

Approved February 18, 1988
Date

MINUTES OF THE SENATE COMMITTEE ON ECONOMIC DEVELOPMENT

The meeting was called to order by Senator Wint Winter, Jr. at
Chairperson

12:45 a.m./p.m. on February 10, 1988 in room 254-E of the Capitol.

All members were present except:

Senator Ben Vidricksen - Excused

Committee staff present:

Bill Edds, Revisor of Statutes' Office
Lynne Holt, Kansas Legislative Research Department
Mary Allen, Secretary to the Committee

Conferees appearing before the committee:

Dean Otterson, representing the Sedgwick County Commission
Mark Burghart, Department of Revenue
Jerry Longergan, Kansas Inc.
Roland Smith, Wichita Independent Business Association
Terry Denker, Department of Commerce

The meeting was called to order at 12:45 p.m. by the Chairman, Senator Wint Winter, Jr.

Dean Otterson, representing the Sedgwick County Commission, appeared before the Committee with a request for a bill introduction. He stated that he has been troubled by the fact that local units of government are being faced with very hard capital decisions concerning financing activities through traditional sources. He said that he has put together an alternative method for governmental improvements and services and he noted that it relates to privatization of public services and facilities. He stated that this concept sets up public-private ventures with high levels of accountability to the local units of government and the services which they provide. Mr. Otterson discussed the provisions of the proposed bill and asked the Committee to authorize its introduction as a Committee bill. (See Attachment I for a copy of the bill.)

Senator Feleciano moved that bill draft 7 RS 2283 (Attachment I) be introduced as a Committee bill. Senator Daniels seconded the motion. The motion carried.

Senate Bill 470 - An Act concerning Kansas basic enterprises and Kansas basic industries; providing a means of identification thereof for economic development purposes.

Mark Burghart, Department of Revenue (DOR), spoke to the Committee on SB 470. He stated that the DOR has no formal position on the merits of the bill but it believes that certain aspects of the bill make significant changes in established tax policy regarding the availability of various tax benefits for certain types of expenditures by businesses in the state. Mr. Burghart specifically referred to Sections 39 and 40 of the bill and noted they amend those statutes which provide certain tax benefits to businesses locating within designated enterprise zones. He said that by limiting the enterprise zone benefits to those taxpayers which qualify as a "Kansas basic enterprise", the DOR believes that the number of qualifying taxpayers would be substantially reduced.

Mr. Burghart said that the DOR is also concerned that the definition of "Kansas basic enterprise" may be too generalized for tax credit purposes. He pointed out that the lack of a clear definition can only lead to problems of interpretation for both the taxpayer and the DOR in the future. He said that with the absence of specific guidelines as to the types of qualifying businesses, it is possible that the Department of Commerce and the DOR could have conflicting interpretations of the same provision. He stated that the language of the statute should be such that these conflicts may be avoided. (See Attachment II for a copy of his statement.)

Senator David Kerr asked Mr. Burghart to describe the types of companies now receiving sales tax exemptions and income tax credits under present law which would probably no longer receive them if SB 470 would become law. Mr. Burghart listed such things as

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ECONOMIC DEVELOPMENT

room 254-E, Statehouse, at 12:45 ~~xxx~~ p.m. on February 10, 19 88

professional offices, fast food resturants, garages and basically localized businesses which provide services. Senator Kerr noted that all of the businesses which Mr. Burghart listed are very likely competing directly with similar services in their same communities.

Roland Smith, Executive Director of the Wichita Independent Business Association, expressed the concern of his Association over the provisions of SB 470 which limit the basic industries to only those which bring money into the state from the outside. He noted that of the 1,400 businesses which he represents, less than 100 of them would fall under the definition in SB 470 of a basic industry. In answer to a question from Senator Karr, Mr. Smith said that under the current law, less than ten businesses which he represents benefit from the enterprise zone provisions. The Chairman pointed out that if the enterprise zone limitation is eliminated from the law and a basic enterprise limitation is applied, the application of the law to the members of Mr. Smith's Association would be broadened by about ninety members.

Jerry Lonergan, Kansas Inc., spoke to the Committee concerning the provision in SB 470 which would define the representation of the Board of Kansas Inc. Mr. Lonergan said that Frank Becker, Co-Chair of the Kansas Inc. Board of Directors, has stated that he prefers to rely on the wisdom of the Committee to determine the best interest of Kansas Inc. regarding its board composition. Mr. Becker's own opinion is that the less restrictive wording is probably better in anticipating future changes to the state's economy and opening the Board's potential nominating pool to a broader set of private sector leaders. (See Attachment III for Mr. Lonergan's statement.)

