

## MINUTES OF THE HOUSE AGRICULTURE &amp; NATURAL RESOURCES COMMITTEE

The meeting was called to order by Chairman Larry Powell at 9:00 a.m. on February 16, 2011, in Room 783 in the Docking State Office Building.

All members were present except:

Representative Rocky Fund - Excused  
Representative Charlotte O'Hara - Excused  
Representative Michael Peterson - Excused

Committee staff present:

Sean Ostrow, Office of the Revisor of Statutes  
Raney Gilliland, Kansas Legislative Research Department  
Michael Wales, Kansas Legislative Research Department  
Kay Scarlett, Committee Assistant

Conferees appearing before the Committee:

Jeff Hofaker, western Kansas Rural Economic Development Alliance  
Chris Wilson, Deputy Secretary, Kansas Department of Agriculture  
Derrek Marteney, Kansas Nursery Landscape Association  
Mary Jane Stankiewicz, COO and Senior Vice President, Kansas Agribusiness Retailers Association

Others attending:

See attached list.

Jeff Hofaker, western Kansas Rural Economic Development Alliance, provided an overview of the Alliance formed in 1994 to become a single, unified voice to address the economic development concerns for a 54-county region of western Kansas. He highlighted their Workforce Initiative and the Dairy Recruitment Initiative. Their mission is to work together for the common good of western Kansas. (Attachment 1)

**Hearing on HB 2271 – Amending provisions relating to plant pest inspection and regulation.**

Chairman Powell opened the hearing on **HB 2271**. Sean Ostrow, Office of the Revisor of Statutes, reviewed the bill to clean up the language in the plant pest inspection and control statutes, make fee fund adjustments, increase inspection and enforcement procedures, and provide for stiffer penalties for non-compliance.

Chris Wilson, Deputy Secretary, Kansas Department of Agriculture, appeared in support of **HB 2271** noting that the Department had been working with stakeholder groups to update the Plant Pest and Agriculture Commodity Certification Act for several months. While much of the bill is language clean up, it was decided to adjust the fee structure and increase the enforcement and penalty sections of the statutes. She outlined the proposed amendments to the Plant Pest and Agriculture Commodity Certification Act statutes. (Attachment 2)

Jeff Vogel, Program Manager, Plant Protection and Weed Control, and Rick Scheufler, attorney for the Kansas Department of Agriculture, answered committee questions on the enforcement and penalty provisions in the bill.

Derrek Marteney, Kansas Nursery Landscape Association, testified in support of the provisions in **HB 2271** to make a violation a felony, a uniform requirement of documentation of plant movement, and the authority to eradicate a pest in the case of non-compliance by a plant dealer. He is concerned that the bill creates regulations for protections that are not funded for enforcement. If enforcement is not funded, regulations will burden those who are compliant against non-compliance competitors. The industry depends on inspections in order to be compliant when shipping into other states or working on federal projects. If cutting budgets and fees means less access to inspections, it will cost the industry and ultimately the state. He believes the state should proceed carefully and be sure that the resources are in place to not only enforce these regulations, but to also meet the inspection needs of Kansas producers. (Attachment 3)

## CONTINUATION SHEET

The minutes of the House Agriculture & Natural Resources Committee at 9:00 a.m. on February 16, 2011, in Room 783 of the Docking State Office Building.

Mary Jane Stankiewicz, COO and Senior Vice President, Kansas Agribusiness Retailers Association, appearing on behalf of the Kansas Cooperative Council and the Kansas Agribusiness Retailers Association, testified in partial support of **HB 2271**. The associations are supportive of the clean up and clarification language that is contained in the bill. However, they have concerns about Sections 9 and 10 on page 7 of the bill pertaining to the criminal penalties that may be imposed for violations of this act. She questioned whether this was really necessary when the Attorney General has the authority to prosecute fraud, consumer protection, and other criminal activities now. (Attachment 4)

As there were no other conferees, Chairman Powell closed the hearing on **HB 2271**.

