Approved: March 14, 2008

Date

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 21, 2008, in Room 783 of the DSOB.

All members were present except:

Representative Carl Holmes - excused Representative Tom Moxley - excused Representative Vaughn Flora - excused

Committee staff present:

Raney Gilliland, Kansas Legislative Research Department Hank Avila, Kansas Legislative Research Department Gordon Self, Revisor of Statutes Kristen Kellems, Revisor of Statutes Florence Deeter, Committee Assistant

Conferees appearing before the committee:

Representative Mitch Holmes, District 114 Chris Tymeson, Chief Legal Counsel, Kansas Department of Wildlife and Parks Constantine Cotsoradis, Deputy Secretary, Kansas Department of Agriculture Duane Simpson, Kansas Agribusiness Retailers Association Don Sayler, Kansas Restaurant and Hospitality Association Terry Harris, Larned, Kansas Mary Glassburner, Director of Bureau of Consumer Health, Kansas Department of Health and Environment Whitney Damron, Kansas Sport Hunting Association Ken Corbet, Ravenwood Hunting Preserve Brad Harrelson, Kansas Farm Bureau Mike Beam, Kansas Livestock Association Dave Corbin, Kansas Department of Revenue Randy Smith, Kansas Bowhunters's Association {written only}

Others attending:

See attached list.

Hearing on HB 2800 -wildlife; youth hunt of a lifetime deer permits.

Staff Kristen Kellems briefed the committee on the amendments to <u>HB 2800</u>, stating the language allows organizations to issue free permits for hunting.

Representative Mitch Holmes, District #114, spoke as a proponent of <u>**HB**</u> 2800, and requested an amendment to allow non-profit organizations the freedom to issue special permits free of charge to the young hunter (<u>Attachment 1</u>).

Chris Tymeson, Chief Legal Counsel, Kansas Department of Wildlife and Parks, stated the Department supports the youth hunt of a lifetime program; however, the provisions contained in the bill cannot be supported (<u>Attachment 2</u>). He said costs cannot be imposed on current hunters, and without purchase of a hunting license, the end result is loss of federal aid apportioned back to the state based on the number of license holders. Mr. Tymeson said the Make-A-Wish Foundation is no longer participating in the hunt of a lifetime program. In answer to questions, Mr. Tymeson said the cost of permits for out-of-state hunters is \$320.

The Chair closed the hearing on HB 2800.

Hearing on HB 2860 - registration of agricultural chemicals.

Staff Kristen Kellems briefed the committee on the amendments in <u>HB 2860</u>. She said the language indicates the Secretary of Agriculture may adopt rules and regulations to allow pesticide products to be registered for a period not in excess of three years, thus removing the annual fee of \$150. Registering products for a three-

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year period requires payment of \$450.

Duane Simpson, Chief Operating Officer, and Vice-President of the Kansas Agribusiness Retailers Association, spoke in support of <u>HB 2860</u>. He said it gives the Secretary of the Department of Agriculture the authority to extend pesticide registrations from an annual application to a three-year period and greatly reduce the amount of paperwork. He said this is a technical change that would not have any negative impact to the state (<u>Attachment 3</u>).

Constantine Cotsoradis, Deputy Secretary, Kansas Department of Agriculture, said the Department registers approximately 12,000 pesticide products annually. He said that if the registration process is modified, renewals would need to be staggered over a two to three year period (<u>Attachment 4</u>).

The Chair closed the hearing on HB 2860.

Hearing on <u>HB 2838</u> - <u>amending food service establishment licensure; creating an exception for hotels</u>.

Don Sayler, President and CEO, Kansas Restaurant and Hospitality Association (KRHA), provided testimony in support of <u>HB 2838</u>, which seeks to correct the current disparity of fees in statutory treatment of food service provided for lodging guests (<u>Attachment 5</u>). In Mr. Sayler's absence, his testimony was presented by Julie Hein. Mr. Sayler said KRHA and the Kansas Department of Health and Environment (KDHE) are involved in dialogue regarding fees and inspection of food service and lodging establishments.

Mary Glassburner, Director of the Bureau of Consumer Health at KDHE, said the proposed language in <u>HB</u> <u>2838</u> will result in licensed food service establishments who have guests overnight, and who offer complimentary food, will be exempt from food safety inspection and regulation (<u>Attachment 6</u>). Ms. Glassburner offered language to amend the bill, stating that hotels will be exempt from paying for a separate food service license if they offer only complimentary meals to overnight guests.

The Chair closed the hearing on HB 2838.

Hearing on SB 487 - <u>sales tax exemption for fees for guided and non-guided hunting; sale of game birds</u> <u>for hunting.</u>

Gordon Self, Revisor of Statutes, indicated <u>SB 487</u> was originally introduced by the Committee on Assessment and Taxation and was part of a ruling from the Department of Revenue to attempt to clarify a law with regard to sales tax on guided and non-guided hunting and the sale of game birds.

Whitney Damron, spoke on behalf of the Kansas Sport Hunting Association and Flint Oak, LLC, both of which lend support to <u>SB 487</u>. Mr. Damron said there has been some confusion as to whether sales taxes are applicable to services provided by not-for-profit and private organizations. He indicated Kansas could do more to provide hunting and shooting sports (<u>Attachment 7</u>).

Ken Corbet, owner of Ravenwood Hunting Preserve, and Past President of the Kansas Sport Hunting Association, brought testimony in support of <u>SB 487</u>. The organization has hunt providers and bird producers in more than eighty counties in Kansas. Mr. Corbet said that the support of farmers and ranchers is most important in providing opportunity for hunting experiences in Kansas (<u>Attachment 8</u>).

Brad Harrelson, State Policy Director, Kansas Farm Bureau, stated support for <u>SB 487</u>. He said that the agency opposes sales tax for services provided; sales tax should only be required on retail sales (<u>Attachment 9</u>).

Mike Beam, representing Kansas Livestock Association (KLA), spoke in support of <u>SB 487</u>. He said that members of KLA who have provided leased hunting rights on their property are required to pay income tax and should not be required to pay sales tax (<u>Attachment 10</u>).

David Corbin, Kansas Department of Revenue, said that out-of-state hunting licenses have become big business in Kansas. He expressed concern that the exemption explained in <u>SB 487</u> will diminish the sales tax

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base (<u>Attachment 11</u>). He said the Department of Revenue does not hold the position of taxing leases; leases are similar to rent. Mr. Corbin will provide information requested by committee members regarding:

- the amount of tax collected by the Department in previous years, and
- other states that collect taxes for hunting on leased property.

Randy Smith provided written testimony opposing the passing of **<u>SB487</u>** (Attachment 12).

The Chair closed the hearing on **<u>SB 487</u>**.

The Chair requested consideration of <u>HB 2908</u> - <u>permits for farm wineries</u>. <u>Representative Svaty moved</u> to pass <u>HB 2908</u> favorably to be placed on the Consent Calendar. Representative Bowers seconded the <u>motion</u>. <u>Motion passed</u>.

The meeting was adjourned at 5:05 p.m. The next meeting is scheduled for February 25, 2008, at 3:30 p.m.