Chairman Winter called on Terry Denker, Director of Policy Analysis and Research for the Kansas Department of Commerce (KDOC), to present KDOC's proposed amendments to SB 470. Mr. Denker passed out copies of the proposed amendments to Committee members (Attachment IV) and stated that KDOC has some concerns with those sections of the bill, Sections 3 through 12, which deal specifically with the language relating to its duties and responsibilities. He said that, in the opinion of KDOC, these amendments would allow the Department to continue to serve all business concerns in the state and not just basic enterprises. He observed that presently KDOC provides assistance and services to a number of enterprises which might not be interpreted as basic enterprises under the definition contained in SB 470.

The Chairman asked the Department of Commerce and the Department of Revenue to discuss together ways to reconcile the DOR's concern over some of the provisions of SB 470. He asked staff to prepare a balloon version of the bill using KDOC's proposed amendments.

Senator Salisbury moved that the minutes of the February 4, 1988, meeting of the Committee be approved. Senator Langworthy seconded the motion. The motion carried.

The meeting was adjourned at 1:30 p.m. by the Chairman.

GUEST LIST

<u>NAME</u>	<u>REPRESENTING</u>
MARK A. BURGHART	REVENUE
JACK MONTGOMERY	KDOC
DEAN OHERSON	Sedwick County
B. A. Kneutger	United Sec.
BRAD MEARS	Commerce
Brenda M. Mauste	SEK TOURISM REGION
D. WAYNE ZIMMERMAN	KDOC
Terry Denker	KDOC
Dave Beyouth	SEDC
Hank Miller	Topeka Convention & Visitors Bureau
Phyllis Windle	GOVERNORS COMM ON TOURISM
JERRY LONERGAN	KS. Inc.
BETH TATARKO	KS PAC

SENATE BILL NO. _____

By Senator Francisco

(By Request)

AN ACT concerning municipalities; relating to the privatization of public services and facilities.

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

Section 1. The legislature hereby finds that the privatization of public services and facilities for the furnishing of adequate public services at a reasonable cost, including, but not limited to, the provision of potable water, the prevention, control and abatement of water pollution, solid and hazardous waste disposal, storage and removal, public housing and other capital intensive public services, provides municipalities opportunities under appropriate circumstances to provide those services and facilities in a manner that will speed construction, and is less costly and more efficient than the furnishing of those services of capital intensive facilities exclusively owned and operated by the municipalities. The legislature further finds that other state laws may create unnecessary and costly obstacles to the privatization of those capital intensive public services and facilities and that a comprehensive act is required to permit municipalities to enter into contractual agreements with private vendors to facilitate the privatization of those capital intensive services and facilities. Such act shall take precedence over any other law to the contrary.

Sec. 2. As used in this act:

(a) "Administration" means the duly authorized and designated elected or appointed official, charged by the municipality with the responsibility of administering any privatization project or program authorized herein;

Attachment I
Senate Eco Dev
2-10-88

(b) "capital cost component" means that part of the service fee that the municipality determines is intended to reimburse the private vendor for the capital costs associated with the project, including, but not limited to, debt service expenses, repair and maintenance reserves of the related facility;

(c) "capital cost component grant or loan" means any grant or loan made by a federal or state agency for the improvement of a public service facility or annual operation of such facility;

(d) "capital intensive public services and facilities" means the prevention, control and abatement of water pollution through waste treatment facilities, provision of potable water, solid and hazardous waste disposal, storage and removal and any other capital intensive public service, set forth in a municipality's performance work statement, as being less costly and more efficient, if provided by private vendors;

(e) "controlling interest" means either (1) power, by the ownership interest, contract or otherwise, to direct the management of the private vendor or to designate or elect at least a majority of the private vendor's governing body or board or (2) having more than 50% ownership interest in the private vendor;

