also recognizes the realities of market diversification within the industry which has generated a proliferation of feed products. Under the current system, feed manufacturers are spending increasing amounts of time and money preparing labels to

go to Topeka as the number of products explode. These are resources taken away from activities that directly impact quality and in turn food safety. Please note that except for meat and poultry products, labels on food for human consumption are not reviewed by any government body. Further, KGFA believes labels taken at the time of sampling better represent the product currently on the market than a review not connected with the product.

KGFA believes that the firm license program will allow the Department to refocus its resources on outreach and education, as well as an increased emphasis on quality control and compliance that will benefit the entire industry. Firm licensing will also increase resources available at the mills that could, if necessary, be used to increase efforts to continue to ensure a safe, high quality product.

KGFA respectfully requests several changes to the current bill to augment the goals of the legislation -- enhanced food safety, cost-effectiveness and recognition of changes within the industry. First, we ask that 2-1004(c), page 2, starting on line 28 be amended to include only pet and speciality pet food. Consequently, animal products in packages of 10 pounds or less would be included in the tonnage assessment rather than this special category. The Department has stated that this change would have minimal fiscal impact. In addition, the \$10 license fee established in the bill supplements the Department's current revenue. I suspect that when this law was written, animal feed products did not come in packages of less than 10 pounds. However, as the industry has changed, these types of products have become available. They include items such as dairy booster packs which add vitamins and trace minerals to feed. The special fee category for these products only adds to the cost of animal agriculture without benefit to either the animal or producer. However, we believe this special category is warranted for pet and speciality pet food because these products are sampled in a unique manner, i.e., a grocery store versus a feed manufacturing facility or feed store, requiring separate handling by the

Department. Further, margins are much higher on pet food products than on production animal products.

Secondly, we ask that 2-1004(b), page 2, starting on line 23 be deleted. This section requires firms to apply for a permit to pay the tonnage fee. While this approach may have been necessary under the product registration system, it is a paperwork exercise under a licensing approach. Once a licensee signs the license, he/she is agreeing to pay the inspection fee. This is clearly spelled out in the amendments the Department of Agriculture requested in the House Agriculture Committee which outline who is responsible for the tonnage fees. Information required on the license application could also include the information currently acquired on the permit. While this may seem a small item, as we are all aware, all these little requirements add up.

Finally, we ask that the word advertising used in 2-1011(1)(D), page 5, line 9 be replaced with the word "labeling." Advertising is not defined within the statute and as broadly interpreted falls under the jurisdiction of the Federal Trade Commission (FTC). In fact, this definition could include not only information accompanying a label, but also newspaper and radio advertising. The Food and Drug Administration (FDA) and state regulatory agencies have purview over labels and literature accompanying product. This is covered by the current definition of labeling and therefore the term "labeling" better suits the situation.

KGFA supports the license program established in H.B. 3024 because it is more cost-effective and will enhance overall product quality and food safety within the industry. This is a case of regulation not keeping up with the pace of change in the industry. Adjustments are necessary to ensure not only the integrity of the Department and the industry, but the food chain as a whole.

We urge the Committee to approve H.B. 3024 with the amendments outlined above. I would be glad to respond to any questions you may have.

HIGHLIGHTS OF H.B. 3024

1. Deletes product registration and substitutes firm licensing.
2. Institutes a \$10 annual license fee.
3. Gives the Department limited authority to deny or suspend a license
4. Permits the Department to request labels on a limited basis
5. Permits the Department to fine for late or false tonnage reports
6. Clarifies who is responsible for tonnage fees
7. Adds a section to give the Department discretion on minor violations

SUGGESTED AMENDMENTS

1. Revise small package fee to apply only to pet and speciality pet food (*pg 2, / 28*)
2. Delete tonnage permit application process (*pg 2, / 23*)
3. Delete the reference to advertising (*pg 5, / 9*)

STATEMENT OF
DAVID FREDERKING
FARMWAY CO-OP, BELOIT
TO THE
SENATE AGRICULTURE COMMITTEE
SENATOR DAVID CORBIN, CHAIRMAN
REGARDING S.B. 3024
MARCH 10, 1994

Mr. Chairman and Members of the Committee, I am David Frederking, the Feed Mill Manager for Farmway Co-op, Inc. of Beloit, Kansas. The manufacturing operation that I oversee produces the formula feed for our 7 retail grind and mix operations who in turn serve our 2,000 member owners. In addition to our local operations we also wholesale feed to other co-ops in 18 counties in northwest Kansas. I am here today in support of the change from individual product registration to firm licensure.

