

MINUTES OF THE HOUSE ECONOMIC DEVELOPMENT COMMITTEE

The meeting was called to order by Chairman Kenny Wilk at 3:30 p.m. on March 11, 2004, in Room 526-S of the Capitol.

All members were present except:
Representative Don Hill- excused

Committee staff present:
Kathie Sparks, Legislative Research Department
Susan Kannarr, Legislative Research Department
Renae Jefferies, Office of Revisor of Statutes
Helen Pedigo, Office of Revisor of Statutes
Fulva Seufert, Secretary

Conferees appearing before the committee: Mike Farmer, KTEC

Others attending:
See Attached List.

Chairman Wilk announced that the committee would be working the following bills:

SB 520 - Creating the Kansas downtown redevelopment act

SB 480 - Kansas investor tax credit act

SB 394 - Impact, increased cap on major product investment; authorizes direct investment to educational institutions

Chairman Wilk explained that he would have a motion to amend the population number in **SB 520** to be consistent with other bills. Chairman Wilk moved that on page 2, line 23, to change the 50,000 threshold to 25,000 so as to be consistent with other legislation. Representative Novascone seconded. Motion passed.

Representative Carlin made a substitute motion that on page 1, line 22, the word "abatement" be changed to "rebate" to be consistent, and Representative Burroughs seconded. Motion passed.

Representative Novascone made a motion to pass out favorably as amended **SB 520**, and Representative Boyer seconded. Motion passed.

Chairman Wilk drew the committee's attention to **SB 480**.

Chairman Wilk asked Mike Farmer to explain the balloon amendment on page 2, line 25 which deletes the following: "except that no tax credit shall be allowed in a year prior to 2006" and in lines 27 and 28 delete the words, "beginning in the year 2006." Mr. Farmer also explained the addition of (3) on page 3, line 42 which adds the following: "a statement of the business' innovative and proprietary technology, product or service." Also, on page 4, line 22, add (4) "the business has an innovative and proprietary technology, product or service." (Attachment 1)

Representative Burroughs made a motion to accept these balloons on **SB 480**, and Representative Boyer seconded. Motion passed.

Representative Burroughs made a conceptual amendment that there is nothing in the bill to reference clawback language and he wanted to see a clawback delegating authority to Commerce Secretary to write the rules and regulations. Representative Carlin seconded. After discussion, with Representative Carlin's approval, Representative Burroughs withdrew his motion.

Representative Burroughs made a motion to add a clawback with a ten year provision, and Representative Carlin seconded. Motion passed.

CONTINUATION SHEET

MINUTES OF THE HOUSE ECONOMIC DEVELOPMENT COMMITTEE at 3:30 p.m. on March 11, 2004, in Room 526-S of the Capitol.

Chairman Wilk said that Ms. Helen Pedigo, Revisor, had penned a definition for “Angel investor” to be included on page 1, Sec. 2, line 30 to read as follows: “Angel investor” means an individual investor of high net worth who seeks high returns through private investments in start-up companies and may see active involvement in the business, such as consulting and mentoring the entrepreneur.” (Attachment 2)

Representative Loganbill made a motion to include this definition and Representative Kuether seconded. Motion passed.

Representative Boyer made a motion to pass out marked favorable SB 480 as amended. Representative O’Malley seconded. Motion passed.

Chairman Wilk said the Committee should direct its attention to **SB 394**.

Representative Krehbiel made a minor change on page 3, line 15, to read make up to 15%, and Representative Loganbill seconded. Motion passed.

Representative Burroughs made a motion to pass out SB 394 marked favorable for passage as amended. Representative Krehbiel seconded. Motion passed.

Representative Gordon announced the Lights, Camera, Action (LCA) Sub Committee would be taking a trip to QuVis at 12:00 noon on Friday, March 12, 2004.

The meeting adjourned at 4:30 p.m.