(f) "costs" means and includes the cost of labor, materials and equipment necessary to complete the project in a satisfactory manner, cost of land acquired and every expense connected with the project, including preliminary and other surveys, inspections of work, engineers' fees and costs, attorney fees and costs, preparation of plans and specifications, publication of ordinances and notices, interest which will accrue on the bonds, if utilized, until the due date of the first annual improvement assessment or service fee payment made by the municipality, in connection therewith, a sum equal to any discount in the sale of any bonds, a reasonable allowance for unforeseen contingencies, the printing of bonds, and other costs of financing which may include the payment of a fee to a fiscal agent or underwriter in the preparation and marketing of the bonds, if utilized, and any

other reasonable costs of issuance, including provision for capitalized interest;

(g) "municipality" means the state of Kansas and any political or taxing subdivision thereof;

(h) "permitted obligation" means (1) the obligation of the municipality under the service contract to pay a fee or perform any other obligation under the service contract or (2) a stated amount of money for money borrowed or for related services purchased by the municipality from the private vendor under the service contract;

(i) "performance work statement" means a comprehensive statement and analysis by the municipality that examines the public services provided and annual public costs versus costs associated with privatization and defines risks to parties and results in an objective conclusion as to the cost effectiveness or efficiency in providing the public services or facilities by a private vendor under a service contract;

(j) "private vendor" means one or more persons who are not a municipality and in which no governmental entity or group of governmental entities has a controlling interest;

(k) "related facilities" means all real and personal property used by the private vendor in furnishing capital intensive public services, excluding any product of the related facilities, such as drinking water, refuse-derived fuels or energy furnished under the service contract;

(l) "service contract" means any agreement between a municipality and a private vendor under which (1) the private vendor agrees to furnish to the municipality or any other user capital intensive public services and facilities in accordance with performance standards set forth in the agreement and the municipality agrees to pay or cause to be paid to the private vendor a service fee for the services and (2) other covenants incident to clause (1) are made;

(m) "service fee" means the payment the municipality is required under the service contract to make, or cause to be made,

to the private vendor, including payments made by third parties to the private vendor for products or services and credited against payments the municipality would otherwise have to make or cause to be made under the service contract;

(n) "useful life of the related facilities" means the economic useful life of the related facilities as determined by the municipality;

(o) "unrestricted funds" means any funds other than funds granted to the state or administrator by the federal government or any agency of the federal government and unavailable under federal law for the purposes set forth in this act;

(p) "user" means the municipality and all other persons which use the capital intensive public service furnished by the private vendor and directly or indirectly benefit from same.

Sec. 3. Any municipality may contract with a private vendor to furnish in accordance with a service contract any capital intensive public services the municipality is authorized by law to furnish and for that purpose a municipality may exercise any and all of the powers provided in this act.

Sec. 4. (a) Subject to provisions contained in this act, a municipality may enter into a service contract for a term of not more than 30 years. However, the service contract may permit the municipality to either extend or renew the term of the service contract, so long as the municipality is not bound under the service contract for an extended period or renewal period of more than 30 years. Under the service contract, the municipality may:

(1) Obligate itself to pay or cause to be paid a service fee for the availability and use of the capital intensive public services to be furnished under the service contract;

(2) enter into other agreements relating to the services to be provided and which the municipality considers appropriate that are not otherwise contrary to law; and

(3) either pledge its full faith and credit or oblige a specific source of payment for the payment of the service fee and the performance of other permitted obligations under the service

contract and the payment of damages for failure to perform the permitted obligations of the municipality.

(b) The obligation of the municipality to pay the service fee and perform any other permitted obligations under the service contract are not considered a debt within the meaning of any statutory limitation and no election is required as a condition to the municipality entering into any permitted obligation or undertaking on a project under a service contract.

Sec. 5. (a) The municipality may agree under the service contract that the private vendor will acquire and construct any and all related facilities without compliance with any competitive bidding requirements, provided that: (1) The municipality, or municipalities, if the related municipality, has in the aggregate no more than 50% ownership interest in the related facilities under the service contract; (2) the municipality enters into a service contract only after demonstrating through the performance work statement that the provision of a capital intensive public service is less costly and more efficient if provided by a private vendor; and (3) prior to a municipality entering into a service contract pertaining to the provision of a capital intensive public service, the governing body shall cause notice of its intentions to adopt an ordinance to accomplish the execution of a service contract to be published. The notice shall set forth a brief summary of the service contract and proposed privatization initiative, and set a time and place for a public hearing to be conducted by the governing body of the municipality. Such notice shall be published once each week for two consecutive weeks in the municipality's official newspaper.