I feel strongly that firm licensing would help all feed manufacturers by improving our efficiency, helping regulatory inspectors, and increasing the accuracy of information in the market place.

We would greatly improve our cost effectiveness by only having to register as a location once a year with the Department of Agriculture, Division of Inspections. Under the current system my employees have to annually spend approximately 20 hours or more reviewing and cross checking what is currently registered to any changes that have occurred since the last registration. Upon completing this task, they must then compile a new list along with copies of new labels and send this into the state. In

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Attachment 2
2-1

addition to the time spent here, we also waste time throughout the year when we have a feeding program change. These changes occur due to new research results, changes in industry requirements, or new recommendations from the Land Grant Universities.

I also believe by firm licensure the time and energies of the State Feed Inspectors can be better utilized. Licensing will allow the inspectors to focus their time and efforts on educational and quality control issues instead of only on the "paper trail". Everyone in the industry, inspectors, manufacturers and distributors can return their focus to quality manufacturing and insuring that the processes are in place to do that. The inspector will not be caught up in only looking at labels but should have more time to help us review our processes and procedures.

Accuracy of information would be the third benefit I see by going to firm licensing. Under this program we will have the most current labels available to be matched to current formulation. This will allow all people in the market place, customers, manufacturers, distributors and inspectors to review the most accurate information on a product.

I want to take just a moment to express my appreciation to the people in the Division of Inspections for the advice and help they have provided us in the past when we have had problems with ingredient suppliers.

As a feed manufacturer it is our goal to provide the safest products we can to insure quality eggs, milk and meat reach all consumers. I believe strongly that this bill will allow us more time to focus on critical quality control issues.

Thank you for your time today. I would be happy to respond to any questions at this time.

SENATE AGRICULTURE COMMITTEE

House Bill 3024

March 10, 1994

Mr. Chairman, Members of the Senate Agriculture Committee, my name is Larry D. Woodson, Director, Division of Inspections, Kansas Department of Agriculture and I am here this morning to testify in support of House Bill 3024.

Our support of this bill is based on the following:

- It maintains language that allows us the authority to refuse any manufacturer to lower the guaranteed analysis.
- It requires each manufacturer, importer, jobber, firm, association, corporation or person selling or distributing commercial feedings stuffs to be licensed. At the present time there are already 16 states that have firm licensing and several other states are introducing similar legislation (Missouri for one). House Bill 3024 broadens our enforcement to include license refusal or revocation.
- It does not require the agency to initiate criminal action when stop use orders or letters of warning are deemed suitable to accomplish our mission.
- It relieves the industry of the burden of registering each and every product with each and every state thus reducing red tape and bureaucracy!
- The Department may request copies of labels if necessary to obtain compliance.
- There is no change in the registration of small packages and collection of tonnage fees for funding the inspection program.
- The amendments clarifies penalties for late fees and inaccurate reports. We believe that additional fine tuning of the bill will be advantageous to assure collection of tonnage fees from the manufacturer or first party distributing products into Kansas.

*Senate Ag Co
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attachment 3*

Mr. Chairman, members of the Senate Agriculture Committee, that concludes our testimony, may I attempt to address any questions that you may have?

