

SESSION OF 2010

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2666

As Amended by Senate Committee on
Ways and Means

Brief*

HB 2666 would increase the statutory maximum amounts of several fees within the Kansas Animal Health Department (KAHD). The bill would increase the statutory maximums of the renewal market license fee and the electronic auction license fee from \$40 to \$250. The bill also would increase the statutory maximum amount of the fee per head from \$.15 to \$.25 that public livestock market operators and electronic auction operators collect on all livestock sold at public livestock markets and electronic auctions.

In addition, the bill would increase the market license fee and electronic auction license fee for livestock market operators and any person who owns or operates an electronic auction, and establish different maximum fees based on the type of animal being sold. License fees for cattle would be based on feedlot capacity, and the bill would increase the statutory maximum license fees or create new statutory maximum license fee categories for cattle in the following amounts:

- 1,000 to 2,999 head - from \$150 to \$350;
- 3,000 to 5,999 head - from \$300 to \$650;
- 6,000 to 9,999 head - \$750;
- 10,000 to 17,999 head - from \$450 to \$1,100;
- 18,000 to 29,999 head - \$1,500;
- 30,000 to 49,999 head - \$1,650;
- 50,000 to 99,999 head - \$1,800; and
- 100,000 head and over - \$2,000.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Maximum license fees for other animals, including swine, sheep, and goats, would be based on “animal units.” Animal units would be defined as the number of swine weighing more than 55 pounds multiplied by 0.4; plus the number of swine weighing 55 pounds or less multiplied by 0.1; plus the number of sheep or lambs multiplied by 0.1; plus the number of goats multiplied by 0.1. License fees for swine, sheep, and goats would be based on feedlot capacity and the bill would create new statutory maximum license fee categories for these animals in the following amounts:

- 300 to 999 animal units - \$75;
- 1,000 to 2,999 animal units - \$350;
- 3,000 to 5,999 animal units - \$650;
- 6,000 to 9,999 animal units - \$750;
- 10,000 to 17,999 animal units - \$1,100;
- 18,000 to 29,999 animal units - \$1,500;
- 30,000 to 49,999 animal units - \$1,650;
- 50,000 to 99,999 animal units - \$1,800; and
- 100,000 animal units and over - \$2,000.

The bill also would increase the statutory maximum amount for application and renewal of permits for raising domesticated deer from \$100 to \$150. Fines for persons who fail to obtain a permit also would be increased from \$100 to \$150.

The bill provides that new fees within the statutory maximum amounts would be set by the Kansas Animal Health Board and adopted through rule and regulation authority granted to the Livestock Commissioner of the KAHD. All funding received from these fees would be deposited in the agency’s Animal Disease Control Fund. The bill would take effect upon publication in the *Kansas Register*.

Background

The Kansas Animal Health Board and the Livestock Commissioner of the Kansas Animal Health Department (KAHD) provided testimony in favor of the bill, stating that due to the current fiscal economy, the KAHD's State General Fund budget had decreased significantly over recent fiscal years and that fees were last increased within the Animal Disease Control Program in 1995. The Kansas Livestock Marketing Association provided testimony in favor of the bill, stating that animal disease control is important to the livestock industry and that it was in favor of fee increases to support the KAHD's stand-alone status. The Kansas Livestock Association provided testimony in favor of the bill and provided information during the hearing on the association's KAHD Fee Funding Working Group, which supported an increase in fees. The Kansas Pork Association provided neutral testimony on the bill and proposed an amendment that would allow swine to be assessed license fees on a per-animal unit basis rather than a per-head basis.

The House Committee on the Agriculture and Natural Resources Budget amended the original bill to assess license fees on a per-animal unit basis for swine, sheep, and goats, while leaving cattle license fees on a per-head basis, as it currently exists in statute.

The Senate Committee on Ways and Means further amended the bill by changing the effective date of the bill from after publication in the statute book to upon publication in the *Kansas Register*.

The fiscal note on the original bill provided by the Division of the Budget indicates the maximum statutory fees proposed in the bill would increase revenue to the KAHD's Animal Disease Control Fund by \$340,085 in FY 2011.