

Approved _____ 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./~~XXX~~ on April 3, 1991 in room 123-S of the Capitol.

All members were present ~~XXXXX~~

Committee staff present:

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

Conferees appearing before the committee:

Senator Dave Kerr, Chairman, called the meeting to order and announced that the agenda would be to consider several bills which were heard previously.

SB 29 - Income tax credits and sales tax exemption for location of business in enterprise zone repealed

The Committee considered the memo prepared by Lynne Holt regarding enterprise zones. Senator McClure moved that the guidelines contained in the memo be included in a letter from Chairman Kerr to Representative Gjerstad, as Chairperson of the Joint Committee. Senator Moran seconded the motion, and the motion carried. (Attachment I)

HB 2179 - Technology education, school district tax levies for development or enhancement of program

After some discussion, Senator Francisco moved that the bill be recommended favorably for passage. Senator Oleen seconded the motion. Committee members mentioned that they would intend that the bill be interpreted to mean that funds for the program could include teacher training. After discussion, which included concerns about possible inequities between districts, encouraging smaller districts to work together and similarities between this program and the capital outlay fund, Senator Petty made a substitute motion to amend the bill as follows: that line 14 be amended to allow collaboration of school districts and that the bill be amended to include a statement of purpose that school districts participating in the program be encouraged to provide technical assistance to surrounding districts. Senator Francisco seconded the substitute motion, and the motion carried. Senator Francisco moved that the bill, as amended, be recommended favorably for passage. Senator Salisbury seconded the motion, and the motion carried.

HB 2492 - Corporate income tax, apportionment of telecommunications company business income

There was discussion of the three-factor formula, the two-factor formula and the single factor formula and that the bill applies specifically to United Telecommunications because of the requirement that the eligible company must be a telecommunications company and the fact that no other such company has a large enough presence in Kansas to qualify. Senator Winter noted that one of the key recommendations of the 1986 study on economic development was that strategies should be targeted to industries which are attractive to the state and are interested in Kansas. Senator Winter moved that HB 2492 be recommended favorably for passage. Senator Salisbury seconded the motion, and the motion carried.

Sub for HB 2536 - Investments in lifelong learning (SKILL) program

Some Committee members expressed concerns about the bill. After discussion,

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Economic Development,
room 123-S, Statehouse, at 8:00 a.m./~~p.m.~~ on April 3, 1991

Senator Winter moved that the bill be recommended favorably for passage. Senator Vidricksen seconded the motion. Senator Feleciano made a substitute motion that a request be made that the bill be re-referred to Ways and Means to avoid the bill deadline. Senator Salisbury seconded the motion. Chairman Kerr said he would double-check about whether the bill has already been "blessed" and he would also interpret the motion to include the appointment of a subcommittee at his discretion. The motion carried.

The meeting adjourned at 9:00 a.m.

MEMORANDUM

TO: Senate Committee on Economic Development
FROM: Lynne Holt, Principal Analyst
RE: Enterprise Zones
DATE: April 3, 1991

Below is an outline of several points to be included in a letter from Chairman Dave Kerr to the Chairperson of the 1991 Joint Committee on Economic Development, Representative Diane Gjerstad, requesting an interim study on enterprise zones. Such study should include:

1. an examination of the need for more stringent requirements governing local incentives as a precondition for state tax benefits associated with enterprise zone designation;
2. an examination of the need for restrictions on the types of businesses for which enterprise zone incentives may be granted (e.g. a definition of qualified businesses as "basic enterprises");
3. a review of the criteria for enterprise zone designation;
4. consideration of establishing different sets of criteria for local incentives required of businesses, by category (retail or nonretail) or by region (urban or rural; located in a downtown business district or elsewhere), as a precondition for state benefits; and
5. a review of the reporting requirements statutorily mandated for the Kansas Department of Commerce, including an examination of the Department's Annual Report on the Kansas Enterprise Zone Program (April 1, 1991).

Attachment 1
4/3/91
Sen. Eco. Devel.