

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Julia Lynn at 8:30 am on Thursday, February 18, 2016, 548-S of the Capitol.

All members were present

Committee staff present:

Debbie Bartuccio, Kansas Legislative Committee Assistant
Reed Holwegner, Legislative Research Department
Edward Penner, Legislative Research Department
Chuck Reimer, Office of Revisor of Statutes

Conferees appearing before the Committee:

Nancy Zielke, Senior Director, Alvarez and Marsal
J. W. Rust, Senior Director, Alvarez and Marsal

Others in attendance:

[See Attached List](#)

Note: This document includes minutes for the Senate Commerce Committee meeting at 8:30 a.m. as well as a meeting at the rail by the Senate Commerce Committee in the afternoon concerning **SB 366 - Prohibiting price controls on the purchase or sale of private residential or commercial property.**

Informational briefing:

Chairperson Lynn recognized Nancy Zielke, Senior Director, Alvarez and Marsal, who provided an overview of the following Efficiency Study Recommendations: COM.01 - Enhance Commerce's Business to Business Strategies; COM.02 - Implement a Community Finance Fees and Cost Recovery; COM.05 - Ensure no program subsidy for Athletic Commission fee for service operation; COM.06 Centralize Commerce's HR and IT Operations within the Department of Administration. ([Attachment 1](#)) ([Attachment 2](#))

Chairperson Lynn inquired about the feasibility of utilizing contracted staff, rather than hiring additional full time positions, to perform certain recommended functions. For example, she questioned the need for sales staff to be full time state employees. Ms. Zielke responded, for some positions, contracted staff would be an option for consideration.

Based on his experience on economic development councils, Senator Melcher expressed a lack of confidence in the software tools which predict project results. Ms. Zielke said an important factor in the reliability of the results is the accuracy of the input data utilized for the parameters

Senator Wagle requested Research staff to determine if the Kansas Department of Commerce has the

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ability to assess the recommended fees without legislation being enacted.

Senator Holland inquired whether the efficiency study included a review of business processes, and if so, were the functions properly aligned. Ms. Zielke responded business processes were reviewed. She said there were recommendations to implement automation to eliminate manual processing and improve efficiency. She provided the example of manual time cards which could be automated. Senator Holland asked whether departments such as Human Resources and Information Technology should be centralized to provide services to all state operations. J. W. Rust, Senior Director, Alvarez and Marsal, stated data is not being tracked adequately concerning FLMA (Family Leave Medical Act). The concepts of consolidating Human Resource and Information Technology departments and of utilizing an outsourced partner for specialized Human Resource or Information Technology services were discussed. Ms. Zielke said there were a series of recommendations concerning State purchasing practices.

Chairperson Lynn inquired if there were subject matter experts who could periodically complete economic analyses, rather than utilizing full-time State staff. Ms. Zielke responded, in some areas, outsourced staff could be used on an as needed basis.

Senator Baumgardner asked how many Department of Commerce staff were in the marketing sales force. Ms. Zielke replied she believed there were eight individuals.

Chairperson Lynn expressed her appreciation for the overview. Follow-up questions should be directed to Justin Stowe, Legislative Division of Post Audit.

Possible action on bills previously heard

Chairperson Lynn announced the Committee would continue final action on **SB 338 - Rehabilitation of abandoned properties by cities**. She requested Whitney Damron to review proposed amendments to the bill. He stated he had reviewed the revisions with all parties. ([Attachment 3](#))

The Committee proceeded to deliberate the bill. Senator Pilcher-Cook expressed her appreciation for the work done by Mr. Damron on the amendments. There were no questions.

Senator Denning moved, seconded by Senator Faust-Goudeau, to adopt the amendments. The motion passed.

Senator Denning moved, seconded by Senator Longbine, to approve the bill as amended. The motion passed.

*Senator Denning moved, seconded by Senator Wilborn, to direct the Revisor to make any necessary technical corrections to **SB 338** as amended. The motion passed.*

Final action on: SB365 — Enacting the contaminated property redevelopment act.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

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Chairperson Lynn requested Revisor Chuck Reimer to review proposed amendments to the bill. [\(Attachment 4\)](#) The Committee proceeded to deliberate the bill.

Senator Olson moved, seconded by Senator Baumgardner, to approve the amendment. The motion passed.

There was discussion concerning a potential amendment to the bill related to ownership issues. Senator Wagle suggested any additional amendments to the bill could be addressed on the Senate floor or in conference committee.

Senator Olson moved, seconded by Senator Wilborn, to approve the bill as amended. The motion passed.

Chairperson Lynn adjourned the meeting at 9:30 a.m.

Meeting at the Rail

Chairperson Lynn called for a meeting at the rail at 3:45 p.m. concerning **SB 366 - Prohibiting price controls on the purchase or sale of private residential or commercial property**. She reported there were no amendments to the bill. All members were present except Senator Wagle and Senator Faust-Goudeau. Staff members present included Reed Holwegner - Legislative Research Department, Edward Penner - Legislative Research Department, Chuck Reimer - Office of the Revisor of Statutes, and Debbie Bartuccio - Committee Assistant.

*Senator Pilcher-Cook moved, seconded by Senator Olson, to approve **SB 366**. The motion passed.*

Chairperson Lynn adjourned the meeting at the rail at 3:46 p.m.