

2018 Legislative Agenda

Ag Targeted Taxes on the Table

In recent years, KGFA, KCC and KARA have successfully helped stop various ag-targeted tax bills that would have been detrimental to the industry. These bills looked at imposing a sales tax on utilities used for agriculture, eliminating the current sales tax exemption on the purchase of farm machinery and equipment, imposing an excise tax on ethanol, and imposing sales tax on certain professional services. We will continue to oppose legislation that would be harmful to your business.

Property Taxes

As the legislature continues to look for additional funding to satisfy the most recent Kansas Supreme Court ruling on K-12 education, there may be an increased focus on property taxes. We will continue to educate lawmakers on property tax issues import to our industry: (1) not increasing taxes on agricultural land by amending the historic “agricultural use valuation” approach; (2) ensuring the continuation of property tax exemption for commercial and industrial machinery and equipment; (3) not allowing local authorities to increase the mill levy for education; and, (4) defending the property tax lid on local government.

Utility Meter Fee for School Finance

A draft bill was circulated last year that would have placed a \$10 monthly service fee on each commercial utility and water meter. As discussed, there was not a limit on the number of meters on which any one entity might pay. As the proposed idea would have generated approximately \$150 million, annually, it may be something the legislature might look at again for additional revenue. We stand in opposition to this legislation.

Spray Drift Regulations

Concerns with Dicamba drift raised last year are fueling more interest in regulating this issue at the state level. For the past few years, we have met with stakeholders and support increasing education practices for producers and commercial applicators. Recently, product manufacturers worked with the USEPA to introduce changes to the product labels to further minimize the potential for drift. In addition, lawmakers are growing increasingly concerned about 2,4-D and its impact on cotton. Both topics are slated for informational hearings this year.

Noxious Weed Law Revision

In recent years, the Kansas Department of Agriculture has attempted to amend existing noxious weed laws in our state and plans to do so again this year. The proposed amendments would move the authority to designate a weed as a noxious weed to the Secretary of Agriculture. This authority currently resides with the legislature, which creates a slow and cumbersome process to add or remove weeds from the list. The proposal would create a noxious weed stakeholder advisory committee which would make science-based recommendations to the Secretary on the listing or de-listing of a weed. The proposed bill provides a seat on the advisory committee to KARA and one to the KCC, as our appointees would maintain the technical

and professional knowledge base to determine when a plant has become invasive to the point of recommending being added to the list.

State Water Plan Fund

A portion of the registration fees on pesticides products, and fertilizer tonnage inspection fees, are used to fund the state water plan fund. Last session, bills were introduced seeking to increase those fees, and others, for additional revenue for the fund. Two interim hearings were held specifically on this subject. As our industry fees are already higher than those in our surrounding states, we will continue to oppose any legislation seeking to increase fees, or create new fees, on our industry for the purpose of increasing the size of the state water plan fund.

Immigration

We anticipate the introduction of state-centered immigration bills this session. However, we maintain our position that any such immigration policy should be set on a national level rather than a state-by-state basis.

Regulation Freedom- State level REINS Act

Legislation may be introduced this year to provide greater legislative oversight of costly state agency rules and regulations. The legislation, which mirrors federal legislation, would require any executive branch regulation with an annual economic impact on the regulated community at a certain amount (\$2 million) to come before the legislature for an up-or-down majority vote before being enacted. The federal legislation is known as the REINS act. We stand in support of this proposal.

Ad Astra Rural Jobs Act

Last year, legislation was introduced to create the Ad Astra Rural Jobs program. This legislation was an initiative which would have helped provide revenue for expanding businesses, creating jobs, and growing the local economy in rural areas of our state. As good jobs are vital to maintaining the strong, rural communities in which our industry exists, we will continue to support this legislation.

Kansas Dept. of Agriculture Agenda

KDA has filed a multi-part bill. Two of the items directly affect our industry. One part of the bill amends the Kansas Liming Act to make it unlawful to operate an unregistered manufacturing or distribution facility of agricultural liming materials. This includes failing to timely file annual registration with KDA. Another part of the bill amends the Kansas pesticide law to authorize KDA to assess a late fee against a company that fails to timely renew its pesticide business license. The late fee is 40% of the cost of the \$140 license (minimum \$56). According to KDA, the purpose of these changes is to try attempt to lower administrative costs by ensuring each company timely renews its business license.

Other issues on our radar:

Grain Indemnity Fund- Ensuring proposals from other states to create a grain warehouse indemnity fund doesn't make its way to Kansas.

Ag Lien Central Registry- Protecting against legislation to create a central registry for agricultural commodity liens to replace the current system of prior notification for grain elevators.

State Elevator Inspection Program- Fighting efforts that would create a state-level inspection criteria and licensing program for all personal elevator systems used in a commercial building across the state.