Approved:	April 10, 1997	
	Date	

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE.

The meeting was called to order by Chairperson Joann Flower at 12:00 p.m. on March 31, 1997, in Room 423-S of the Capitol.

All members were present except:

Committee staff present: Raney Gilliland, Legislative Research Department

Don Cawby, Legislative Research Department

Gordon Self, Revisor of Statutes Jill Wolters, Revisor of Statutes Kay Scarlett, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

Chairperson Flower asked committee members to review the minutes of March 14, 17, 18, 19, and 20. If there are corrections or additions, members are requested to contact the committee secretary by 5:00 p.m. today, otherwise the minutes will stand approved as presented.

Discussion and action on HR 6012 - Resolution by Agriculture, urging Legislature, Secretary of Agriculture, and USDA to continue communication efforts with and assist small processing plants in compliance efforts with new requirements relating to meat and poultry inspection and requesting LCC interim study.

Chairperson Flower opened discussion on **HR** 6012.

Representative Thimesch distributed copies of a letter dated March 7, 1997, from Dr. Bob Fetzner, Director of Federal State Relations, USDA Food Safety Inspection Service, that was sent to all small meat processing plants concerning HACCP implementation. In an effort to improve communication between FSIS and small processing plants, ten meetings have been scheduled across the country. Rep. Thimesch encouraged members of the committee to attend the meeting in Kansas City on May 31. (Attachment 1)

Representative Thimesch moved to pass HR 6012 favorably. Seconded by Representative Long, the motion carried.

<u>Discussion and action on Sub. SB 317 - Abolishing the Kansas Grain Inspection Department, transferring the power and duties thereof concerning public warehouses to the Department of Agriculture.</u>

Chairperson Flower called for the Subcommittee Report on **Sub. SB 317**.

Raney Gilliland, Legislative Research Department, reviewed the Subcommittee Report on <u>Sub. SB 317</u> for the committee. (<u>Attachment2</u>) He said the Subcommittee recommends changing the date of implementation from July 1, 1997, to September 1, 1997. He noted that this would also change the 30-day notice date to department employees whose jobs will be abolished from June 1, 1997, to August 1, 1997. He discussed changes the Subcommittee recommends in New Section 8 on page 4 concerning the disposition of property the Kansas State Grain Inspection Department has regarding inspection of grain. The amendment requires the Director of Kansas Correctional Industries to place a fair market value on such property; directs the Secretary of the Department of Agriculture to offer for sale at the fair market value all such property in a single lot to the entity designated by USDA for grain inspection in Kansas; if such designated entity declines to purchase such

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE, Room 423-S Statehouse, at 12:00 p.m. on March 31, 1997.

property, the Secretary shall offer such property for sale to the general public; all revenue received from such sale is to be deposited in the state treasury and credited to the grain inspection fee fund.

He reviewed the Subcommittee's recommended changes in New Section 8, page 5, that would transfer the amount of money equal to the amount of money credited to the grain inspection fee fund on December 1, 1993, to the warehouse fee fund within the Department of Agriculture; that the money remaining in the grain inspection fee fund, after all expenses have been paid, shall be maintained in such fund to be expended only if it should become necessary to reestablish a state grain inspection program; that interest earnings from the grain inspection fee fund shall be transferred monthly to the warehouse fee fund within the Department of Agriculture; also allows the Secretary to maintain the leases of the Kansas State Grain Inspection Department until October 1, 1997. He said it is the Subcommittee's recommendation in Section 44, page 33, that the provisions of **Sub. SB 317** not go into effect until August 1, 1997, and USDA has issued the official agency designation of an entity that is not the State of Kansas Grain Inspection Department.

Allie Devine, Secretary, Kansas Department of Agriculture, reported that she had visited with Neil Porter, USDA, concerning an application extension from March 31 to May 15. Mr. Porter told her that USDA could not do this without 30 days notice and another 30 days to act upon it. Ms. Devine said there are currently five applications for the Kansas designation: the State of Kansas, Kansas Grain Inspection Service, Inc., employees of the current Kansas State Grain Inspection Department, Missouri Department of Agriculture, and the Amarillo Grain Exchange. Secretary Devine and Gary Bothwell, Director, Kansas State Grain Inspection Department, answered committee questions concerning criteria used by USDA to select a designated agency for the state.