SUMMARY OF STATE REQUIREMENTS

State	Registration/License		Tonnage Report and Fees		FDA Contract ²	Labeling and Registration Exceptions and Comments
	Products*	Facilities	Report Due	Inspection Fee		
ALABAMA	Label File Only. A-Jan. 1	Each Firm A-Jan. 1	End Jan., April, July, Oct.	.20	No	Firm license fee based on tonnage. Footnote 6
ARIZONA	—	\$10/plant A-March 1	End Jan., April, July, Oct.	.25 \$2 min./quarter	No	Show cottonseed and cottonseed meal in ingredient listing
ARKANSAS	Product-P	—	End Jan., April, July, Oct.	.30 \$5 min./quarter	Yes	No registration for canned pet food.
CALIFORNIA	—	\$25/Plant \$100/Pet A-July 1	End Jan., April, July, Oct.	.10	Yes	Footnote 3
COLORADO	\$2/Product \$10/10# A-Jan. 1	—	End Jan., July	.15	Yes	
CONNECTICUT	\$40/Product A-Jan. 1	—	—	—	No	
DELAWARE	\$23/Product A-Jan. 1	—	—	—	No	
FLORIDA	Firm-A-July 1 \$100-750	—	End Jan., April, July, Oct.	.25	No	Footnotes 3f and 4. Pet food exempt from all regulations.
GEORGIA	Pet/Special Pet \$25/10# A-Jan. 1	—	—	—	Yes	Company commercial fee license; \$1,000 (based on tonnage) license and registration. Annual on Jan. 1. \$1,000 maximum per company.
HAWAII	\$10/Product A-Jan. 1	—	End Jan., April, July, Oct.	.40 commercial feed .20 other feed	No	Guaranteed maximum ash. Group terms require 2 or more ingredients. No registration or inspection fees for pet food.
IDAHO	\$5/Product (\$25/10#) A-Oct. 1	—	End Jan., April, July, Oct.	.20	No	
ILLINOIS	Product-P A-Jan. 1	\$25/Manufacturer	End Jan., July	.16 \$25 min./6 mo.	No	Specialty pet and pet foods — \$50/10# or less annually.
INDIANA	—	\$50/firm A-Jan. 1	End Jan., April, July, Oct.	.40 \$5 min./quarter	Yes	Specialty pet and pet foods — \$50/10# or less annually. Late filing fees apply to all delinquent submissions.
IOWA	Small package \$50/10# A-Jan. 1	\$10/Manufacturer	End Jan., July	.14	Yes	
KANSAS	Product-P (\$25/10#)	—	End Jan., July	.10 \$15 min./6 mo.	Yes	Small package registration annual — July 1
KENTUCKY	Product-P \$50/10# A-July 1	Firm-P	Quarterly	.35 \$25 min./quarter	Yes	Products sold exclusively in 10# or less. Small package registration annual — July 1.
LOUISIANA	Product-A \$3-5 Label Fee	Firm-A \$25 July 1	End July, Oct., Jan., April	.75 \$100/10#	No	% sugar guaranteed for liquid feed. All bulk dairy feeds require mineral guarantees. Label fee \$5 each for 50, \$4 each for 200, \$3 each for more than 200. Small package registration annual — July 1.
MAINE	\$25/Product A-Jan. 1	—	—	—	No	
MARYLAND	\$40/Product A-May 1	—	—	—	No	
MASSACHUSETTS	\$50/Product A-Jan. 1	—	—	—	No	
MICHIGAN	—	\$25/Firm A-Jan. 1	End Jan., July	.13	Yes	
MINNESOTA	Product-P \$50/10#-A	—	30 Jan., July	.16	Yes	Small package fee per product — July 1.
MISSISSIPPI	\$5/Product (\$30/10#) A-Jan. 1	—	End Jan., April, July, Oct.	.25	No	
MISSOURI	\$2/Product (\$25/10#) A-Jan. 1	Facility-P	End Jan., April, July, Oct.	.10	No	No ingredient statement required. Can show that ingredients are registered with state control officials.
MONTANA	\$6.50/Product \$25/Specialty A-Oct. 1	\$25/Firm A-Jan. 1	31 Jan.	.15 Pet food exempt	Yes	Tonnage tax exempt first 10 tons.
NEBRASKA	Small Package \$25/10#	\$15 Facility A	End Jan., July	.10 \$5 minimum/semi-annual	Yes	Small package fee per product — Jan. 1.

*The term "products" means both products and brands for this summary.