(b) The service contract or any other purchase or sales by the municipality in connection with the service contract may be made by negotiations with a single vendor or by competitive negotiations with more than one vendor, at the sole discretion of the municipality.

Sec. 6. (a) For the payment of a service fee or other

monetary obligation under an existing service contract or in anticipation of need under a future service contract, the municipality may:

(1) Levy property taxes, impose rates and charges, levy special assessments, and exercise any other revenue producing authority granted to it and apply public funds for the payment of the service fee and any other monetary obligations under the service contract in the same manner, and subject to the same conditions and limitations, except as provided in section 5, that would apply if the related facilities were acquired, constructed, owned and operated exclusively by the municipality; and

(2) establish, by ordinance, revise when considered advisable and collect just and reasonable rates and charges for the capital intensive public services provided under the service contract. The ordinance may obligate the owners, lessees, or occupants of property, or any or all of them, to pay for the capital intensive public services available for their properties and may obligate the user of a related facility to pay a reasonable charge for the use of the related facility. Rates and charges may take into account the character, kind and quality of the capital intensive public services, including, but not limited to, the service fee payable with respect to it, depreciation and payment of principal and interest on money borrowed for the acquisition or betterment of related facilities.

(b) The rates and charges may be billed and collected in a manner the municipality shall determine consistent with this subsection and other applicable law. On or before June 10 of each year, the municipality shall certify to the county treasurer all unpaid outstanding charges for services provided under the service contract and a statement of the description of the lands against which the charges arose. Upon order of the governing body of the municipality, the county treasurer shall extend the rates and charges with interest as provided for by ordinance upon the tax rolls of the county for the taxes of the year in which the rates or charges are filed. Each year the rates and charges

with interest shall be carried into the tax becoming due and payable in January of the following year and shall be enforced and collected in the manner provided for the enforcement and collection of real property taxes. The rates and charges, if not paid, shall become delinquent and be subject to the same penalties and the same rates of interest as are imposed for unpaid real property tax. All rates and charges shall be uniform in their application to use and service of the same character and quantity.

(c) An ordinance establishing rates and charges also shall establish a procedure by which a person obligated to pay the rates and charges may protest, at a public hearing held before August 1 of each year, the payment of the rates and charges on the grounds that services provided under the service contract are not available to the person. The services shall be deemed available for the property of the person if the vendor agrees, and the related facilities have the capacity, to provide the services to the person as soon as the municipality or any other entity provides the property of the person with access to the services. Notice of the hearing shall be published at least 30 days prior to the hearing in the official newspaper of the municipality. A person protesting the assessment of rates and charges under this subsection shall file the objection in writing five days prior to the hearing. Within 10 days after the hearing, the municipality shall determine whether the rates and charges were properly assessed. A person protesting the assessment of rates and charges may appeal the assessment, and a private vendor may appeal a reduction in rates and charges for any person, to the district court in the same manner as appeal of other civil cases. Rates and charges erroneously collected shall be refunded with the same rate of interest as is paid on taxes refunded with interest.

(d) A public hearing on the proposed ordinance shall be held prior to the meeting at which it is to be considered by the governing body of the municipality and after notice of hearing

has been published in the official newspaper of the municipality not less than 10 days prior to the hearing. The notice shall state the subject matter and the general purpose of the proposed ordinance.

Sec. 7. For the purposes of carrying out the service contract, the municipality, in compliance with procurement procedures set forth in this act, may sell or lease to the private vendor or any other municipality, on terms and conditions as the municipality considers appropriate, any existing related facilities, including land owned by the municipality and equipment related thereto.

Sec. 8. The municipality may provide that title to the facility shall vest in or revert to the municipality if the private vendor defaults under any specified provisions in the service contract. The municipality may acquire or reacquire any facility and terminate the service contract in accordance with its terms notwithstanding that the service contract may constitute an equitable mortgage.

Sec. 9. The municipality may retain or acquire, on terms and conditions mutually agreed upon, a present or future interest in all or part of the related facilities and grant a mortgage or security interest in its interest in the related facility.

Sec. 10. The municipality, on terms and conditions mutually agreed upon in the service contract or any agreement related thereto, may acquire an interest in the private vendor as a joint venturer, including a share in the revenues derived from the related facilities and grant a security interest in its interest in the private vendor and such revenues.

