

SESSION OF 2024

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2543

As Amended by Senate Committee on
Agriculture and Natural Resources

Brief*

HB 2543, as amended, would amend the process for applying for and registering a livestock brand with the State and increase the fee related to brand registration and renewal.

[*Note:* Brands must be registered with the State before use. They may be used on cattle and horses, designed using approved characters, and are registered to be used on one of six locations on an animal: left or right hip, left or right rib, or left or right shoulder.]

The bill would require a separate application and registration fee for each brand to be registered or approved.

Upon application for a brand, the bill would require the Animal Health Commissioner (Commissioner) and the Kansas Department of Agriculture (KDA) to determine whether the brand is available for use and registration and require the registrant, within 60 days of the notice of approval being sent by the Commissioner, to remit the brand registration fee. Upon approval, the bill would provide that a certificate of brand title would be provided upon payment of the brand registration fee. The bill would prohibit the use of a brand if a certificate of brand title has not been issued, and any such use would be subject to penalties as provided in KSA 47-421, and amendments thereto.

*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>

In current law, the cap on the brand registration fee is \$55. The bill would modify the fee cap to an amount not to exceed \$100 for the total of the registration fee, application fee, and renewal fee. If the fee is not paid as required by the bill, the Commissioner could deny the application.

Once approved, a brand registration is recorded for a five-year period, at which time a renewal is required. The bill would require each person wanting to renew a brand certificate title held by such person, upon the expiration of the recording period, to remit a renewal fee to the Commissioner.

The bill would clarify that the use of a forfeited brand is unlawful and would be subject to penalties as provided in KSA 47-421, and amendments thereto.

The bill would also make technical and conforming amendments.

Background

The bill was introduced by the House Committee on Agriculture and Natural Resources at the request of a representative of the KDA.

House Committee on Agriculture and Natural Resources

In the House Committee hearing, **proponent** testimony was provided by representatives of the KDA and Kansas Livestock Association. The proponents stated the new registration fee could possibly deter people from submitting multiple brand applications without the intent of moving forward in the brand registration process, and that distinct brands aid in the search for lost or stolen livestock.

Written-only proponent testimony was provided by a representative of the Kansas Farm Bureau.

No other testimony was provided.

Senate Committee on Agriculture and Natural Resources

In the Senate Committee hearing, **proponent** testimony was provided by representatives of the KDA and Kansas Livestock Association. The proponents stated the bill would help cover research costs, ensure applicants are invested in registering a brand, keep the program at self-sustaining funding levels, aid law enforcement in investigating and solving livestock theft cases, and help animal health officials trace and control disease outbreaks.

Written-only proponent testimony was provided by a representative of Kansas Farm Bureau.

No other testimony was provided.

The Senate Committee amended the bill to:

- Require remittance of the brand registration fee within 60 days of the notice of approval being sent by the Commissioner;
- Modify the fee cap for the total of the the registration fee, application fee, and renewal fee to an amount not to exceed \$100;
- Clarify that only persons wanting to renew a brand certificate title held by such person would be required to remit a renewal fee to the Commissioner upon expiration of the recording period; and
- Clarify that unlawful use of a brand that has not been issued or has been forfeited would be subject to the penalties provided in KSA 47-421.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the KDA indicates enactment of the bill would generate additional revenue of \$252,500 in both FY 2025 and FY 2026 for KDA's Livestock and Brand Inspection Fee Fund.

The KDA estimates it would receive approximately 1,500 new livestock brand applications in both FY 2025 and FY 2026 and would propose a \$5 application fee. The proposed fee would generate \$7,500 in new fee revenue in both FY 2025 and FY 2026. The KDA estimates it would receive a total of 3,500 livestock brand registrations or renewals in both FY 2025 and FY 2026 based on historical averages and would propose to increase the registration and renewal fee to \$70. The proposed fees would generate \$245,000 in additional fee revenue in both FY 2025 and FY 2026.

The KDA indicates previous fee revenue has not covered expenses of the program and estimates the proposed fee revenue would cover program costs in FY 2025 and FY 2026. The KDA estimates total program expenditures of \$245,000 in FY 2025 and \$252,670 in FY 2026 on contractual services for brand investigators, administrative and tag expenses, equipment, repairs, and education. Any fiscal effect associated with the bill is not reflected in *The FY 2025 Governor's Budget Report*.

Agriculture; brands; branding; livestock; Kansas Department of Agriculture