

SESSION OF 2013

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2050

As Amended by House Committee on
Agriculture and Natural Resources

Brief*

HB 2050 would amend the agricultural chemical law to require the same agricultural chemical to be registered under each separate alternative brand name or label. Current law allows the same agricultural chemical to be registered as a single product with the additional names and labels added by supplement statements during the current period of registration.

In addition, the bill would require applicants seeking a pesticide business license to furnish proof of financial responsibility through a certificate of liability insurance and would repeal the other currently lawful mechanisms for demonstration of financial responsibility, including surety bonds, letters of credit, and escrow accounts. The bill also would increase the minimum coverages required by the certification of liability insurance. For bodily injury the minimum would be increased from \$25,000 to \$50,000 and for property damage the minimum would be increased from \$5,000 to \$25,000.

Background

The bill was introduced at the request of a spokesperson from the Kansas Department of Agriculture. At the hearing on the bill, the proponents included representatives from the Department of Agriculture and the Kansas Pest Control Association. Written testimony in support of the bill was

*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>

provided by the Kansas Agribusiness Retailers Association, the Kansas Cooperative Council and the Kansas Grain and Feed Association. A spokesperson from the Kansas Agricultural Aviation Association spoke in opposition to the bill.

The bill, as introduced, would have repealed the Kansas Agricultural Liming Materials Act that, in general, gives the Department of Agriculture authority to regulate the sale of lime to agricultural producers. The House Committee amendment deletes from the bill those portions that would have repealed the Act.

The fiscal note on the original bill states it was estimated the passage of the bill would increase fee fund revenue by \$21,750 in FY 2014. First, vendors for approximately 900 alternately-labeled pesticide products would pay a total of \$45,000 in registration fees. Second, the Department of Agriculture estimates a fee revenue loss of \$23,250 should the Agricultural Liming Act be repealed. Third, the insurance liability change in the bill would have no fiscal effect. Therefore, the Department would show a net revenue increase of \$21,750 in FY 2014. The Department further states passage of the bill would have no fiscal effect on local governments. The amendments to the bill would eliminate the estimated revenue loss to the agency. Any fiscal effect associated with the bill is not reflected in *The FY 2014 Governor's Budget Report*.