Representative Faber moved to adopt the Subcommittee's recommended balloon amendments to **Sub. SB** 317. The motion was seconded by Representative Lloyd. After further discussion, the motion carried.

Representative Lloyd moved to pass **Sub. SB 317** favorably as amended. Seconded by Representative Correll, the motion carried.

The meeting adjourned at 1:07 p.m. No further meetings of the House Agriculture Committee are scheduled for the 1997 Legislative Session.

HOUSE AGRICULTURE COMMITTEE GUEST LIST

DATE: March 31, 1997

	NAME	REPRESENTING
	Tom TUNNELL	KAWSAS GRAIN E. FEED ASSN.
	Dong Wowehren	Kavsax Grain & Feed Assn.
-	18M Bruno	Allen AKSOG
	Leslie Kaufman	Ks Farm Bureau
	Cindo De Nou	Dural Budget
	Gary M. Bothwell	KSGID
	Thomas E. Meyer	KS610
	Greg Tugman	Dept. of Ag
	Joe Lieber	H.S. Co-op Council
	Rich McKee	KLA
	Marty Vanier	KS Ag Alliance
Ameni (belliotere)	Jere White	KCOA-KOSPA
	Allie Durme	As. Deel of Agriculture
	G. Shalson	KDA
	George Teagarden	KAHD
	2 2	





Federal State Relations Staff

United States Department of Agriculture Food Safety and Inspection Service



Room 4451 South Building 14th and Independence Washington, D. C. 20250 Telephone: (202) 720-6313 FAX Number: (202) 205-0451

fax:

to:	Representative DANIEL THINES L
fax #:	913 296 0751
from:	Pab FETZNER
date:	MARCH 25, 1997
subject:	PLANT COMMUNICATIONS
pages:	3 en duder & this could
NOTES:	· .

NOTES

It is my vulon standing this letter has been forwarded to all Konsas placts - state & Federal

> House Agriculture Committee March B1, 1997 Attachment



Food Safety and Inspection Service Washington, D.C. 20250

March 7, 1997

TO

Dear Establishment Owner/Operator:

The publication of the Pathogen Reduction/Hazard Analysis and Critical Control Point (HACCP) Systems final rule last July 25 has begun to change significantly the way FSIS and industry interact. In addition to improving the way inspection is carried out in federally inspected plants, FSIS has begun to change the way it communicates with all of its constituents, especially meat, poultry and egg products plants.

I believe that we have already greatly improved two-way communication between FSIS and plants, as was demonstrated in the implementation of the Sanitation Standard Operating Procedures (SSOPs) and E. coli testing. However, we can and will do even more.

Effective communication is essential as we begin HACCP implementation. For this reason, I have established a Plant Communications Initiative that is specifically intended to find new and better ways to communicate with all plants, particularly with small and very small plants.

Every plant is entitled to receive the same information and help from FSIS. Consistency of inspection is vital to your business and to our commitment as a regulator. Therefore, Dr. Craig Reed, our Deputy Administrator for Field Operations, and I would like to meet with you to discuss your information and communication needs. In particular, we would like to know:

- What kind of information do you need from FSIS so that you can successfully implement HACCP?
- What are the best ways that FSIS can meet your needs, including working with new technologies?
 - How can FSIS get a consistent inspection message to all plants?

