

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Karin Brownlee at 8:30 a.m. on January 22, 2004 in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Kathie Sparks, Legislative Research
Susan Kanarr, Legislative Research
Helen Pedigo, Revisor of Statutes
Nikki Kraus, Committee Secretary

Conferees appearing before the committee:

Tracy Taylor, KTEC
Jerry Lonergan, President, Kansas Inc.

Others attending:

See Attached List.

Mr. Taylor presented the committee with the Kansas Technology Enterprise Corporation update for January 2004 (Attachment 1). The three main areas of focus for KTEC are research, business assistance, and investments. The “3 C’s” of KTEC are *Collaboration*, referring to its efforts to work with the state, universities, and private foundations, *Commercialization*, referring to innovation centers and the Centers of Excellence, and *Capital*, through capital formation companies, InvestMidwest, and local incubator see funds. Mr. Taylor went on to outline several ongoing projects and explained the continuing efforts of KTEC to facilitate technology-based economic development in the state.

Mr. Taylor discussed additional details of funding procedures with the committee, as well as combined efforts with Kansas State University. Mr. Taylor also outlined partnerships with larger companies’ product development and marketing departments, including an upcoming dairy product that could be offered as an alternative vending machine product to traditional pop and unhealthy snacks.

Mr. Taylor stated that through reinvestment in the program, there has been great progress, and he was confident it would continue.

Mr. Lonergan presented an “Informational Update on Kansas, Inc.” (Attachment 2). In this, he outlined the creation and purpose of Kansas, Inc., summarizing to three main points: conducting research and develop policies geared to position Kansas to be competitive for economic growth; develop, monitor, and update the state’s strategic plan for economic development; and evaluate economic development programs. Mr. Lonergan outlined the research prospects for calendar year 2004 and fiscal year 2005 through both external research programs (the economy of an aging population, bioscience collaboration, and entrepreneurship among others), internal research programs (impacts/performances of state economic development programs, coal-bed methane economic impacts, and workforce demographics, among others), and collaborative Kansas Inc.-Legislative efforts such as benefit-cost analysis of tax incentives.

In response to the committee, Mr. Lonergan stated that anytime a state raised taxes, it would be less competitive, but that there needed to be a balance that was fair in order to provide valuable services.

The committee discussed the value of “whole racing” to the state, a topic which includes everything from dogs and horses to automobiles to bicycle and track events.

Senator Barone referred to an article published by Karl Peterjohn that stated Kansas has the highest property taxes. Mr. Lonergan stated that while taxes were certainly very important, it was necessary to consider whole business cost, including factors like land values, wages, and many other factors.

Mr. Lonergan referred to a business cost tax study currently underway, and the Chair stated that the committee would like to see that whenever it might become available.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMERCE COMMITTEE at 8:30 a.m. on January 22, 2004 in Room 123-S of the Capitol.

The meeting adjourned at 9:30 a.m. The next meeting will be at 8:30 a.m. on January 23, 2004 in Room 123-S of the Capitol.