State	Registration ¹ /License		Tonnage Report and Fees		FDA Contract ²	Labeling and Registration Exceptions and Comments
	Products*	Facilities	Report Due	Inspection Fee		
NEVADA	Product A-Jan. 1	—	—	—	No	
NEW HAMPSHIRE	\$50/Product A-Jan. 1	—	—	—	No	
NEW JERSEY	—	\$25/Facility A-Jan. 1	End of Jan.	.15 \$25/year minimum	No	
NEW MEXICO	\$2/Product (\$25/10#) A-Jan. 1	—	End Jan., April July, Oct.	.15	No	Footnote 5b
NEW YORK	\$25/Specialty A-Jan. 1	Within State Manufacture-P	30 Jan., July	.05	Yes	Footnote 5b
NORTH CAROLINA	\$3/Product \$10/PF A-Jan. 1	Manufacturer P	End Jan., April July, Oct.	.12 \$30/5# or less	Yes	Urea requires "Feed only to ruminants." In addition to inspection feed, 10 cents per ton for research fund. Integrated feed exempt with permit.
NORTH DAKOTA	Pet Food \$25/Product	—	15 Jan.	.20	Yes	Pet food registration annual — Jan. 1.
OHIO	—	Manufacturer P	30 Jan., July	.10	Yes	\$20/year minimum tonnage fee.
OKLAHOMA	Product-P	—	End Jan., April July, Oct.	.15 \$5 min/quarter	No	
OREGON	\$20/Product A-Jan. 1	\$100-500/Firm A-Jan. 1	—	—	Yes	Optional ingredient statement; Show ingredients registered with state feed official.
PENNSYLVANIA	—	\$25/Facility A-Jan. 1	End of Jan.	.13	Yes	
PUERTO RICO	Product A-July 1	—	End March, June Sept., Dec.	.20	No	Label front must state in Spanish: Guaranteed analysis for minimum crude protein, minimum fat and maximum fiber (all fiber in excess of 15% must bear maximum and minimum % on cattle or bovine feeds) plus NPN statements, directions for use and the weight statement (ingredients may be in English).
RHODE ISLAND	\$50/Product A-Jan. 1	—	—	—	No	
SOUTH CAROLINA	Product-P	—	—	—	No	
SOUTH DAKOTA	License \$50	—	End Jan., July	.16 \$10/6 mons.	Yes	Footnote 3d; Pet foods 10# or less \$50 annual fee in lieu of tonnage; Specialty pet foods 10# or less \$25 in lieu of tonnage.
TENNESSEE	Product-P	Firm-P	10 Jan., April, July, Oct. by Permit	.10	No	
TEXAS	Product-P	Firm-P	End of Nov., Feb., May, Aug.	.17 \$100 min./year	Yes	Declare % roughage ingredients if over 5%. NPN requires "For ruminants only." Small package fee at \$50/5 lb. due annually— Sept. 1.
UTAH	\$25/Brand A-Jan. 1	—	—	—	No	\$50 custom-mix license (Jan. 1) annual.
VERMONT	\$35/8 oz. or less \$50/more than 8 oz.	—	—	—	No	Registration annual — April 1.
VIRGINIA	\$20/Medicated feed \$15/5# A-Jan. 1	\$10/Firm A-Jan. 15	Jan. 1	.07	Yes	Canned pet food not regulated.
WASHINGTON	\$45/less than 10# \$11/more than 10# A-Jan. 1	—	1 Jan., July	.08	No	No alfalfa screenings may be used for fee.
WEST VIRGINIA	\$50/more than 10# \$40/less than 10# A-Jan. 1	\$15/Mfg. in state \$10/Dist.**	31 Jan., July	.35 (pet food exempt)	Yes	\$50 pet feeds over 10# annual Sept. 1; \$40 feeds 10# or less annual Jan. 1; \$20 specialty pet 1# or less annual Jan. 1; \$10 commercial feed over 10# permanent.
WISCONSIN	—	\$25/Plant A-March 1	End of Feb.	.25	Yes	
WYOMING	\$20/Product A-Jan. 1	—	—	—	No	Urea requires "For ruminants only." See also Footnote 5.

1. A=annual; P=permanent. Package weights (#) in products column are for weight shown and less. Annual registration fee for these small package sizes is in lieu of tonnage report and inspection fee.
2. Denotes whether state is under contract to FDA to perform medicated inspections.
3. a. Ingredients declared in decreasing magnitude
b. Guarantee % maximum ash, \$ maximum minerals.
c. Grains is only group term permitted.
d. Liquid feed requires additional guarantee for maximum moisture.
e. Warning statement on feeds containing 8.75% or more crude protein from NPN or when crude protein from NPN exceeds one-third total protein.

- f. Show % bentonite.
4. a. 10-50% mineral ingredients requires Ca-P-NaCl guarantees — Over 50% also show Fe-Cu-Co-Mn-Mg-Zn-F-K guarantees.
b. Liquid feed requires guarantees for maximum moisture, minimum total sugars, minimum Ca and P and trace minerals and vitamins if added.
c. Group terms for poultry only.
5. a. And/or registration not accepted.
b. Liquid feeds require maximum moisture guarantee.
6. Two dollars per ton assessed quarterly on fish food.
- **Only distributors first entering commercial feed over 10# in West Virginia.

RECEIVED

FEB 21 1994


Division of the Budget
State of Kansas

FISCAL SUMMARY INFORMATION

KANSAS DEPARTMENT OF AGRICULTURE
901 S. Kansas Avenue
Topeka, Kansas 66612
(913) 296-3556

Bill Number: House Bill 3024

As Amended by: _____

Donald L. Jacka, Jr. 
Prepared By: _____

Assistant Secretary
Title _____

Feb. 21, 1994
Date _____

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Agency Explanation of Estimated Fiscal Impact

NOTE: Use this section to explain the assumptions and rationale employed in determining the estimated fiscal impact of the attached bill. Please note if this bill's fiscal impact is contained, in whole or in part, in the Governor's Budget Report. (Use additional sheets as necessary.)

