

MINUTES OF THE Joint COMMITTEE ON Ways and Means & Assessment & Taxation.

The meeting was called to order by Senator Bogina at
Chairperson

10:00 a.m./p.m. on Thursday, January 16, 1986 in room 3rd Floor Supreme Court of the Capitol.

All members were present except:

Committee staff present: Gloria Timmer, Legislative Research
Sharon Schwartz, Administrative Aide
Nadine Young, Committee Secretary

Conferees appearing before the committee:

- Dr. Anthony Redwood, Professor of Business, University of Kansas
- Mr. Belden Daniels, Counsel for Community Development, Inc. Cambridge, Massachusetts

A joint meeting between both House and Senate Ways and Means, and Assessment and Taxation Committees met to hear a presentation on Kansas Department of Economic Development. (See Pamphlet entitled "Research Papers - Institute for Public Policy and Business Research"). This booklet is the result of an interim study and makes recommendations on how the State of Kansas can make significant achievements in economic development. Dr. Redwood pointed out that the objectives of the interim report are to promote discussion concerning this issue and provide the framework for strategy. The recommendations however do not contain specific funding suggestions.

Some of the highlights are as follows:

1. Agriculture
It is recommended that a Task Force be established to develop a strategy on diversification of agriculture into new products and to provide technology so that Kansas commodities can be processed within the state.
2. Taxation
It is recommended that a sales and use tax exemption be allowed on all machinery and equipment used in manufacturing. Also, that a tax credit be allowed to corporations for research and development expenditures.
3. Education
It is recommended that the major universities establish an industry liaison office for the purpose of developing research programs between industry and university.
4. Finance
Encourage the formation of private venture funds to support entrepreneurship and innovation. The lack of "seed capital" is cited as being a significant weakness in Kansas.
5. International Trade
Helping Kansas firms expand to overseas trade. Dr. Redwood feels that Kansas firms, most of them being small, do not have the expertise to deal with foreign countries in developing international trade.

A survey was conducted among legislators and business leaders which asked three questions: (1) Do we do nothing? (2) Do we make some minor changes and hope that things pick up? (3) Or do we take bold initiatives in an effort to go forward. The response to Number 1 was 2%, Number 2 was 20%, and Number 3 was 78%.

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.

CONTINUATION SHEET

MINUTES OF THE _____ COMMITTEE ON _____,
room _____, Statehouse, at 10:00 a.m. ~~xxxx~~ on Thursday, January 16, 19 86

Dr. Redwood introduced Mr. Belden Daniels who has traveled to many states around the country as a consultant in economic development problems. Mr. Daniels said that our state has many great assets in terms of education, health of people and fewer social problems than many other states. But he also said these are wasted assets unless the universities and the legislature are willing to come together for their development. He pointed out that the State of Arkansas, a much poorer state than Kansas, had created a technical authority to address their problems and to finance their centers of excellence.

A question and answer period followed.

Meeting adjourned at 12:00 Noon.