I am scheduling ten meetings across the country, including one teleconference, to facilitate getting your direct input on how we can better communicate with plants. The dates and locations for the first four meetings are as follows:

2050451

EQUAL OPPORTUNITY IN EMPLOYMENT AND SERVICES

FS: \$ FORM 2630-9 4/861

TO

DATE/TIME	LOCATION
4/12/97 9:30 a.m.	Nashville, TN Union Station Grand Heritage Hotel (615) 726-1001
4/15/97 8:30 a.m.	Philadelphia, PA Raddison Hotel Philadelphia (215) 638-8300
5/2/97 8:30 a.m.	Boston, MA Holiday Inn Select Boston Government Center (617) 742-7630
5/31/97 9:30 a.m.	Kansas City, MO Westin Crown Center (816) 474-4400

Meetings will also be held in the following six states. Dates and locations for these meetings will be provided to you in a separate letter.

Wisconsin

Illinois

North Carolina

Alabama

California

Texas

Please feel free to attend one of these sessions and give us your ideas on ways that we can work together to improve our communications. If you cannot join us in person, feel free to send us your ideas, to Charles Danner, USDA, FSIS, Room 6904-E, Franklin Court, Washington, DC 20250. Believe me, all ideas will be welcomed and considered. If you have any questions regarding these meetings, please contact Charles Danner, Director, FSIS Planning Staff, at (202) 501-7136.

2050451

Sincerely,

/s/

Thomas J. Billy Administrator

1-3

Session of 1997

Substitute for SENATE BILL No. 317

By Committee on Agriculture

3-11

AN ACT abolishing the Kansas state grain inspection department; relating to the transfer of duties and powers thereof; amending K.S.A. 34-101, 34-101c, 34-102, 34-111, 34-223, 34-227b, 34-229, 34-230, 34-230a, 34-230b, 34-231, 34-233, 34-235, 34-236, 34-238, 34-241a, 34-246, 34-249a, 34-251, 34-257a, 34-273, 34-295a, 34-295b, 34-298, 34-299, 34-2,104 and 34-2,110 and K.S.A. 1996 Supp. 34-101b, 34-125, 34-228, 74-4911f, 75-3170a and 77-415 and repealing the existing sections; also repealing K.S.A. 34-101a, 34-101d, 34-102a, 34-104, 34-105, 34-106, 34-107, 34-110, 34-112a, 34-113, 34-121, 34-122, 34-123, 34-124, 34-127, 34-224, 34-227 34-227a, 34-2,100, 75-1701, 75-1702, 75-1703, 75-1704, 75-1706, 75-1709 and 75-1711 and K.S.A. 1996 Supp. 34-102b, 34-103a and 34-2,108.

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

New Section 1. On and after July 1, 1997:

(a) The Kansas state grain inspection department established by K.S.A. 34-101 is hereby abolished.

(b) Except as otherwise provided by this act, all of the powers, duties and functions of the Kansas state grain inspection department and the director of the Kansas state grain inspection department concerning public warehouses are hereby transferred to and conferred and imposed upon the department of agriculture and the secretary of agriculture.

(c) Except as otherwise provided by this act, all of the powers, duties and functions of the Kansas state grain inspection department and the director of the Kansas state grain inspection department concerning grain inspection are hereby governed by the grain inspection, packers, stockyards administration of the United States department of agriculture.

New Sec. 2. On and after July 1, 1997:

(a) Except as otherwise provided by this act, the department of agriculture and the secretary of agriculture shall be the successor in every way to the powers, duties and functions of the Kansas state grain inspection department and the director of the Kansas state grain inspection department concerning public warehouses in which the same were vested prior to the effective date of this section. Every act performed in the

Subcommittee Report
Approved by Rep. Ballou, Chairperson
Rep. Holmes
Rep. Weiland
March 27, 1997

September

exercise of such powers, duties and functions by or under the authority of the department of agriculture and the secretary of agriculture shall be deemed to have the same force and effect as if performed by the Kansas state grain inspection department and the director of the Kansas state grain inspection department, respectively, in which such powers, duties and functions were vested prior to the effective date of this section.

(b) Except as otherwise provided by this act, whenever the Kansas state grain inspection department, or words of like effect concerning public warehouses, is referred to or designated by a statute, contract or other document, such reference or designation shall be deemed to apply to the department of agriculture.