Sec. 11. The municipality may issue bonds of the municipality and apply the proceeds toward the payment of the costs of the related facilities in the same manner and subject to the same conditions and limitations that would apply if the related facilities were acquired, constructed, owned and operated exclusively by the municipality, and for these purposes, related facilities shall be considered to be a project within the meaning

of the industrial development revenue bond act. Bonds issued for such purposes shall not be a direct obligation of the municipality, but shall be secured by the revenue and real property of the private vendor in accordance with standard underwriting criteria for industrial development revenue bonds.

Sec. 12. The municipality shall agree, subject to any applicable state statutory requirements as to designated use of the related facilities, that the sole and exclusive right to provide the capital intensive public services within its jurisdiction be assumed by the private vendor under the service contract in the same manner and subject to the same limitations and conditions that would apply if the related facilities and capital intensive public services were acquired, constructed, owned, and operated exclusively by the municipality.

Sec. 13. The municipality may exercise the right of eminent domain for the purpose of acquiring for itself or the private vendor any and all related facilities or real property required for the construction or expansion of same. If the related facilities are acquired for the private vendor, the service contract shall be for a term of at least five years.

Sec. 14. The municipality may waive or require the furnishing of a vendor's payment and performance bond of the kind determined by the municipality. If the bond is required, statutory provisions relating to liens for labor and materials are not applicable with respect to work done or labor or materials supplied for the related facilities. If the bond is waived, statutory requirements related to labor and material liens apply with respect to work done or labor or materials supplied for the related facilities.

Sec. 15. For purposes of payments made pursuant to a service contract by a municipality, any property taxes levied for the payment of the service fee shall be treated as a special assessment.

Sec. 16. If the service contract provides that property taxes imposed with respect to the related facilities are to be

included in the service fee as pass-through costs, the municipality may apply to the board of tax appeals for an exemption from property taxation of the related facilities. The property shall be exempt from ad valorem taxation if the board of tax appeals determines that the related facilities serve the general public and that similar municipally owned facilities are exempt from ad valorem taxation. The exemption shall be effective only during the term of the service contract from and after the date of filing of the certificate of exemption in the case of property taxes.

Sec. 17. This act shall take effect and be in force from and after its publication in the statute book.



KANSAS DEPARTMENT OF REVENUE

Office of the Secretary

Robert B. Docking State Office Building

Topeka, Kansas 66612-1588

M E M O R A N D U M

To: The Honorable Wint Winter, Jr. Chairman
Senate Committee on Economic Development

From: Harley T. Duncan, Secretary
Kansas Department of Revenue

Re: Senate Bill No. 470

Date: February 9, 1988

The Department of Revenue has no formal position on the merits of S.B. 470. However, we would like to comment on certain aspects of the bill which we believe make significant changes in established tax policy regarding the availability of various tax benefits for certain types of expenditures by businesses in the state.

Sections 39 and 40 of the bill amend those statutes which provide certain tax benefits to businesses locating within designated enterprise zones. Under existing law, a taxpayer may claim an income tax credit for any investment in a qualified business facility if at least two new employees are hired as a direct result of the investment. Assuming that a taxpayer qualifies for the income tax credit, it would also qualify for a sales tax exemption for all purchases associated with the qualified facility. The sales tax exemption is the most attractive tax incentive cited by taxpayers. The definition of qualified business facility in K.S.A. 1987 Supp. 79-32,154 is sufficiently broad to cover most types of business operations in the state, including service companies. The enterprise zone legislation itself was designed to attract businesses to those areas of the state which are underdeveloped and burdened with high unemployment. By limiting the enterprise zone benefits to those taxpayers which qualify as a "Kansas basic enterprise," we believe the number of qualifying taxpayers would be reduced substantially. This policy would appear to be in direct conflict with the original enterprise zone legislation which was designed to attract more investment and jobs into underdeveloped areas of the state rather than reduce those amounts.

The Department is also concerned that the definition of "Kansas basic enterprise" may be too generalized for tax credit purposes. The lack of a clear definition can only lead to problems of interpretation for both the taxpayer and the Department of Revenue in the future. For example, the language in New Sec. 2(a)(2)(c) can be construed so broadly that any business would qualify as a Kansas basic enterprise. On the other hand, it could be construed so narrowly that only those businesses which can document by actual statistics that the production of goods or services actually attracts out-of-state buyers or consumers would qualify as Kansas basic enterprises.