The meeting adjourned at 10:24 a.m. The next meeting of the House Agriculture & Natural Resources Committee is scheduled for February 17, 2011.

HOUSE AG & NATURAL RESOURCES COMMITTEE  
GUEST LIST

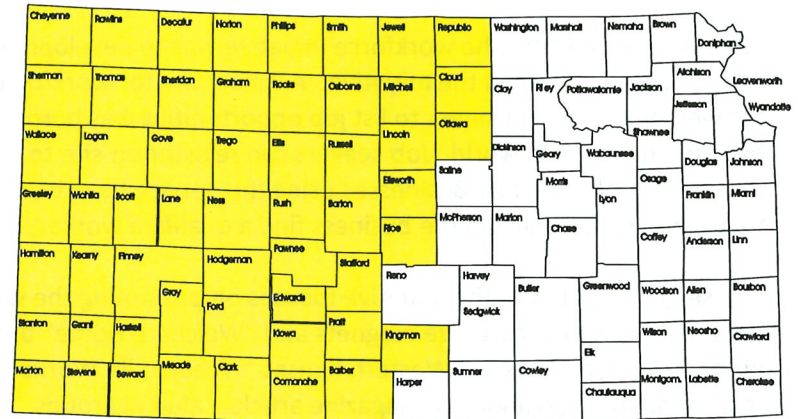
DATE: FEBRUARY 16, 2011

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# WKREDA

western KANSAS RURAL ECONOMIC DEVELOPMENT ALLIANCE

wKREDA (western Kansas Rural Economic Development Alliance) is a coalition of people in 56 Kansas counties (highlighted in map, below), who've decided to pool their resources, both human and financial, to work together for the common good of western Kansas. wKREDA's members maintain a collaborative affiliation with each other through a very active list-serve program, quarterly meetings, and training sessions called (CD-101 instruction). wKREDA members are represented by professional business owners, utility representative leaders, chamber of commerce managers, Main Street coordinators, RC&D board members, commissioners, bankers, economic development directors and board members, and other community development community leaders. This collaborative has continually strived to work together both our individual, and our collective, able to be able to achieve rural development goals through a strong cooperation using a regional approach.



The decision in 1994 to create wKREDA started our unique and colorful history. Our innovative, regional approach to challenges and how we've made western Kansas open up for recruited businesses and to new entrepreneurial businesses has worked well over the years. Our non-profit organization is led by development professionals in local positions, which provide wKREDA the active and well-trained volunteers to pursue positive development activities which look at the bigger picture (needs which everyone area has). We are governed by a 12-member Board of Directors who meets quarterly to coordinate the activities of the alliance. The Board organizes the activities, chosen by the membership, through the Business Development, Government Affairs, Education and Public Relations committees. In addition, many ad hoc task force groups are created, as needed, to meet the opportunities and challenges that arise across wKREDA's membership region.

wKREDA's mission is to work together for the common good of western Kansas. Its objectives are to:

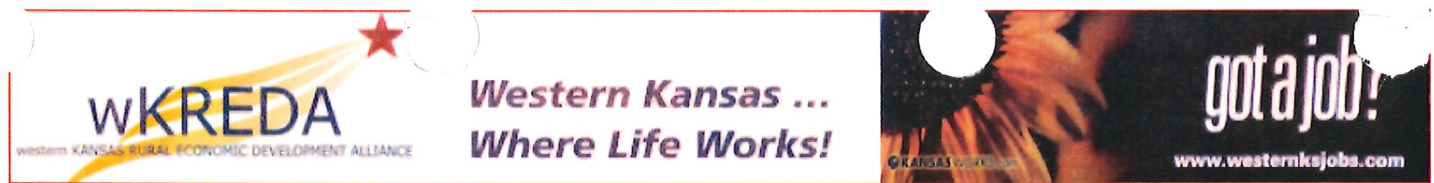
- To promote the exchange of ideas and information among members while enhancing their effectiveness in their local organizations and in the wKREDA region.
- To provide members with educational, legislative, and recruitment opportunities and other resources that will assist them in local and regional community and rural development efforts.
- To revitalize western Kansas through cooperative, community and rural development activities.

