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**Testimony in Support of HB 2135 to
the House Committee on Agriculture
by Chad Bontrager, Deputy Secretary
Kansas Department of Agriculture
February 6, 2017**

Good afternoon, Chairman Hoffman and members of the committee. I am Chad Bontrager, Deputy Secretary for the Kansas Department of Agriculture (KDA), and I appreciate the opportunity to provide testimony in support of HB 2135.

Dairy Fees

- Fees charged by the dairy and feed safety program authorized in K.S.A. 65-778 and 65-781 will sunset to lower levels on July 1, 2018. HB 2135 proposes to retain the current fees and extend the sunset to 2028. The difference in fees collected now versus after the sunset represent approximately \$292,000 in revenue for the dairy and feed safety program, roughly 21 percent of the program's budget.
- HB 2135 gives the Secretary of Agriculture the authority to adjust fees by order under the fee caps in order to balance revenue and expenses within the program.
- Dairy fees with sunsets extended by HB 2135 are:
 - Dairy Manufacturing Plant License
 - Milk Distributor License
 - Milk Hauler License
 - Milk or Cream Station License
 - Single Service Manufacturing License
 - Milk Tank Truck Cleaning Facility License
 - Grade A Milk Producers Inspection Fee
 - Packaged Grade A Milk Product Inspection Fee
 - Grade A Milk Pasteurization Inspection Fee
 - Manufacturing Grade Milk Inspection Fee
 - Grade A Milk Processing Inspection Fee
 - Frozen Dairy Dessert Manufacturing Inspection Fee
 - Frozen Dairy Dessert Import Inspection Fee

Paper Document Processing Fee

- HB 2135 proposes the establishment of an agency-wide paper document processing fee in the K.S.A 74-576 regarding the powers of the secretary. The fee would be set by order and capped at \$50. Paper documents include applications, registrations, permits, licenses, certifications, renewals, reports and remittance of fees.
- The paper document processing fee would only be applied to those documents in which a paperless option is offered by the department.
- KDA customers have been clear in their expectation that the department offer online processing and the use of credit cards for payment. KDA supports this expectation and is excited to continue to offer more of our processing online. We believe that convenience fees charged for online processing discourage the use of online processes. Rather, we would like to charge a fee for paper processing that helps cover the higher cost of paper processing and incentivizes customers using the online processes.

Thank you for the opportunity to present testimony in support of HB 2135. I will stand for questions at the appropriate time.