

MINUTES OF THE SENATE COMMERCE COMMITTEE.

The meeting was called to order by Chairperson Alicia Salisbury at 8:00 a.m. on March 3, 2000 in Room 123-S of the Capitol.

All members were present except:

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

Conferees appearing before the committee:

Steve Kelly, Kansas Department of Commerce and Housing
Jim Janousek, Kansas Department of Commerce and Housing

Others attending: See attached list

HB 2832 - Kansas economic opportunity initiatives fund: additional reporting requirements

Steve Kelly, Kansas Department of Commerce and Housing (KDOCH), testified **HB 2832** requires the five member panel charged with reviewing the projects funded by KEOIF to report its findings to the Chair of the House Economic Development Committee, and the Chair of the Senate Commerce Committee. Current law requires a five member panel consists of the Secretary of KDOCH, the president of Kansas, Inc., the president of KTEC, the private sector chair of the board of Kansas, Inc., and the private sector chair of KTEC, to review annually the propriety of projects funded by KEOIF and report its findings to the Governor. KDOCH has not called a meeting of the panel to review the propriety of projects funded by KEOIF since the 1996 law took effect. This was an oversight by the department.

HB 2832 also expands the use of KEOIF funds to include “substantial reduction” of a major federal or state institution or facility.

Mr. Kelly testified the 1996 bill relating to KEOIF gave the Secretary of Commerce and Housing the authority to certify issuance of warrants when an economic emergency or an opportunity exists for securing economic benefits or avoiding economic losses. The five member panel, previous to this legislation, was required to certify the issuance of warrants by a majority vote.

Senator Ranson moved, seconded by Senator Barone that HB 2832 be amended at Page 3, on Line 1 following the word “shall” by inserting the words “submit a written”; on Line 2, strike the words “the chair of”, on Line 3, strike the word “the chair of”, and at the end of the sentence insert the following: “, the joint committee on economic development”. The voice vote was unanimous in favor of the motion.

Senator Barone moved, seconded by Senator Jordan, that HB 2832 be recommended favorably for passage as amended. The recorded vote was unanimous in favor of the motion.

A response from KDOCH to questions asked previously by the Chair regarding the state’s investment in rural areas and the housing needs in small and medium-sized communities was distributed to the Committee. Jim Janousek reviewed the material which shows that of the funds available at the state level, 51.1% has been awarded to rural areas of the state. The rural population is approximately 39% of the state population. The information also reflects that since 1994 there has been a shift in the Housing Tax Credit Program from urban to rural, and that 58% of the monies available are spent in the rural areas. There are sixty-five counties participating in the First Time Homebuyer Assistance Program. Mr. Janousek reviewed the 1999 Mortgage Revenue Bond, as well as the Mortgage Credit Certificate program which has provided funding in 45 counties for first time homebuyers. (Attachment 1)

CONTINUATION SHEET

In response to a question posed by Senator Gooch Mr. Janousek stated the Community Block Grant that goes directly to urban counties is not reflected in the information provided by KDOCH.

Senator Jordan moved, seconded by Senator Barone, that the Minutes of the March 1, 2000 Meeting be approved. The vote was unanimous in favor of the motion.

The meeting was adjourned at 9:00 a.m.

The next meeting is scheduled for March 7, 2000.