

Approved: 3/31/95
Date

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

The meeting was called to order by Chairperson Bob Miller at 3:30 p.m. on March 7, 1995 in Room 423-S of the Capitol.

All members were present except: Rep. Broderick Henderson - excused
Rep. Jim Long - excused
Rep. Herman Dillon - excused
Rep. Kent Glasscock - excused
Rep. Ken King - absent

Committee staff present: Lynne Holt, Legislative Research Department
Bob Nugent, Revisor of Statutes
Bonnie Fritts, Secretary

Conferees appearing before the committee: Tom Blackburn, KUCI
Rich Bendis, Pres., Kansas Technology Enterprise Corporation
Murray D. Anderson, Sr., Pres., Murray D. Anderson, Sr., and Associates

Others attending:

The meeting was called to order at 3:30 p.m. by the Chairperson Bob Miller. The minutes of March 6, 1995 were distributed and approved.

SB 11 **An act repealing the Kansas basic enterprise loan program**

Discussion on SB 11. Rep. Boston made a motion to pass the bill favorably and be placed on the Consent Calendar. Rep. Mason seconded the motion. The motion carried.

Sub. SB 13 **An act concerning the Kansas Technology Enterprise Corporation; establishing a technology-based venture-capital fund**

Discussion on Sub. SB 13. Rep. Mason made a motion to amend (Attachment 1). Rep. Boston seconded the motion. The motion did not carry.

Rep. Toplikar made a motion to amend other proposed legislation into the bill (Attachment 2). Rep. Kirk seconded the motion. The motion did not carry.

Rep. Mason made a motion to pass the bill without the amendments and place it on the Consent Calendar. Rep. Lane seconded the motion. The motion carried.

Meeting was adjourned at 4:00 p.m.

Sub. SB 13

Proposed Amendment

KSA. 74-8203 (3)(i) is hereby amended to read as follows:

Funds invested by Kansas Venture Capital, Inc. shall be invested at ~~least 75%~~ 100% in Kansas businesses or in Kansas venture capital companies which invest ~~at least 75%~~ 100% of the ~~total~~ funds ~~invested in such companies by Kansas Venture Capital, Inc.,~~ in Kansas businesses in which the funds so invested were to be used solely for the purpose of enhancing their productive capacity within the state, or to add value to goods or services produced or processed within the state.

HOUSE ECO. DEVD.
3-7-95
ATTACHMENT 1

PROPOSED LEGISLATION

Ch. 321

•Amend the Kansas Venture Capital Company Act (K.S.A. 74-8301 et seq.) to raise the available tax credit from 25% to 75% for a qualified "Kansas venture capital company" as defined in the Act that is also a licensed "special small business investment corporation" organized under Section 301(d) of the Small Business Investment Act (15 USC 681 et seq.).

•The State of Kansas shall guarantee to investors in an entity possessing the characteristics described above that at the end of 20 years from the date of their investment, the value of the investor's investment shall be at least equal to the original purchase price.

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ATTACHMENT 2