These objectives are pursued by wKREDA members putting forth time out of their own work schedule to accomplish goals and projects, which not only help develop their own individual counties and businesses, but also strive to improve the overall economic environment across the larger region (i.e. wKREDA's membership region or even the state of Kansas). It has been a long held platform of wKREDA to enhance existing programs through networking and to create new programs that improve the economic environment for its region.

wKREDA has several active projects in the business committee. These projects are:

- Workforce Initiative
- Dairy Recruitment Initiative
- Alternative Energy Manufacturing Recruitment





The idea to create a workforce development program began almost four years ago, with the calamity of hurricane Katrina. Although Kansas was not directly impacted by this disaster, conversation by wKREDA members began to explore the issue of assisting displaced workers from Katrina by finding employment opportunities within Kansas companies needing additional employees. Due to logistics and other uncontrollable challenges, this workforce realignment did not occur; but through the process, a discovery was made that many companies in western Kansas had a similar challenge... finding employees. Since companies cannot grow without a viable workforce, wKREDA members determined the pursuit of assisting with workforce recruitment was vital to western Kansas. This pursuit led to the creation of the Workforce Initiative committee (commonly called the "We Have Jobs" (WHJ) committee.

The starting point for the workforce initiative was to develop a job opportunities website. This website provides the central idea behind the initiative. A virtual site for workforce (job seekers) to search for opportunities and a location for western Kansas business to list job opportunities was born. The website gets about 20,000 hits a month from all over the nation and world. Job seekers can register on-site to be automatically updated as to when specific or general jobs arise in the region. Businesses using this service have been truly amazed at the successful results. In many testimonies, not only did the business find a qualified worker, but the local community acquired a new family.

The second portion of the initiative focuses on promoting the website [www.westernksjobs.com](http://www.westernksjobs.com). This marketing is done with business card size magnets and "Welcome Home" brochures. In all the promotional avenues, the website with the slogan "Discover Western Kansas ~ Where Life Works" carries the concept through professionally made videos, marketing items, billboards, magazine articles, alumni groups, and other face to face marketing avenues. Although the concept was relatively simple, it has been very successful in spreading the word internationally and nationally about the business environment potential of western Kansas.



DairyInKansas.com is a cooperative effort between the Kansas Department of Commerce Rural Development Division, Agriculture Marketing, and the Western Kansas Rural Economic Development Alliance (wKREDA). The wKREDA Dairy Committee is responsible for helping to recruit and retain dairies for Kansas. wKREDA is a consortium of 56 counties in Western Kansas that collaborate on economic development projects that benefit the region.

Revitalizing the dairy industry was an early mandate for wKREDA, and those efforts have been very successful. While dairy farming and production had been strong in the region historically, many family farms had been sold off or shuttered in recent decades. But everything that made western Kansas good for dairy production—land, cost of living, climate—was still intact and just needed a little promotional push.

The push was wKREDA's traveling road show that put Kansas dairy land in front of farmers from coast to coast. Families pulled up stakes to come to a region with plenty of room, not only to set up a farm, but to expand in just about any direction.

