



Date: February 13, 2024
To: Chairman Tarwater, House Committee on Commerce, Labor and Economic Development
From: Shahira Stafford, Kansas Cooperative Council
RE: Proponent Written Testimony on HB 2648

Chairman Tarwater and Members of the Committee,

Thank you for allowing the Kansas Cooperative Council (Co-op Council) to comment in support of House Bill 2648.

Formed in 1944, the Co-op Council is a voluntary trade association representing all forms of cooperatively structured business in Kansas. Our purpose is to further the understanding of cooperative principals, methods of doing business, and the impact co-ops have on our state's rural economy. Kansas co-ops have over 575 locations, employ over 5,000 people, and represent over 116,000 members.

Cooperatives are regulated under the Kansas Cooperative Marketing Act and must adhere to many other rigorous state and federal guidelines. Specifically, our farmer-owned cooperatives operate in a highly regulated industry, and for good reason. Grain elevators and agricultural retail cooperatives are integral in the Kansas production agriculture chain, which we recognize directly impacts the safety and health of the communities that we serve. Our members take that responsibility seriously every day.

The agribusiness industry has long supported statewide efforts to ensure that the regulated industries are consulted during the promulgation process, and we continue to advocate for more transparency and careful analysis of the need for proposed regulations that impact our members. As states have assumed greater responsibilities for government programs and services, the importance of legislative oversight has increased.

The Co-op Council supports the provisions in HB 2648, which provides authority to the Director of Budget to reject an agency's incomplete economic impact statement. When a thorough economic impact statement is provided and the proposed rule costs the regulated community more than \$1million over five years, the agency must introduce a bill instead.

This is good public policy that will ensure there is a fundamental check and balance that currently does not exist. HB 2648 will also affirm rules and regulations adopted by the executive branch do not extend beyond legislative intent.

Thank you so much for the opportunity to comment on House Bill 2648, and we respectfully ask for your support.