

MINUTES OF THE SENATE COMMERCE COMMITTEE.

The meeting was called to order by Chairperson Karin Brownlee at 8:30 a.m. on March 25, 2003 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: April Holman, Legislative Research
Deb Hollon, Legislative Research
Mitch Rice, Revisor of Statutes
Jodie Anspaugh, Secretary

Conferees appearing before the committee:

Others attending: See attached list.

The committee met to finish discussion on and work HB 2208.

The committee agreed that a project-by-project approach to Starbonds is flawed and a statewide approach is needed. The committee considered taking the text of SB 235 and putting it into HB 2208.

April Holman from Legislative Research noted that when retail is included in a Starbond project, the sales tax that is collected will go to pay off the Starbonds for up to 30 years, instead of going to the state general fund. Senator Jordan noted that he would like to see economic development in Wichita. SB 235 would accomplish this. But without a threshold, Starbonds could become predominant in Kansas. SB 235 with the threshold is a better bill. Senator Emler moved to remove the language from HB 2208 and replace it with SB 235. Senator Kerr seconded. The motion carried. (Attachment 1)

Senator Jordan noted that retail is important to small town development. Senator Kerr agreed, and stated that Wal-Mart has done more to destroy rural downtowns than any other force. Chairperson Brownlee said that each bond project should be approved by the Secretary of Commerce. Local governments must prepare a project plan to participate.

Senator Buntin moved to amend the bill so that if the market study forecasts a substantial negative impact, the Secretary of Commerce shall not approve the project. Senator Kerr seconded. The motion carried.

The committee discussed a local participation requirement. Perhaps local governments should contribute all or a portion of their local sales tax to the project. Senator Kerr moved to change the language on page 8 to read, "and the ratio of state tax dollars to local tax dollars dedicated to the repayment of the special obligation bonds shall not exceed three to one." Senator Emler seconded. The motion carried.

CONTINUATION SHEET

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Senator Kerr moved to adopt the language on the balloon on page 8 and add Nexus language. (Attachment 2) Senator Barone seconded. The motion carried.

Senator Wagle moved to limit the bonds to 20 years. Senator Emler seconded. The motion carried.

Senator Jordan moved to add new Section 7 on the last page to allow Kansas, Inc. to collect tax information from the Department of Revenue and do research on the Starbond projects to verify their benefit. Senator Bunten seconded. The motion carried.

Senator Wagle proposed a number of amendments, including changing the effective date on the Kansas register, defining what a riverwalk should be (Attachment 1, pages 3 and 4), and adopting the balloon amendment on page 5 (Attachment 1). Senator Wagle moved to adopt her amendments. Senator Emler seconded. The motion carried.

Senator Jordan moved to pass the bill out favorably for passage. Senator Emler seconded. The motion carried.

The meeting was adjourned at 9:30 a.m.

The next meeting is scheduled for March 26, 2003 at 7:30 a.m. in Room 123-S.