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With the absence of specific guidelines as to the types of qualifying businesses, it is possible that the Department of Commerce and the Department of Revenue could have conflicting interpretations of the same provision. The Department of Commerce would construe the language broadly in furtherance of the economic development objective. The Department of Revenue on the other hand would narrowly construe the language because tax credits are at stake and by law such tax credit language is construed strictly against the taxpayer. The language of the statute should be such that these conflicts may be avoided. The current language is inadequate in that respect.

The Department desires to avoid as much taxpayer irritation and litigation as is possible under the circumstances. Unless a clearer definition of "Kansas basic enterprises" is provided, we fear that there will be a great deal of litigation and the resultant taxpayer discontent.

Thank you for the opportunity to bring these concerns to your attention.

KANSAS INC.

Governor Mike Hayden, Co-Chairman
Frank J. Becker, Co-Chairman

Forest Tim Witsman, President

CAPITOL TOWER, SUITE 113 • 400 S.W. 8TH • TOPEKA, KANSAS 66603-3957 • TELEPHONE 913-296-1460

Date: February 10, 1988

To: Senator Wint Winter

From: Jerry Lonergan, ^YManager of Research

Subject: Senate Bill 470 - Basic Industry Definition

I spoke with Frank Becker, Co-Chair of the Kansas Inc. Board of Directors, regarding the basic industry definition and the change to the Kansas Inc. statute that defines the Board's representation. His preference is to rely on the wisdom of the Senate Committee on Economic Development to determine what is in the best interest of Kansas Inc. regarding its Board composition. He believes it is not a Board function to comment on suggestions to changes in the organization's legislation that addresses the Board's own make-up.

His own opinion is that the less restrictive wording is probably better in anticipating future changes to the state's economy and opening the Board's potential nominating pool to a broader set of private sector leaders.

Attachment III
Senate Eco Dev
2-10-88

TESTIMONY

to

SENATE ECONOMIC DEVELOPMENT COMMITTEE

SENATE BILL 470

by

Terry E. Denker, Director
Policy Analysis and Research

February 10, 1988

*Attachment IV
Senate Econ Devo
2-10-88*

Good afternoon Mr. Chairman and members of the committee. My name is Terry Denker and I am Director of Policy Analysis and Research for the Department of Commerce. Following testimony provided by Secretary Priddle during yesterday's hearing, we were asked to provide any proposed amendments to SB470 that might clarify concerns the department has towards the affects on our duties and responsibilities.

Attached is a list of proposed amendments which will allow the Department of Commerce to continue to serve all business concerns in the state yet re-enforce the intent of promoting and developing the basic enterprises in Kansas. The changes are recommended for the following line items:

Section 3:

- Line 0084: remove "Kansas basic"
- Line 0085: remove "Kansas basic"
- Line 0095: remove "Kansas"
- Line 0096: remove "basic"

Section 4:

- Line 0128: leave "private business" in and remove "Kansas"
- Line 0129: remove "basic enterprises"
- Line 0198: leave in "private enterprise" and add "and" immediately after

Section 6:

- Line 0288: leave "business" in and remove "industrial"

Section 8:

Line 0311: remove "Kansas basic"
Line 0314: remove "Kansas basic"
Line 0321: remove "Kansas basic"

Section 9:

Line 0326: remove "Kansas"
Line 0327: remove "basic"
Line 0328: remove "Kansas basic enterprise has the
meaning ascribed thereto"
Line 0329: remove "by Section 2 and" and also "Kansas
basic"
Line 0331: remove "Kansas"
Line 0332: remove "basic"
Line 0363: remove "Kansas basic"
Line 0364: remove "Kansas basic"
Line 0368: remove "Kansas basic"
Line 0372: remove "Kansas basic"
Line 0376: remove "Kansas basic"
Line 0391: remove "Kansas basic"
Line 0410: remove "Kansas basic"

Section 10:

Line 0423: remove both references to "Kansas basic"
Line 0424: remove "basic"
Line 0427: remove "basic"
Line 0430: remove "Kansas basic"
Line 0433: remove "Kansas basic"

While these changes may seem cumbersome, we believe they will allow the Department to continue to provide service to all

business enterprises within the state. We recognize the strong commitment toward basic enterprises that this bill intends to promote and we feel the changes proposed do not diminish that intention.