

Approved March 20, 1991
Date

MINUTES OF THE Senate COMMITTEE ON Economic Development

The meeting was called to order by Senator Dave Kerr at
Chairperson

8:00 a.m. ~~XXXX~~ on March 7, 1991 in room 123-S of the Capitol.

All members were present ~~XXXX~~

Committee staff present:

Bill Edds, Revisor of Statutes' Office
Lynne Holt, Legislative Research Department
LaVonne Mumert, Committee Secretary

Conferees appearing before the committee:

SB 29 - Income tax credits and sales tax exemption for location of business in enterprise zone repealed

Senator Dave Kerr, Chairman, called the meeting to order and said that the Subcommittee on SB 29 would give a report of their activities.

Senator Jerry Moran, Chairman of the Subcommittee, said that the Subcommittee has not reached any conclusions about how to focus enterprise zone programs in Kansas. He stated that their goal has been to determine a way to require local units of government to match to some degree the amount of state incentives that are being granted. Senator Moran said the Subcommittee has had considerable discussion about the way enterprise zones ought to be limited in their scope. He noted there was some feeling that if enterprise zone limits are not limited to blighted areas, at least distressed areas should receive special attention. He added that there is also belief that there should be restrictions on the type of business that is located in an enterprise zone and receives the benefits. Senator Moran said the Subcommittee had considered various definitions to limit the application of the current law but wanted to be certain no action is taken that would be harmful to rural communities. He mentioned that they want to find out if the present law is being used to improve the core business industry and whether it is important that that option be retained for the benefit of rural areas. Senator Moran also noted that there had been some discussion about passing SB 29 and then creating a new tax exemption for a very restrictive type of project and enhancing that benefit two or three times so it is really focused and effective. He said the Subcommittee was requesting that it be given additional time and asking that a request be made that SB 29 be re-referred to another committee and re-referred back to the Economic Development Committee to nullify the March 13 deadline.

After discussion, it was agreed that Chairman Kerr ask that the bill be re-referred to another committee and re-referred back to this Committee for further deliberations.

Senator Feleciano moved that the minutes of the March 5, 1991 meeting be approved. Senator McClure seconded the motion, and the motion carried.

The meeting adjourned at 8:30 a.m. The next meeting of the Committee will be Monday, March 18, 1991.