## wKREDA - Representing 54 counties in western Kansas

Cheyanne	Rawlins	Decatur	Norton	Phillips	Smith	Jewell	Republic	Washington	Marshall	Nemaha	Brown	Doniphan	Leavenworth
Sherman	Thomas	Sheridan	Graham	Rooks	Osborne	Mitchell	Cloud	Clay	Pottawatomie	Jack-son	Atche-son	Wyandotte	
Wallace	Logan	Gove	Trego	Ellis	Russell	Lincoln	Ottawa	Clay	Geary	Wabaunsee	Shawnee	Douglas	Johnson
Greeley	Wichita	Scott	Lane	Ness	Rush	Barton	Ellsworth	Saline	Dickinson	Morris	Osage	Franklin	Miami
Hamilton	Keating	Finney	Hodge-man	Pawnee	Edwards	Stafford	Reno	Harvey	McPherson	Chase	Lyon	Coffey	Anderson
Stanton	Grant	Haskell	Gray	Ford	Kiowa	Pratt	Kingman	Sedgwick	Butler	Greenwood	Woodson	Allen	Bourbon
Morton	Stevens	Seward	Meade	Clark	Comanche	Barber	Harper	Sumner	Cowley	Chautauqua	Montgomery	LaBette	Cherokee

wKREDA's mission is to work together for the common good of western Kansas. The purpose and objectives wKREDA shall be:

- To promote the exchange of ideas and information among members to enhance their effectiveness in their local organizations and the wKREDA region, *and*
- To provide its members educational, legislative, and recruitment opportunities and other resources to assist in local and regional and rural development efforts, *and*
- To revitalize western Kansas through cooperative, community, and rural development activities.

wKREDA  
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DAIRY WEBSITE: [dairyinkansas.com](http://dairyinkansas.com)



## western Kansas Rural Economic Development Alliance

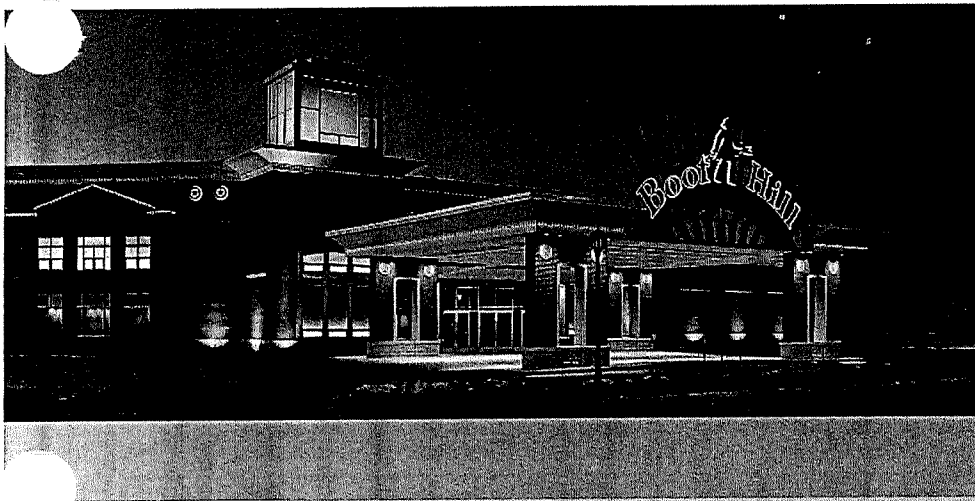
*Opportunities as big as you think.*

## wKREDA 2011 Legislative Overview

- Who We Are
- Job Recruitment
- Dairy Initiative







“The biggest advantage gained by belonging to and participating in wKREDA is the networking with peers who are experiencing the same challenges and opportunities. When we come together, we oftentimes discover ways to address issues that we wouldn’t have discovered on our own.”

Neal Gillespie,  
wKREDA President

## wKREDA 2011 Legislative Overview

### Who We Are

The western Kansas Rural Economic Development Alliance (wKREDA) was formed in 1994 to become a single, unified voice that could address the economic development concerns for a 54-county region, almost half the state.

While the communities and counties were many, the problems were all the same—loss of young people to more populated areas, stagnant local economies, and little influx of new residents and businesses. By pulling together, the founders of wKREDA knew they could better tackle issues faced by the entire region.

“Most of the assistance we had access to was more logically available to larger places, so we got together and realized that if we could group our resources, we could market ourselves with a lot of passion. That’s what drove us then and what does so now,” said Steve Miller, senior manager of special projects at Sunflower Electric Power Corporation and a founding member of wKREDA.