(c) Except as otherwise provided by this act, whenever the director of the Kansas state grain inspection department, or words of like effect concerning public warehouses, is referred to or designated by a statute, contract or other document, such reference or designation shall be deemed to apply to the secretary of agriculture.

(d) All rules and regulations of the Kansas state grain inspection department and the director of the Kansas state grain inspection department concerning public warehouses in existence on the effective date of this section shall continue to be effective and shall be deemed to be duly adopted rules and regulations of the secretary of agriculture until revised, amended, revoked or nullified pursuant to law.

(e) All orders and directives of the Kansas state grain inspection department and the director of the Kansas state grain inspection department concerning public warehouses in existence on the effective date of this section shall continue to be effective and shall be deemed to be orders and directives of the department of agriculture until revised, amended or nullified pursuant to law.

(f) On the effective date of this act, the department of agriculture shall succeed to whatever right, title or interest the Kansas state grain inspection department has acquired in any real property in this state concerning public warehouses, and the department shall hold the same for and in the name of the state of Kansas. On and after the effective date of this act, whenever any statute, contract, deed or other document concerns the power or authority of the Kansas state grain inspection department and the director of the Kansas state grain inspection department concerning public warehouses to acquire, hold or dispose of real property or any interest therein, the department of agriculture shall succeed to such power or authority.

(g) The department of agriculture and the secretary of agriculture shall be continuations of the Kansas state grain inspection department and the director of the Kansas state grain inspection department concerning public warehouses.

New Sec. 3. Except as otherwise provided in this act, on July 1, 1997, officers and employees who, immediately prior to such date, were in positions engaged in the performance of powers, duties or functions of the Kansas state grain inspection department concerning public warehouses which are transferred by this act, or who become a part of the department of agriculture, or the powers, duties and functions of which are transferred to the department of agriculture, and if, in the opinion of the secretary of agriculture, those positions are necessary to perform the powers, duties and functions of the department of agriculture concerning public warehouses, shall be transferred to, and shall become officers and employees of the department of agriculture. Any such officer or employee shall retain all retirement benefits and all rights of civil service which had accrued to or vested in such officer or employee prior to the effective date of this section. The service of each such officer and employee so transferred shall be deemed to have been continuous. All transfers of personnel positions in the classified service under the Kansas civil service act shall be in accordance with civil service laws and any rules and regulations adopted thereunder.

New Sec. 4. (a) Those positions in the grain inspection department which, in the opinion of the secretary of agriculture, are not necessary to perform the powers, duties and functions of the department of agriculture concerning public warehouses shall be abolished upon July 1, 1997. Thirty-day notice prior to July 1, 1997, shall be given by the secretary to employees in those positions determined to be unnecessary by the secretary. No bumping rights shall attach to the positions deemed unnecessary by the secretary of agriculture. No further action shall be required in order to abolish these positions.

(b) The provisions of this section shall take effect on and after June 1, 1997.

New Sec. 5. On and after July 1, 1997:

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(a) When any conflict arises as to the disposition of any power, function or duty or the unexpended balance of any appropriation as a result of any abolition, transfer, attachment or change made by or under authority of this act, such conflict shall be resolved by the governor, whose decision shall be final.

(b) The department of agriculture shall succeed to all property and records concerning public warehouses which were used for or pertain to the performance of the powers, duties and functions transferred to the department of agriculture. Any conflict as to the proper disposition of property or records arising under this section, and resulting from the transfer or attachment of any state agency, or all or part of the powers, duties and functions thereof, shall be determined by the governor, whose decision shall be final.

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New Sec. 6. On and after July 1, 1997:

(a) The department of agriculture shall have the legal custody of all records, memoranda, writings, entries, prints, representations or combinations thereof of any act, transaction, occurrence or event of the Kansas state grain inspection department concerning public warehouses and any agency or office transferred thereto under this act.

(b) No suit, action or other proceeding, judicial or administrative, lawfully commenced, or which could have been commenced, by or against any state agency mentioned in this act, or by or against any officer of the state in such officer's official capacity or in relation to the discharge of such officer's official duties, shall abate by reason of the governmental reorganization effected under the provisions of this act. The court may allow any such suit, action or other proceeding to be maintained by or against the successor of any such state agency or any officer affected.

