



Kansas Grain & Feed Association  
Kansas Agribusiness Retailers Association  
Renew Kansas Biofuels Association

March 24, 2021

To: Senate Committee on Ways and Means  
From: Randy Stookey, Senior Vice President & General Counsel  
Re: **Neutral Testimony on House Bill 2087, limiting review of certain rules and regulations by the Budget Director – Consideration of Amending Threshold for Director Review**

---

Chairman Billinger and members of the committee, thank you for the opportunity to testify on House Bill 2087. This testimony is being submitted jointly by the Kansas Grain and Feed Association (KGFA), Kansas Agribusiness Retailers Association (KARA), and Renew Kansas Biofuels Association.

KGFA is the state association of the grain receiving, storage, processing and shipping industry in Kansas. KGFA's membership represents 99% of the commercially licensed grain storage in the state. KARA is a trade association of over 700 agribusiness firms that supply fertilizers, crop protection products, seed, petroleum products, and agronomic services to Kansas farmers. Renew Kansas is the trade association of the Kansas biofuels industry.

Broadly, members of our associations operate in agribusiness, which is a highly-regulated industry. Most regulations are necessary and proper. However, because regulations have the full force and effect of law, the process of adopting regulations should be deliberate and fully transparent to the regulated industry.

In 2018, the Kansas legislature passed legislation which, principally, was intended to increase the transparency of the fiscal impact of proposed regulations. As the economic impact of proposed regulations is something that must be analyzed carefully, our members strongly supported passage of that legislation.

It is our understanding that following passage of that legislation, the work load of the State Budget Director became overwhelming due to the new flow of document review. This bill seeks to make necessary changes to the review process that we agree with in order to alleviate some of the duties on the Budget Director.

Under current law, the Director is required to make an independent determination regarding implementation and compliance costs and may approve or disapprove of a rule and regulation based upon the accuracy of the economic impact statement.

House Bill 2087 would remove some of the requirements on the Director, and would specify that the Director would not be required to review regulations if the submitting agency determines such rules and regulations would not result in costs of more than \$3 million over two years.



During the hearing on this bill in the House Committee, testimony was given which stated that very few of the proposed agency regulations have had an economic impact greater than this \$3 million threshold. In addition, testimony was received which indicated that even a \$1 million threshold would not significantly impact the State Budget Director's workload.

For this reason, the committee might consider amending the bill to require the Budget Director to review and approve proposed rules and regulations with estimated economic impacts of \$1 million or more, rather than the current \$3 million threshold. See House Bill 2087, Section 2: 77-420(a)(2) and (3); and (b).

Such an amendment would strengthen the underlying review process. This amendment was offered in the House Committee, but failed by one vote. Adoption of such an amendment would allow our associations to move from a neutral position to a proponent position on this bill.

Thank you for allowing us to present our thoughts on this bill.