Seventeen years later, wKREDA has grown to encompass ongoing educational programs from its members; an annual trip to the state capitol to ensure

## Our Dairy Initiative

Revitalizing the dairy industry was an early mandate for wKREDA, and those efforts have been very successful.

While dairy farming and production had been strong in the region historically, many family farms had been sold off or shuttered in recent decades. But everything that made western Kansas good for dairy production—land, cost of living, climate—was still intact and just needed a little promotional push.

The push was wKREDA’s traveling road show that put Kansas dairyland in front of farmers from coast to coast. Families pulled up stakes to come to a region with plenty of room, not only to set up a farm but to expand in just about any direction.

“They had a lot of good programs that gave us a lot of help when we moved from Pennsylvania,” said Tom McCarty, who along with wife, Kathy, and their four sons relocated in 1999 to Thomas County. “We had a lot of contact with wKREDA when we were looking at different locations in western Kansas. Where we’re from, the biggest problem was the lack of ability to grow. This part of the world gives you a lot of opportunity for that, which leads to more efficiency.”

The effort is now helping dairies expand into full-scale production for cheese and other products. Partnerships have been formed with local grain and beef operators that are using dairy herds to expand their own operations.

In addition, the Dairy University program brings in national experts to talk about industry trends, giving local economic development officials not yet involved a chance to get into the game as well.

The initiatives have made a substantial positive impact, and the continued efforts should help a thriving old-and-new industry sector regain its historical place in the region.

“wKREDA is smart to show off western Kansas as a good place for dairies,” said McCarty.

“Locating a cheese processing facility in western Kansas is a crucial step to enhancing and continuing the growth of the dairy industry in the region. Having local access to a milk processing facility would reduce transportation costs to existing and future dairies and provide much needed economic support to the dairy industry in Kansas.”

Clare Gustin,  
Dairy Team Co-Chair





**KANSASWORKS.com**

got a job?

**www.westernksjobs.com**

### Making It Work

By successfully recruiting and retaining different industries and businesses, WKREDA has been able to help grow the region's workforce. The focus now is on finding and keeping good employees for those companies, which should spur even more growth going forward.

"Four years ago, we got together to talk about how all of our businesses needed employees to expand their businesses and how we could help that effort," said Jeff Hofaker, director of Phillips County Economic Development and co-chair of WKREDA's workforce initiative committee. "We began to talk about what we could do in terms of marketing our region, not just for new business but also for recruitment of a new workforce."

Those early discussions led to a workforce-initiative committee, which focused its efforts on a regional approach to recruiting centered around a specialized website.

"It seemed the most reasonable way to put everything together in one very accessible place where we could put a lot of information about our different communities in front of people," Hofaker said.

A grant from the Kansas Department of Commerce's Workforce Investment Act helped fund creation and maintenance of the site, [www.westernksjobs.com](http://www.westernksjobs.com),

which lists jobs and serves as a hub to which communities can link their sites. A collaboration with Kansas-Works that allowed spidering searches from there to include those of WKREDA's website proved beneficial as well.

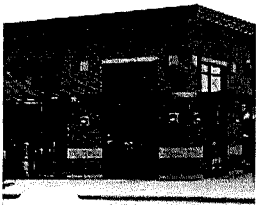
A plan to generate traffic on the site included outside marketing, such as billboards around the state, visits to career fairs and other targeted efforts above and beyond what WKREDA already was doing. The initiative also heightened the organization's profile within its coverage area, which brought in more communities to the overall effort.

"We provided communities that didn't have a full-time economic development person or office the help to develop local website for jobs," Hofaker said. "These local websites provided much needed grassroots representation and also engaged someone locally to enter the same data into our site."

