

MINUTES OF THE SENATE COMMERCE COMMITTEE.

The meeting was called to order by Chairperson Alicia Salisbury at 8:00 a.m. on March 17, 2000 in Room 123-S of the Capitol.

All members were present except: Senator Feleciano

Committee staff present: Lynne Holt, Legislative Research Department
Jerry Ann Donaldson, Legislative Research Department
Bob Nugent, Revisor of Statutes
Betty Bomar, Secretary

Conferees appearing before the committee:
Major General Gregory B. Gardner, Adjutant General
Judy Moler, Kansas Association of Counties
Lieutenant Governor/Secretary Gary Sherrer
Charles Ranson, President, Kansas, Inc.

Others attending: See attached list

HB 2945 - Task force to make recommendations to legislature regarding 911 and E911

Major General Gregory B. Gardner, Adjutant General of Kansas, stated the Adjutant General's Office is minimally involved in the emergency network, and requested that they not be included as a member of the task force created by **HB 2945**. Major General Gardner suggested that a member of the emergency medical service and a firefighter be included on the task force.

Judy Moler, Kansas Association of Counties (KAC), stated KAC prefers the provisions of **SCR 1641 to HB 2945**.

Senator Jordan moved, seconded by Senator Barone, that HB 2945 be struck in its entirety and the provisions of SCR 1641 be incorporated into a substitute for HB 2945, and be amended on Page 2, by adding "and a firefighter", and striking "The Adjutant General or the Adjutant General's designee". The voice vote was in favor of the motion.

Senator Donovan moved, seconded by Senator Jordan, that substitute for HB 2945 as amended be recommended favorably for passage. The recorded vote was in favor of the motion.

HB 2938 - Relaxation of restrictions on interstate practice of public accountancy

Senator Ranson moved, seconded by Senator Steffes, that HB 2938 be amended at Page 2, line 15, following the word "of" by inserting "professional" and adding a "y" to the word "dishonest". The voice vote was in favor of the motion.

Senator Barone moved, seconded by Senator Steffes, that HB 2938 be conceptually amended on Page 13, by inserting an "administrative appeal process for firms". The voice vote was in favor of the motion.

Senator Steffes moved, seconded by Senator Barone, that HB 2938 be recommended favorably for passage as amended. The recorded vote was in favor of the motion.

HB 2769 - Variance for nonconforming boilers and pressure vessels

CONTINUATION SHEET

Senator Steineger moved, seconded by Senator Donovan, that HB 2769 be recommended favorably for passage and placed on the consent calendar. The recorded vote was in favor of the motion.

HB 2688 Capital formation company act

Lieutenant Governor/Secretary Gary Sherrer, Kansas Department of Commerce and Housing (KDOC&H), in response to a question posed to him yesterday regarding his "last minute" opposition to **HB 2688**, referred to the Preliminary Minutes of the Joint Committee on Economic Development, dated December 2, 1999, wherein Steve Kelly stated the reservations of the KDOC&H with the proposed legislation. (Attachment 1)

In responding to Senator Ranson's request for clarification of his March 16 testimony, Lieutenant Governor/Secretary Sherrer reiterated his concerns with public policy relative to three issues: 1) that as written, **HB 2688** allows for continued investment in a qualified Kansas business for a period of seven years even though the firm may no longer meet the criteria established to be a qualified Kansas business; 2) that there is no stipulated minimum number of years that a CFC would have to continue to operate; and 3) that CFCs are allowed to invest the balance of monies not tied up in equity investments in other types of investments. Lt. Governor Sherrer reminded the Committee that these were policy issues of which the Committee should be aware before passage of the legislation.

KDOC&H estimates the need for 1.5 FTE to administer the program. Oklahoma has an operating budget of \$350,00 for the administration of a similar program. The Lt. Governor showed the Committee a flow chart of duties connected with the administration of the program, prepared by KDOC&H staff.

Charles Ranson, President, Kansas, Inc., distributed proposed amendments to **HB 2688**, which addresses some of the concerns stated by Lt. Governor Sherrer. (Attachment 2)

Mr. Ranson explained why business should remain eligible for investment for a seven year period and offered an amendment to require that at least 50% of a company's employees remain in the state to be eligible for follow-on investment.

The committee raised questions regarding the timing of tax credit availability to qualified investors. Mr. Ranson explained that the tax credits could be taken in 10% interval each year as long as the CFC reached investment goals as provided in Section 5, at Page 4, line 40.

He further explained that tax credits could be forfeited if the CFC failed to reached the established investment goals.

Senator Jordan moved, seconded by Senator Donovan, that the Minutes of the March 15th and March 16th Meetings be approved. The vote was unanimous in favor of the motion.

The meeting adjourned at 9:00 a.m.

The next meeting is scheduled for March 21, 2000.