(c) No criminal action commenced or which could have been commenced by the state shall abate by the taking effect of this act.

New Sec. 7. On and after fully 1, 1997:

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(a) The balance of all funds appropriated and reappropriated to the Kansas state grain inspection department concerning public warehouses is hereby transferred to the department of agriculture and shall be used only for the purpose for which the appropriation was originally made.

(b) The liability for all accrued compensation or salaries of officers and employees who, immediately prior to such date, were engaged in the performance of powers, duties or functions of the Kansas state grain inspection department concerning public warehouses, or who become a part of the department of agriculture, or the powers, duties and functions of which are transferred to the department of agriculture, shall be assumed and paid by the department of agriculture.

New Sec. 8. (a) On and after July 1, 1997, the Kansas grain inspection service shall succeed to whatever right, title or interest the Kansas state grain inspection department has acquired in any property in this state concerning grain inspection, including equipment and supplies from the protein laboratories and inspection laboratories. A

(b) On July 1, 1997, the grain inspection fee fund and all records of the grain inspection fee fund are hereby transferred to the secretary of agriculture for the purposes of this section.

(c) On and after [ul], 1, 1997, all expenditures from the grain inspection fee 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 secretary of agriculture or the secretary's designee. On and after [ul], 1, 1997, the secretary of agriculture shall pay all outstanding liabilities of the grain inspection fee fund as evidenced by encumbrances of moneys credited to the grain inspection fee fund. After

September

-September 1, 1997, the department of agriculture

The director of Kansas correctional industries, or the director's designee, pursuant to the director's duties as operator of the state surplus property program, shall place a fair market value on such property. Upon receipt of such fair market value, the secretary shall offer for sale, at the fair market value, all property acquired in such transfer in a single lot to the entity that has been designated by the grain inspection, packers and stockyards administration as the official agenc, pursuant to the United States grain standards act. If such designated agency declines to purchase such property, the secretary shall offer for sale such property to the general public. All revenue received pursuant to such sale shall be deposited in the state treasury and credited to the grain inspection fee fund.

September

such payment of all outstanding liabilities of the grain inspection fee fund, the secretary of agriculture shall pay all remaining moneys eredited to the grain inspection fee fund to the warehouse fee fund, created in K.S.A. 34-101, and amendments thereto. After such payment to the warehouse fee fund, created in K.S.A. 34-101, and amendments thereto, the grain inspection fee fund is hereby abolished.

New Sec. 9. On and after July 1, 1997, the secretary of agriculture may adopt rules and regulations necessary for the administration and enforcement of the provisions of this act, and amendments thereto.

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Sec. 10. On and after July 1, 1997, K.S.A. 34-101 is hereby amended to read as follows: 34-101. (a) A state department of record to be designated as the Kansas state grain inspection department is hereby established. Such department shall have exclusive control of the official sampling, inspection, grading, weighing and protein analysis and the certification of grades, weights, and protein content of all grain at all places where inspection stations are now or may hereafter be established. The certificates issued by the department shall be conclusive evidence to all parties interested and shall form the basis of all settlements between the buyer and seller, unless an appeal is taken therefrom, in the manner provided by law, and all freight charges shall be based on the official state weights.

(b) The department of agriculture shall have supervision and regulation of all warehouses operated under the Kansas public warehouse laws relating to storage of grain. Such department is authorized and empowered by and with the consent of the governor to establish, maintain and operate inspection stations covering all or any part of its service at great railway terminals and points where organized grain markets are regularly maintained, and at other points where operating costs are guaranteed by special arrangements with the industries served, or the managing officers in charge. Where great railroad terminals lie partly within the state of Kansas and partly in an adjoining state and a larger part of the department's service at such terminal is for the account of firms having offices in such adjoining state, it shall be lawful for the department to maintain and operate an inspection station covering part or all of its services in such adjoining state. No sampling or weighing of grain shall be done by the department outside of the state of Kansas, except as provided in K.S.A. 34-101d, and amendments thereto. Such stations shall be located as conveniently to the interest served as practicable. The owner may direet that such owner's grain may not be inspected by writing or stamping upon the bill of lading thereof, "no inspection desired" or words to that effect.

