



Kansas Grain & Feed Association
Kansas Agribusiness Retailers Association
Renew Kansas Biofuels Association

February 13, 2024

To: House Committee on Commerce, Labor, and Economic Development
From: Randy Stookey, Senior Vice President of Government Affairs and General Counsel
Re: **Joint proponent testimony on HB 2648, requiring the director of the budget to independently determine costs of compliance and implementation for all proposed rules and regulations and authorizing the director of the budget to disapprove proposed rules and regulations**

Chairman Tarwater and members of the Committee, thank you for the opportunity to testify in support of House Bill 2648. This testimony is submitted jointly by the Kansas Grain and Feed Association (KGFA), Kansas Agribusiness Retailers Association (KARA), and Renew Kansas Biofuels Association.

KGFA is the state association of the grain receiving, storage, processing, and shipping industry in Kansas. Representing 99% of the commercially licensed grain storage in the state, KGFA membership exceeds 950 Kansas business locations. KARA is a state agribusiness trade association comprising more than 700 member companies that supply inputs to Kansas farmers. Renew Kansas is the trade association of the Kansas biofuels processing industry.

Our member grain elevators, biofuel processing plants, and agribusiness facilities contribute greatly to the Kansas economy. They provide gainful employment for thousands of Kansans across the state, and they pay millions of dollars in property taxes which help fund schools and local government services.

Members of these associations operate in agribusiness industries that are highly regulated at the federal, state, and local levels. While these multi-layered regulations are often necessary, reasonable, and lawful, our industries would disagree with the adoption of regulations that are unnecessary or unreasonable.

Regulatory compliance comes at a high economic cost, and this economic impact is something that must be considered carefully. For these reasons, House Bill 2648 is of interest to our members.

House Bill 2648 would make positive changes to the Kansas Rules and Regulations Filing Act by requiring state agencies to perform a number of steps before proposing a rule or regulation. Modeled after recent legislation in other states, the bill would enhance the review of required state agency analysis of the implementation and compliance costs of proposed regulations on the regulated community. The bill would also create additional legislative steps before adoption of regulations that have an estimated economic impact of more than \$1 million over the initial five-year period.



While the bill would apply to most agency rules and regulations, Section 1, paragraph (c) does allow for some exceptions. We would propose a small amendment to Section 1 of the bill to include an additional exception.

The Kansas Agricultural Remediation Board is a small state body whose sole purpose is to administer the ag chemical remediation reimbursement program and fund. This board has rule and regulation authority to help them administer the reimbursement program. However, as this board has no full-time staff and no authority to assess fees, we would request the following amendment to exempt this small board:

New Section 1. (c) The provisions of this section shall not apply to temporary rules and regulations adopted pursuant to K.S.A. 77-722, and amendments thereto, ~~or~~ rules and regulations proposed because of a federal mandate as described in K.S.A. 77-416(b)(1)(B), and amendments thereto, or to rules and regulations adopted pursuant to K.S.A. 2-3710, and amendments thereto.

Thank you for allowing us the opportunity to testify in support of House Bill 2648. This bill represents sound public policy for the state of Kansas and Kansas agriculture. For the reasons stated, we would request that the committee consider adopting our proposed amendment and pass the bill out of committee favorably. We will stand for questions at the appropriate time.