"At the end of the day," Hofaker said, "the connections are being made. Thinking regionally and collaboratively, helping people find jobs—those things are happening. Residents of one county can search and find work forty to fifty or more miles away and still have the benefit of living in a rural area. This keeps people in our state and provides them with options not afforded to them in other areas."

"We have expanded less than 2,000 square feet to over 5,000 square feet, opening our new facility in November 2009. As a result of the expansion, we now have eleven employees on staff and anticipate adding one more yee within the next six months."

**Stacie Wenzl,**  
Wenzl Drug



1-5  
"My husband, Craig, and I researched different regions of Arkansas, Missouri, and Kansas to start a new practice. The Wichita County Economic Development Office helped us decide that western Kansas was in need of a dentist and is a wonderful place to live."

**Dr. Joanne Brown,**  
Great Plains  
Family Dentistry







that its members' voices are heard; and multiple tradeshow visitations across the country, promoting western Kansas to business and industry groups that are a good fit for the area. Successes include a major uptick in dairy production and a growing manufacturing and distribution sector.

Successes also include the families who have moved back to western Kansas after realizing the job opportunities, low cost of living, and great overall quality of life.

That quality of life, solid schools, and a hometown feel are what drew Travis and Katie Ruff back to Hanston, where Travis operates Professional Gun Dogs, a full-service training facility for pointing and retrieving breeds of hunting dogs ([www.progundog.com](http://www.progundog.com)).

Access to high-speed Internet connectivity allows them to operate a business well beyond Hanston and for Katie to work remotely for a business in Dodge City and be at home with the couple's children.

In 2009, Sean and Monica Kats and their three children also moved back to the region to operate her family's farm and be closer to family, but they soon discovered a whole new side to the Kansas they thought they already knew.

"We were able to find work through Prairie Land Electric while also operating the farm," Sean said. "Our working farm involves a cow-calf cattle operation and commodity crops like wheat for grain, so it's a real working farm."

The Kats, too, say that the area's quality of life just can't be matched, and it's a good place to live, work and raise a family.

"It's certainly different from living in the city, but we really enjoy it here," Sean Kats said. "We're really glad that the farm brought us back."



"It's wKREDA's job to create an interest in the region, and it's up to each individual member to create an interest in their community."

**Eric Depperschmidt,**  
Finney County  
Economic  
Development Corp.



**Testimony on House Bill 2271  
to  
The House Agriculture and Natural Resources Committee**

**by Chris Wilson  
Deputy Secretary  
Kansas Department of Agriculture**

**February 16, 2011**

Good morning, Chairman Powell, and members of the committee. I am Chris Wilson, Deputy Secretary of the Kansas Department of Agriculture, and I am here in support of House Bill 2271.

The purpose of HB 2271 is to update the Plant Pest and Agriculture Commodity Certification Act. This is the law that gives authority to the Department of Agriculture to regulate plant pests, live plant dealers, plants and plant products and commodity certification. The purpose of the live plant dealer licensing function is to ensure that all live plants sold in Kansas are not infested with dangerous plant diseases, insects, or other damaging plant pests.

Plant Protection and Weed Control staff work to ensure the health of the state's native and cultivated plants by excluding or controlling destructive pests, diseases and weeds. Staff examine and analyze pest conditions in crop fields, rangelands, greenhouses and nurseries. Action taken to control potential infestations of new pests, whether they are insects, plants diseases or weeds, is beneficial to the economy and the environment.

The mission of this program is to:

- Exclude or control harmful insects, plant diseases and weeds;
- Ensure Kansas plants and plant products entering commerce are free from quarantine pests;
- Provide customers with inspection and certification services.

The Plant Protection Program staff and our legal section have been working over several months and with stakeholder groups on this revision. There was consideration of a fee increase, with some industry groups supporting it and some opposing, so we decided not to bring that forward at this time.

