

Turn to KLA for answers

ONE OF THE MANY VALUABLE SERVICES KLA PROVIDES ITS MEMBERS IS TROUBLESHOOTING. WHETHER IT'S TAX ISSUES, FENCE LAW QUESTIONS OR REGULATORY INFORMATION REQUESTS, KLA IS HERE TO HELP

KLA provides a host of beneficial services to members. Possibly the most valuable is troubleshooting for individual members on issues affecting their businesses. Some questions are related to legal issues, while others are not. Examples include how fence law applies to a partition fence, whether certain farm equipment is subject to sales tax, rules about terminating an oral pasture lease and regulations governing water rights.

Members are encouraged to call KLA when these and other issues arise. KLA staff has a wealth of experience providing guidance to members with business problems. In many cases, the challenge faced by an individual member likely has previously been encountered by another member and handled by KLA staff. Take advantage of this organizational knowledge by calling KLA for troubleshooting assistance. This is another way to maximize the value of your membership!

A KLA member called the office with questions about constructing some new cattle feeding pens. Before doing so, KLA staff was able to provide a review of applicable regulatory licenses. Most commonly, those include water quality permits from the Kansas Department of Health and Environment, water quantity permits from the Kansas Division of Water Resources and an animal health facility license from the Kansas Division of Animal Health. Others, ranging from fuel storage to storm water runoff to animal disposal, also may apply.



With the assistance of KLA, the Kansas Department of Revenue updated the Kansas Feedyard Appraisal Guide. The guide ensures Kansas feedyards are valued uniformly across the state. First adopted in 1998, the guide starts with the market value of feedyards and adjusts for mill type, materials and quality. The final per-head value includes the land and physical improvements.

A member was leasing land that had just sold to a new landowner. The new landowner wanted immediate possession. KLA staff explained to



the member that an oral lease is yearlong and only terminates with written notice 30 days prior to March 1. Therefore, the

new landowner could not take immediate possession.

A member who owns a feeding facility under 1,000 head called regarding the feedlot property tax appraisal guide for commercial feedlots. KLA staff helped work with the county appraiser and the state to determine whether the small facility qualified as a commercial feedlot. This county appraiser was unfamiliar with the intricacies of the feedlot appraisal guide.

Based on demand from members, KLA started a self-insured workers' compensation pool in 1994. The mission of the program is to "prevent accidents and save lives." With help from KLA Safety Director Chuck Pirie, member businesses in the pool implement proven safety practices. One member recently told KLA their employees are their most important asset. They thanked KLA for helping make their feedyard a safer place to work.

A KLA member contacted the office with questions about taxes and tagging of farm trailers. Trailers are considered farm machinery and equipment if they are actually and regularly used in the farming operation and designed and used primarily as a farm vehicle. These trailers are not subject to property tax or sales tax. A trailer that hauls a load greater than 6,000 lbs. (not including the weight of the trailer) is required to be tagged and registered. Only farm trailers hauling 6,000 lbs. or less are exempt from registration requirements.

KLA conducted a salary and benefit survey for members of the Cattle Feeders Council. The survey can serve as a valuable tool to check employee costs with others in the industry. Results of the survey are only available to participants. Twenty-three feeding companies and 34 feedyard locations participated in the latest survey.

A tenant did not pay a KLA member the rent due on a cropland lease. KLA staff helped explain how to legally eject the tenant for nonpayment of rent under Kansas law.

A member called with questions about what was necessary to build a livestock watering pond in a flood plain. Staff worked with the member to determine what permits were needed at the local and state levels. The staff person also connected the member with the appropriate state agency personnel to permit the pond.

A KLA member asked about the need to purchase a service that provides all applicable labor law posters. While convenient, purchase of these postings may not be necessary. KLA regularly provides web links to all applicable labor postings that can be downloaded and printed free of charge.

When an individual member was developing dairy heifers and not receiving payment for care and feeding of animals, he called KLA.

Staff explained to the member that Kansas has a statutory lien for the feeding and care of livestock that eventually allows the sale of animals in their possession.



After starting construction on a feedyard renovation, a member contacted KLA staff about a project exemption certificate (PEC). A PEC allows any construction project to be completed without sales tax. KLA worked with the member to get a PEC for the remaining parts of the project, and also claim a refund on parts that had been completed. Depending on the project, a PEC may pay for annual KLA dues. Contact KLA for assistance.

A KLA staff attorney attending a livestock show was asked by a member to review a contract. After analyzing the document, staff legal counsel suggested changes to protect the business interests of the KLA member.

A member in Oklahoma who rents grass in the Flint Hills and feeds cattle at a KLA member feedyard called the office looking for pasture rental rates. KLA staff sent him the latest Bluestem Pasture Report



from the Kansas Department of Agriculture (KDA), which includes average rates reported by landowners for grazing agreements. The member also wanted

to register a brand in Kansas. Staff provided contact information for the KDA brand division.

A member called with questions about the Form I-9 process for hiring individuals. KLA staff helped walk the member through the I-9 guide, answering many frequently asked questions.

Twenty-five years ago, feedyard operators turned to KLA for help with workers' compensation. Rates were rising fast and there wasn't much help with safety specific to livestock. That's when KLA formed the first-ever statewide, self-insured workers' compensation program for livestock operators. Members of the program have made feedyards, dairies and swine operations a safer place to work. Safer workplaces have resulted in more than \$13 million in dividends being distributed to pool members since the program began.

A member who raises livestock called concerning the building and maintenance of a partition fence. The adjacent landowner only raised crops and did not wish to contribute to the fence. KLA staff explained that Kansas law requires both landowners to contribute to the building and maintenance of a partition fence in equal shares.

While reviewing monthly bills, a member realized sales tax had been applied to the purchase of utilities at the feedyard. Utilities to pump water and process feed are considered "consumed in production" and exempt from state and local sales tax. KLA staff helped the member apply for a refund and work with the utility company to claim the exemption on future purchases. This savings more than paid the yard's annual KLA dues.

A member with a feedyard noticed their feed trucks were on the property tax rolls. Feed trucks are exempt from property tax as farm machinery and equipment. KLA staff worked with the member to file the correct exemption form to remove the trucks from the tax rolls and obtain a refund. ■