

MINUTES OF THE HOUSE AGRICULTURE AND NATURAL RESOURCES COMMITTEE

The meeting was called to order by Chairman John Faber at 3:30 P.M. on February 13, 2007, in Room 423-S of the Capitol.

All members were present except:

Representative Powell - excused

Committee staff present:

Raney Gilliland, Kansas Legislative Research Department

Jason Thompson, Revisor of Statutes Office

Florence Deeter, Committee Assistant

Conferees appearing before the committee:

Dana Peterson, Kansas Association of Wheat Growers

Woody Moses, Managing Director, Kansas Aggregate Producers' Association, and Kansas Ready Mixed Concrete Association

Kip Spray, Vice-President, Venture Corporation

Dane Barclay, President Alsop Sand Company

Paul Graves, Assistant Chief Engineer, Division of Water Resources, Kansas Department of Agriculture

Joe Kejr, President, Kansas Association of Wheat Growers

Kenlon Johannes, CEO, Kansas Soybean Association

Duane Simpson, Vice-President of Government Affairs, Kansas Grain and Feed Association

Jere White, Kansas Corn Growers Association and Kansas Grain Sorghum Products Association

Others attending:

See attached list.

The Chairman advised members to consider the inundation map distributed from sub-committee Chairman Knox. He noted that landowners below a dam could experience undue hardship in the event of dam failure. He requested members to contact him with any questions or comments.

Dana Peterson, Kansas Association of Wheat Growers, brought information regarding a panel discussion of ethanol from wheat straw and biomass to be held next Tuesday, February 20, 2007, 7:00 - 9:00 p.m., at the Kansas History Center and Museum. She said that two companies will give presentations, one of which is considering locating in Kansas.

Hearing on HB 2353 - Regulation of unconsolidated fills and berms in floodplains.

Woody Moses, Managing Director, Kansas Aggregate Producers' Association, and Kansas Ready Mixed Concrete Association, speaking as a proponent of **HB 2353**, said the basis of the bill has to do with unconsolidated or temporary fills located in floodplains; it does not address permanent stockpiles that limit the flow of water (Attachment 1). He indicated that the proposal of the Division of Water Resources (DWR) to require permits for any temporary structure over one foot puts undue regulation on the sand, gravel and rock producers in the industry. Mr. Moses said the requirement of incorporating engineered plans for producers, whose stockpiles change daily, is egregious.

Kip Spray, Vice-President, Venture Corporation, a company which produces hot asphalt, spoke in favor of **HB 2353** (Attachment 2). He said that the corporation has routinely applied for a permit from the DWR for operations in Dundee, Kansas. Mr. Spray said that because of the different requirements between state and federal regulations, Venture has not been able to obtain a permit. He quoted the amount of money the company spent to be certified and then was informed of three additional requirements to be fulfilled before the application can be completed. Part of his testimony included pictures, a site development plan, an invoice of expenses incurred, and a letter from the Department of Agriculture requesting the need for additional information.

Dane Barclay, President, Alsop Sand Company, who is advocating a favorable passage of **HB 2353**, said that the sand stockpiles made by his company do not require having a permit according to the Federal Emergency Management Agency (Attachment 3). He said there has been no change in the requirement of a permit during the

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past thirty years of any stockpiles less than twelve inches in height. Mr. Barclay cited a letter received from the Division of Water Resources indicated that permits would now be required and that the cost of operating per site would be raised by \$ 15,000. Mr. Barclay indicated that amount of money per site would add a quarter of a million dollars in additional expense and the net gain would be negligible.

Paul Graves, Assistant Chief Engineer, Division of Water Resources, Kansas Department of Agriculture, speaking as an opponent of **HB 2353**, said that the bill creates an exemption not intended within statute **K.S.A. 24-126** (Attachment 4). He said the chief engineer must take into consideration the impact of all proposed projects both upstream and downstream when ascertaining the possibility of destruction should a 100-year flood occur. Mr. Graves indicated that the bill is inconsistent with the levels of flood protection established by state and federal entities.

Eloise Tichenor, Zoning Administrator, Jefferson County, submitted written testimony opposing **SB 2353**. Included, with her testimony is a diagram showing the definition of a floodplain (Attachment 5).

The Chairman closed the hearing on **HB 2353**.

Hearing on HB 2391 - Amending grain commodity commission provisions concerning assessments and refunds.

Joe Kejr, President, Kansas Association of Wheat Growers, speaking as a proponent of **HB 2391**, asked the members to consider raising a wheat assessment from 10 mills to 20 mills per bushel of wheat (Attachment 6). He stated there has not been a significant change in the cap for many years and that doing so would allow Kansas Wheat to maintain a fund level by raising assessments when needed. Mr. Kejr cited the importance of developmental research and funding of biotechnology to keep abreast of the demand for wheat in both local and international markets. In a comparison study regarding assessment refunds, Mr. Kejr said that Kansas has the longest time period for a producer to obtain a refund. He requested support of **HB 2391**, which includes decreasing the time period for persons making request for a refund.

Kenlon Johannes, CEO, Kansas Soybean Association (KSA), speaking in support of **HB 2391**, said that the soybean checkoff proposed in this bill would only be affected if the national soybean checkoff is repealed or suspended (Attachment 7). He said that KSA supports the rate change from 20 mills per bushel to the current federal rate of one-half of one percent of the net market price. Mr. Johannes also expressed support for a 90 day time period for persons requesting a refund.

Duane Simpson, Vice-President of Government Affairs, Kansas Grain and Feed Association (KGFA), and Kansas Agribusiness Retailers Association (KARA), speaking as a proponent of **HB 2391**, said that KARA believes that wheat farmers should have the benefit of reduced costs in the production of herbicide resistant wheat (Attachment 8). Mr. Simpson also requested the inclusion of an amendment requesting the time allotment of a commissioner be established as a serving for a three-year term. He said that the Kansas Association of Ethanol Processors (KAEP), an association affiliated with KGFA and KARA, has representative interest in supporting the funding of research to make cellulosic ethanol a viable product.

Jere White, Kansas Corn Growers Association (KCGA) and Kansas Grain Sorghum Products Association (KGSPA), speaking as an opponent of **HB 2391**, said that changing the statutes pertinent to the mill levy and the reduction of the refund time limit is not in the interest of commodity commissions (Attachment 9). He said that a reduction in the time producers can request a refund could elicit limited results in future programs.

Doug Wilden, former board member, Kansas Wheat Commission, submitted written testimony in opposition to **HB 2391** (Attachment 10).

The Chairman closed the hearing on **HB 2391**.

The meeting was adjourned at 5:40 p.m. The next meeting is scheduled for February 14, 2007.