

Approved April 6, 1988
Date

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

The meeting was called to order by Phil Kline at
Chairperson

3:38 ~~xxx~~ p.m. on Tuesday, March 29, 1988 in room 423-S of the Capitol.

All members were present except: Representatives Mainey and Barkis. - Excused.

Committee staff present:
Jim Wilson, Revisor
Lynn Holt, Research
Elaine Johnson, Secretary

Conferees appearing before the committee:
None

Chairman Phil Kline called the meeting to order and opened discussion on the balloon of S.B. 574.

Representative R.H. Miller moved and Representative Aylward seconded that S.B. 574 balloon amendment be adopted. Motion carried.

Representative R.H. Miller moved bill be passed favorably, as amended, and Representative Aylward seconded.

Representative Chronister made a substitute motion that the language "Kansas basic enterprises" in S.B. 574 be struck and the original language be replaced. Representative R.H. Miller withdrew his motion. Representative Aylward seconded. Motion failed.

Representative R.H. Miller moved and Representative Foster seconded that S.B. 574 be passed as amended. Motion carried.

Chairman Kline then opened S.B. 470 for discussion. Discussion was opened on Representative Love's proposed amendments to S.B. 470 as submitted in the balloon at the March 22 meeting, adding construction on line 0072 and changing the dollar amounts on lines 0456, 0458 and 0461.

Representative Love moved to adopt the balloon and Representative Leach seconded. Motion failed.

Representative Love moved to amend S.B. 470 by changing the dollar amounts on lines 0456, 0458 and 0461. Representative Gjerstad seconded. Motion failed.

Jim Wilson explained the changes in balloon of S.B. 470. (Attachment 1).

Representative R.H. Miller moved to adopt the balloon and any necessary technical changes and Representative Helgerson seconded. Motion carried.

Representative Gjerstad moved to pass S.B. 470, as amended and Representative Aylward seconded. Motion carried.

Chairman Kline opened S.B. 176 for discussion. Discussion followed. No action was taken.

The minutes of the March 21, 22, 23 and 24 meetings were approved.

The meeting adjourned at 4:27 p.m.

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.

Date: _____

GUEST REGISTER

H O U S E

Committee on Economic Development

NAME

ORGANIZATION

ADDRESS

Charles Wanner

Kansas Inc

Topeka

D. WAYNE ZIMMERMAN

KDOC

TOPEKA

SENATE BILL No. 470

By Joint Committee on Economic Development

12-22

*House Eco Dev
Attachment 1
3/29/88*

0017 AN ACT concerning Kansas basic enterprises and Kansas basic
0018 industries; providing a means of identification thereof for
0019 economic development purposes; amending K.S.A. 74-5011,
0020 74-5040 and 75-6003 and K.S.A. 1987 Supp. 74-5001a, 74-5005,
0021 74-5007a, 74-5008c, 74-5010a, 74-5046, 74-5047, 74-5048, 74-
0022 8001, 74-8002, 74-8010, 74-8101, 74-8102, 74-8103, 74-8104,
0023 74-8106, 74-8107, 74-8109, 74-8110, 74-8201, 74-8202, 74-
0024 8203, 74-8204, 74-8206, 74-8302, 74-8303, 74-8306, 74-8307,
0025 74-8308, 74-8310, 74-8401, 74-8402, 74-8405, 79-32,154, 79-
0026 32,159b and 79-32,159c, and repealing the existing sections.

0027 *Be it enacted by the Legislature of the State of Kansas:*

0028 **New Section 1.** The legislature, in recognition of the scarcity
0029 of state resources, hereby declares that the provision of economic
0030 development incentives should be limited to those enterprises
0031 which are basic to the economic structure of this state and which
0032 have the greatest potential for effecting economic growth that is
0033 essential to the well being of the state and its people. Therefore,
0034 it is the intention of this act to provide a means of identifying
0035 these enterprises which qualify as Kansas basic enterprises.

0036 **New Section 2 Section 1.** (a) ~~A Kansas basic enterprise is~~ an
0037 enterprise which:

0038 (1) Is or proposes to be located or principally based in Kan-
0039 sas; and

0040 (2) can provide demonstrable evidence that:

0041 (A) It is or will be primarily engaged in any one or more of
0042 the Kansas basic industries; or

0043 (B) it is or will be primarily engaged in the development or
0044 production of goods or the provision of services for out-of-state
0045 sale; or

As used in this act, the following terms shall have the means ascribed thereto unless the context requires otherwise or the provisions of this or another statute provides otherwise.