The amendments in HB 2271 which we are proposing include:

K.S.A. 2-2113 (c) and (d). Beginning on page 1, Line 15, Definitions:

- Divide the definition of "Plants and Plant Products" into "Plants" and "Plant Products." This will allow us to talk about one or the other throughout the Act. Sometimes when they have to be used together, it does not make sense.
- Clarify the definition of "Live Plant Dealer" in new (f) by adding the language "engages in business in the following manner."
- Fix the spelling of "phytosanitary" in definitions (n) and (o).
- Remove the definition of Bee Pest in (q) since it is not used in the Act.

K.S.A. 2-2271, Page 2, Line 39:

- Add language to give the secretary the authority to place monitoring equipment and obtain samples in section (a).
- Change "probable cause" to "reasonable suspicion" to be consistent with what is use throughout the nation for a traffic stop.

Page 3. Line 2: If access to private property is denied, then the Secretary may apply to any court of competent jurisdiction for an order providing for

K.S.A. 2-2116, Page 3, Line 21:S

- Allow the secretary to assess expenses for the disposition of plant pests to the owner-after opportunity for hearing.

K.S.A. 2-2117, Page 3, Line 32:

- The word "providing" (due process?) was added by the Revisor.

K.S.A. 2-2118, Page 4, Section 4:

- Deleted "interstate or internationally" from line 18 on page 4. We want this statute to apply everywhere- interstate, internationally, and in state.
- Lines 22-24 would allow us to assess diagnostic costs to the person needing the test completed.

K.S.A. 2-2120, Page 5:

- Section (c) changes the exemption for a live plant dealers license. Under the proposed language, those who import into or export out of Kansas would not be exempt, even if annual gross receipts are under \$10,000. Right now we are issuing a license to those who have annual gross receipts under \$10,000, but they don't have a fee. The cost to our program to issue that license is \$6 per license. Under this proposal, we would exempt about 375 of the licensees. Then we will issue a license to the 175 who are importers/exporters. These are the ones we believe we need to follow.
- Section (b) changes the way fees are collected for the emergency response fund. We propose to collect \$3 every year instead of \$5 on the years the fund is under \$15,000 (about every other year). This would be less confusing for licensees and would be more efficient for the KDA Records Center. The emergency response fund is used for addressing special concerns, such as training for Thousand Cankers of Walnut disease;



dealing with Pine Wilt in Western Kansas; and working to control Hydrilla in the Olathe area.

K.S.A. 2-2122, Page 5, Line 30:

- Would give the secretary authority to deny any application for a live plant dealers license; also to suspend or revoke the license based on certain actions.

K.S.A. 2-2123, Page 6.

- Section (a) adds a requirement for shipments of plants to be tagged with the name and address of the shipper, the place of origin, and a description of the contents. The required information will allow for less problematic trace-forward, trace-backward investigation when a plant pest is found on a live plant being transported or offered for sale. Furthermore, this addition will align Kansas' requirements similar to surrounding states.
- The rest of the language is intended to clarify the statute.

K.S.A. 2-2124, Page 7.

- Allow us to better enforce the Act by clarifying what constitutes a separate violation. This change provides us with a mechanism to enact a temporary restraining order so we can stop the movement of plants that have pests.

K.S.A. 2-2125, Page 7, Line 33

- This section gives us a way to enforce the Act against out-of-state persons. A change is made to the civil penalty portion to make it consistent with other KDA laws.

K.S.A. 2-2126, Page 8, Lines 7-14:

- These changes are housekeeping – from the reference to the Kansas administrative procedure act on page 7 and just inserting preferable language.

K.S.A. 2-2128, Page 8, Line 27:

- This amendment changes the name of the entomology fee fund to the plant protection fee fund. The “entomology fee fund” is the old fund name given when the program only dealt with insects. Plant protection fee fund would be more understandable and applicable.

K.S.A. 2-2129, Page 8, Line 27.

- This amendment strikes the language to complete the transition of the way we collect fees for the Plant Pest Emergency Response Fund.

I will stand for questions at the appropriate time.

