

1515 E. 30th Avenue
Hutchinson, KS 67502
www.kansasco-op.coop



Phone: 785-233-4085
Toll Free: 888-603-2667

Date: February 10, 2022
To: Chairman Ken Rahjes, House Agriculture Committee
From: Shahira Stafford, Kansas Cooperative Council
RE: **Proponent Testimony on House Bill 2563**

Mr. Chairman and Members of the Committee,

On behalf of the Kansas Cooperative Council (KCC), thank you for the opportunity to provide proponent testimony on House Bill 2563. The KCC is a statewide association that works on behalf of all types of cooperatively structured businesses in Kansas. Some of the industries organized as cooperatives include agriculture, utility, financial and insurance. Simply, cooperatives differ from other businesses because they are member-owned, member-controlled, democratically governed, and profits are returned to member-owners.

Most of KCC's members are agricultural retail cooperatives that are licensed and regulated by the Kansas Department of Agriculture (KDA). As such, we support a strong state agency and appreciate their efforts to ensure our cooperatives can do business in a safe environment.

Of the several statutes that HB 2563 impacts, the changes to the Commercial Industrial Hemp Act and Kansas Seed Law are of interest to our members.

The KCC supports industrial hemp as a viable alternative crop for Kansas farmers. Further research is needed to determine industrial hemp's viability as a cash crop and ensure that a sustainable market and regulatory framework is in place for hemp to serve as a stable source of fiber, food, or fuel. HB 2563 will expand and strengthen the industrial hemp program to further its commercial production.

In addition, this bill revises definitions of agricultural seed, noxious weeds, and updates label requirements for the commercial sale of weed seed. While it also grants a new civil penalty authority, we support the amendment proposed by the Kansas Agribusiness Retailers Association that seeks to cap the maximum civil penalty for continuing violations at \$3,000:

KSA 2-1422. Penalties for violations.

(b) The secretary, after providing notice and opportunity for a hearing, in accordance with the Kansas administrative procedure act (K.S.A. 77-501, et seq.), may suspend, revoke, or deny any registration and assess a civil penalty against any person who violates or fails to comply with the requirements of this act and amendments thereto, or any rules or regulations adopted hereunder, of not less than \$100 nor more ~~\$1,000~~ \$3,000 per violation. In the case of a continuing violation, each day such violation continues shall not ~~may~~ be deemed a separate violation for the purpose of assessing a new civil penalty. Such civil penalty may be assessed in addition to any other penalty provided by law.