(e) (b) The department of agriculture shall have the authority to cooperate with any private entity or organization or local, state or national transfer the amount of money equal to the amount of money credited to the grain inspection fee fund on December 1, 1993, from

The remaining moneys credited to the grain inspection fee fund shall be maintained in such fund. Such moneys shall be expended only if necessary to reestablish or designate a state agency pursuant to statute to perform the duties and functions of grain inspection. On or before the 10th of each month, the director of accounts and reports shall transfer from the state general fund to the warehouse fee fund interest earnings based on:

- (1) The average daily balance of moneys in the grain inspection fee fund for the preceding month; and
- (2) the net earnings rate of the pooled money investment portfolio for the preceding month.
- (d) The secretary may maintain the leases of the grain inspection department until October 1, 1997.

Change all remaining references from July 1, 1997 to September 1, 1997.

materials for state agencies; (k) establishes personnel standards, job classifications, or job ranges for state employees who are in the classified civil service; (1) fixes or approves rates, prices, or charges, or rates, joint rates, fares, tolls, charges, rules, regulations, classifications or schedules of common carriers or public utilities subject to the jurisdiction of the state corporation commission, except when a statute specifically requires the same to be fixed by rule and regulation; (m) determines the valuation of securities held by insurance companies; (n) is a statistical plan relating to the administration of rate regulation laws applicable to casualty insurance or to fire and allied lines insurance; (o) is a form, the content or substantive requirements of which are prescribed by rule and regulation or statute; (p) is a pamphlet or other explanatory material not intended or designed as interpretation of legislation enforced or adopted by a state agency but is merely informational in nature; (q) establishes seasons and fixes bag, creel, possession, size or length limits for the taking or possession of wildlife, if such seasons and limits are made known to the public by other means; or (r) establishes records retention and disposition schedules for any or all state agencies; or (s) fixes or approves fees for services rendered by the Kansas state grain inspection department pursuant to K.S.A. 34-103a, and amendments thereto.

(5) "Environmental rule and regulation" means:

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- (A) A rule and regulation adopted by the state board of agriculture; the secretary of the state board of agriculture, the secretary of health and environment or the state corporation commission, which has as a primary purpose the protection of the environment; or
- (B) a rule and regulation adopted by the secretary of wildlife and parks concerning threatened or endangered species of wildlife as defined in K.S.A. 32-958 and amendments thereto.
- 28 Sec. 43. On and after July 1, 1997, K.S.A. 34-101, 34-101a, 34-101c, 29 34-101d, 34-102, 34-102a, 34-104, 34-105, 34-106, 34-107, 34-110, 34-31 111, 34-112a, 34-113, 34-121, 34-122, 34-123, 34-124, 34-127, 34-223, 32 34-224, 34-227, 34-227a, 34-227b, 34-229, 34-230, 34-230a, 34-230b, 34-231, 34-233, 34-235, 34-236, 34-238, 34-241a, 34-246, 34-249a, 34-251, 34-257a, 34-273, 34-295a, 34-295b, 34-298, 34-299, 34-2,100, 34-2,104, 34-2,110, 75-1701, 75-1702, 75-1703, 75-1704, 75-1706, 75-1709 36 and 75-1711 and K.S.A. 1996 Supp. 34-101b, 34-102b, 34-103a, 34-125, 34-228, 34-2,108, 74-4911f, 75-3170a and 77-415 are hereby repealed. 37

Sec. 44. This act shall take effect and be in force from and after June

1, 1997 and its publication in the statute book

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and the issuance by the grain inspection, packers and stockyards administration, pursuant to the United States grain standards act, of the official agency designation of an entity that is not the state of Kansas grain inspection department