(b) "Kansas basic enterprise" means

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0046 (C) it is or will be primarily engaged in the production of
0047 goods or the provision of services which will attract out-of-state
0048 buyers or consumers into the state; or

0049 (D) it is or will be primarily engaged in the production of raw
0050 materials, ingredients, or components for other enterprises
0051 which export the majority of their products from the state; or

0052 (E) it is a national or regional enterprise which is primarily
0053 engaged in interstate commerce; or

0054 (F) it is or will be primarily engaged in the production of
0055 goods or the provision of services which will supplant goods or
0056 services which would be imported into the state; or

0057 (G) it is the corporate or regional headquarters of a multistate
0058 enterprise which is primarily engaged in out-of-state industrial
0059 activities.

0060 (b) ~~The Kansas basic industries are:~~

"Kansas basic industry" means

0061 (1) Agriculture, ~~except production for local consumption;~~

0062 (2) mining, ~~except production for local consumption;~~

0063 (3) manufacturing, ~~except production for local consumption;~~

0064 (4) interstate transportation;

0065 (5) wholesale trade which is primarily ~~multistate~~ ~~activity~~
0066 or which has a major import supplanting effect within the state;

engaged in

0067 (6) financial services which are ~~provided~~ primarily ~~for inter-~~
0068 state or international transactions;

engaged in providing such services

0069 (7) business services which are ~~provided~~ primarily ~~in out-of-~~
0070 state markets;

engaged in providing such services

0071 (8) research and development of new products, processes, or
0072 technologies; ~~and~~

or

0073 (9) tourism activities which are primarily engaged in for the
0074 purpose of attracting out-of-state tourists.

0075 (c) ~~The term~~ "primarily engaged" means engagement in an
0076 industrial activity by an enterprise to the extent that not less than
0077 51% of the gross income of the enterprise is derived from such
0078 engagement.

As used in this section,

0079 Sec. 3 2. K.S.A. 1987 Supp. 74-5001a is hereby amended to
0080 read as follows: 74-5001a. The purpose of the department of
0081 commerce shall be to develop and implement strategies to:

0082 (a) Facilitate the growth, diversification and expansion of

0083 existing ~~Kansas basic~~ enterprises and the creation by Kansans of
 0084 new ~~wealth-generating Kansas basic~~ enterprises;

0085 (b) promote economic diversification and innovation within
 0086 ~~the basic industries and sectors~~ of the state;

0087 (c) promote increased productivity and value added ~~products~~
 0088 ~~goods~~, processes and services among ~~wealth-generating Kansas~~
 0089 ~~basic~~ enterprises, and the export of those goods and services
 0090 created by small and large Kansas *basic* enterprises to the nation
 0091 and world;

0092 (d) maintain and revitalize economically depressed rural
 0093 areas and urban neighborhoods by annually targeting scarce
 0094 resources by size, sector and location to communities and ~~Kansas~~
 0095 ~~basic~~ enterprises of particular need and opportunity, and by
 0096 working in close collaboration with local communities;

0097 (e) protect and enhance the environmental quality of the
 0098 state in ways consistent with dynamic economic growth; ~~and~~

0099 (f) forge a supportive partnership with the legislative stand-
 0100 ing and joint committees on economic development, Kansas,
 0101 Inc., the Kansas technology enterprise corporation, Kansas ven-
 0102 ture capital, Inc., Kansas certified development companies,
 0103 Kansas small business development centers, Kansas public and
 0104 private educational institutions, and other appropriate private
 0105 and public sector organizations in achieving the economic goals
 0106 of the state; *and*

0107 (g) emphasize growth in those areas of the economy ~~referred~~
 0108 ~~to as~~ Kansas basic industries.

which are

0109 Sec. 4 3. K.S.A. 1987 Supp. 74-5005 is hereby amended to
 0110 read as follows: 74-5005. The department shall be the lead
 0111 agency of the state for economic development of commerce
 0112 through the promotion of business, industry, trade and tourism
 0113 within the state. In general, but not by way of limitation, the
 0114 department shall have, exercise and perform the following
 0115 powers and duties:

0116 (a) To assume central responsibility to develop and coordin-
 0117 ate within state government all facets of a comprehensive long
 0118 term economic development strategy;

0119 (b) to coordinate the strategy with all other state and local

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