Under the current statute, all labels must be submitted, proofed and found to be in compliance with the requirements as outlined by K.S.A. 2-1002 prior to offering for sale or distribution. House Bill 3024 would allow for the secretary to request copies of labeling in order to determine compliance, but as long as the company is licensed, they can sell their products without the preapproval process for all products except for feed in packages of 10 pounds or less or specialty pet foods in packages of 1 pound or less. The small package products under the House Bill 3024 would continue to be registered for \$25.00 and \$15.00 respectively, per product annually. The labels for these small package products would require registration and preapproval prior to being sold or distribution.

The tonnage inspection fee collected semi-annually would remain intact in H.B. 3024.

Current law does not provide for the collection of penalties if the report of tonnage is inaccurate. House Bill 3024 would allow for a late fee or inaccurate report penalty. The penalty fee would be equal to 10 percent of the amount due or \$50.00, whichever is greater, for inspection fees not received within 30 days of the due date.

A review of firms that register feeding stuffs in Kansas indicates that if House Bill 3024 is enacted into law, there are 850 businesses that would need to be licensed in order to comply with the law.

It is anticipated that in the first year 100 firms would be delinquent in submitting their inspection tonnage fee reports. Number of firms that are delinquent in reporting would decline to 20 the following years. These assumptions are based on a historical review of firms that have been delinquent in reporting their inspection tonnage fees.

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Attachment 4
4-1

REVENUE IMPACT BY FUND

Fed. ~~Stuffs~~ Fee Fund 2801

008 FY 1995

FY 1996

FY 1997

9,500 13,500

9,500

9,500

TOTAL REVENUE

\$ 13,500

\$ 9,500

\$ 9,500

EXPENDITURE IMPACT BY FUND

Feeding ~~Stuffs~~ Fee Fund 2801

~~742~~ 1,226

742

742

TOTAL EXPENDITURES

\$ 1,226

\$ 742

\$ 742

EXPENDITURE IMPACT BY OBJECT

SALARIES & WAGES

\$ 0

\$ 0

\$ 0

Communications

~~542~~ 542

542

542

Printing

~~50~~ 150

50

50

Rents

Repair

Travel

Other Contractual

384

TOTAL CONTRACTUAL

\$ 1,076

\$ 592

\$ 592

Clothing

Maint. Supplies

Prof. Supplies

Office Supplies

Other Supplies

~~150~~ 150

150

150

TOTAL COMMODITIES

\$ 150

\$ 150

\$ 150

CAPITAL OUTLAY

\$ 0

\$ 0

\$ 0

TOTAL OPERATING EXPENDITURES

\$ ~~1,226~~ 1,226

\$ 742

\$ 742

SALARIES AND WAGES SUMMARY

Classification	Salary Range	No.	Amount	No.	Amount	No.	Amount
Total Benefits							
TOTAL SALARIES & WAGES		0	0	0	0	0	0

CAPITAL OUTLAY

Item

Unit
No. Cost

TOTAL CAPITAL OUTLAY

\$ 0

\$ 0

\$ 0

SENATE AGRICULTURE COMMITTEE

House Bill 3023

March 10, 1994

Mr. Chairman, members of the Senate Agriculture Committee, my name is Larry D. Woodson, Director, Division of Inspections, Kansas State Department of Agriculture and I am here this morning to testify in support of House Bill No. 3023.

The purpose of this bill is to address technology changes in the industry and to provide the agency with clear authority to inspect and regulate point of sale or electronic price scanning equipment (scanners) which are currently used in commerce.

Current law addresses weighing and measuring devices but does not speak to point of sale systems such as scanners.

I am sure that many of you have seen recent TV shows reflecting the economic fraud that can occur when point of sale systems are manipulated by unscrupulous individuals or where errors occur due to employee error or bar code problems.

Our Weights and Measures program has been actively involved in checking scanners in Kansas and believe we are achieving compliance. This bill legalizes our activities and provides us with appropriate language in the unlawful acts section. Compliance action is deemed appropriate when accuracy falls below 95 percent.

These actions allow us to maintain compliance in programs that have been privatized and have been successful for the agency while reducing the cost of enforcement.

Your favorable consideration of H.B. 3023 and our proposed amendments will be appreciated.

Mr. Chairman, members of the Senate Agriculture Committee, that concludes our testimony. I or members of our staff will attempt to answer your questions.

Senate Ag. Co
3-10-94

Attachment 5