## HB2271 Plant Pest Inspection and Regulation

Derrek Marteney-Kansas Nursery Landscape Association

### Primary Supports:

Makes violation a felony, which gives the authority to pursue out of state offenders. (Sec 10)

Provides for uniform requirement of documentation of plant movement. (Sec 8)

Gives authority eradicate a pest in the case of non-compliance by a plant dealer. (Sec 3)

### Primary Concerns:

Creates regulations for protections that are not funded for enforcement.

If enforcement is not funded, regulations will burden those who are willfully compliant against non-compliant competitors.

Does not make provisions for more inspectors in the field.

### Conclusion:

The revisions do add some regulations that could help protect Kansas horticulture and agriculture. I do not know the statewide scope of these regulations and therefore can't assess if the risks are so great that the benefits justify the costs. I do have a concern that the balance of regulations versus funding is not set. One of the original provisions in the revision was license and inspection fee increases. These have been removed. The industry does not want any fee increase but also does not want unchecked regulations in place that will burden the compliant and have no effect on the willfully non-compliant.

Our industry depends on inspections in order to be compliant when shipping into other states or working on federal projects. If cutting budgets and fees means less access to inspections, it will cost our industry and ultimately the state. The final stages of this revision have been rushed and I believe it would best serve the interest of Kansas plant producers to proceed carefully and be sure that the resources are in place to not only enforce these regulations, but to also meet the inspection needs of Kansas producers.



## House Agriculture Committee HB 2271 – Plant Pest February 16, 2011

Good morning Chairman Powell and members of the House Agriculture Committee. I am Mary Jane Stankiewicz, the COO and Senior Vice President of the Kansas Agribusiness Retailers Association and I appear before you regarding HB 2271 on behalf of the Kansas Cooperative Council (KCC) and the Kansas Agribusiness Retailers Association (KARA).

KARA's membership includes over 700 agribusiness firms that are primarily retail facilities which supply fertilizers, crop protection chemicals, seed, petroleum products and agronomic expertise to Kansas farmers. KARA's membership base also includes ag-chemical and equipment manufacturing firms, distribution firms and various other businesses associated with the retail crop production industry. The KCC is a voluntary, statewide trade association representing all forms of cooperative businesses across the state -- agricultural, utility, credit, financial, refining and consumer cooperatives.

Our associations have been supportive of the clean up and clarification language that is contained in this bill. However, we have real concerns about Section 9 and 10 on page 7 of the bill pertaining to the criminal penalties that may be imposed for violations of this act. Previously, if you violated the act then you were fined, now you risk being convicted of a felony. This tremendous jump in the penalties is scary because under this bill, a person could violate one of these provisions, admit to the violation thus the person "intentionally" acted and could then be sentenced as a felon. Further complicating the matter is that under Section 9 (b) "each day a violation of this act occurs or continues shall constitute a separate violation."

While I understand the Kansas Department of Agriculture only intends for this criminal penalty section to be used for the really bad actors, they can only point to one example in the last year when



this was needed. Which makes us concerned about changing a whole penalty section based on a bad actor that occurred a year or two ago. Is this really necessary when the Attorney General has the authority to prosecute fraud, consumer protection and other criminal activities right now?

If someone is convicted of a felony, there are penalties beyond this act: could prevent someone from certain jobs, could restrict their movement if they are on probation. None of these violations seem egregious enough to warrant such stiff penalties, especially when there is only one bad example that the Department can point to.

Even for the subsections of section 9 where violations are misdemeanors, they are going from "unclassified" misdemeanor to a "Class A" misdemeanor. This is an important distinction as the penalty for an unclassified misdemeanor is contained in the specific act if falls under and that has been a fine. Now moving it to a Class A misdemeanor moves the penalty to time in a county jail, which can be converted to probation.

We think this the criminal reference is too punitive, especially in light of the lack of cases that might serve this level and because most of the violations are and should be handled by fines. We think a criminal penalty is too harsh and we ask you to strike Section 10 and return this to the original law.