

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT.

The meeting was called to order by Chairperson Barbara P. Allen at 3:30 p.m. on March 18, 1996 in Room 423-S of the Capitol.

All members were present except: Rep. Benlon
Rep. King
Rep. Long
Rep. Packer

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

Conferees appearing before the committee:

Others attending: See attached list

Chairperson Allen brought the committee's attention to **SB458** - reorganizing KEIOF, and **HB3068** - regarding compensation of officers and employees of KTEC. She informed the committee that the listing of reports to be consolidated under **SB460**, which was requested by Rep. Lane, was distributed to the committee. Chairperson Allen asked Lynne Holt to brief the committee on **SB458** and **SB460** (Attachment 1). Chairperson Allen suggested the committee take the language in **SB460** and put it into **SB458**.

Rep. Empson made a motion to amend the language in SB460 by adding the date the annual report is to be given to the Legislature and the Governor, and to put this language into SB458. It was seconded by Rep. Kirk. The motion carried.

Rep. Empson made a motion to pass SB458 as amended. Rep. Beggs seconded the motion. The motion carried.

Chairperson Allen brought the committee's attention to **HB3068** - regarding compensation of officers and employees of KTEC. She told the committee the bill was introduced by the Chairman of the House Tax Committee. Chairperson Allen also had an amendment passed out for the committee to consider. She asked Bob Nugent to explain the amendment (Attachment 2).

Rep. Glasscock moved to accept the offered amendment language and replace the previous committee amendment. It was seconded by Rep. Emson. The motion carried.

Rep. Glasscock made a motion to insert HB2685, KTEC's venture capital tax credit bill, as amended by House committee, into HB3068. Rep. Wempe seconded the motion. The motion carried.

Rep. Glasscock made a motion to pass HB3068, as amended, out of committee favorably. Rep. Beggs seconded the motion. The motion carried.

Chairperson Allen brought the committee's attention to the minutes of March 4, 5, 7, and 11, for approval. Rep. Pottorff made a motion and Rep. Empson seconded to approve the minutes. The motion carried.

Chairperson Allen announced the closing of the House Economic Development Committee meetings for the 1996 session.

The meeting adjourned at 4:00 p.m.

KANSAS
DEPARTMENT OF COMMERCE & HOUSING

March 6, 1996



Rep. Barbara Allen
State Capitol Building
Room 174 West
Topeka, Kansas 66603

Bill Graves, Governor
Gary Sherrer, Secretary

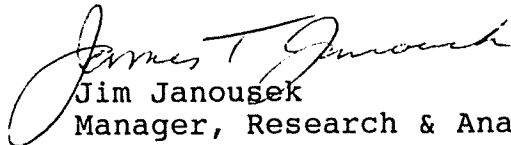
Dear Representative Allen:

Deputy Secretary John Rolfe asked me to provide a brief listing of the reports to be consolidated under SB 460.

I have provided information on each report and the statutory language that identifies the purpose or information to be included in the report. SB 460 would consolidate all of the reports into the department's annual report and provide a reporting date on or before October 1 of each year.

I hope that this information will be useful to you in your deliberations. If I can be of further assistance, please advise.

Sincerely,


Jim Janousek
Manager, Research & Analysis

enclosure

*Economic Development
March 18, 1996
Attachment 1*

Description of reports to be consolidated by
SB 460 Commerce Individual Report Consolidation Act (CIRCA)

Strategic Planning Report
(K.S.A. 74-5097)

Report made to the Joint Economic Development Committee by the Strategic Planning Program annually on or before September 1. The report on the status of program activities may include but is not limited to, "specifics of community strengths and weaknesses and planning issues and strategies" developed as part of the program.

SKILL Program Annual Report
(K.S.A. 74-50,111)

Report made to the Joint Committee on Economic Development annually on or before November 1 by the SKILL Program. The report shall include information on the number and characteristics of new jobs created in Kansas under the SKILL Program, including any new jobs reported under the program "which do not continue to exist and the circumstances and effect of any such discontinuances"

Kansas Economic Opportunity Initiative Fund
(K.S.A. 74-50,152)

Report made to the Joint Committee on Economic Development annually on or before September 1 by KDOC&H. The report shall include a "detailed description of how funds were spent, what if any, economic benefits were realized from the expenditures and whether the intended outcomes ... have been realized."

Commission on Travel & Tourism
(K.S.A. 74-9002)

Report made to the Governor and Legislature Development annually on or before December 31 by the Commission on Travel & Tourism. The report shall include findings and recommendations of the commission regarding the promotion of travel and tourism in Kansas and other related matters.

Kansas Industrial Training / Industrial Retraining Programs
(K.S.A 74-5066)

Report made to the Joint Committee on Economic Development annually by the KIT/KIR programs. No date is provided in statute for this report. The report shall include information on the "performance and cost effectiveness" of the programs.

Kansas Venture Capital Companies
(K.S.A. 74-8310)

Annual report made to the Governor, Legislature, and Kansas, Inc. by the Kansas Venture Capital Program. There is no date assigned in statute for this report. The report shall include information on the number of certified venture capital companies, total tax credit generated, total investments made in Kansas venture capital companies, estimated number of jobs created or preserved under the program, and an estimate of the multiplier effect on the Kansas economy.

Seed Capital Pools
(K.S.A. 74-8405)

Annual report made to the Governor, Legislature, and Kansas, Inc. by the Kansas Seed Capital Program. There is no date assigned in statute for this report. The report shall include information on the number of local seed capital pools, total tax credit generated, total investments made in Kansas venture capital companies, estimated number of jobs created or preserved under the program, and an estimate of the multiplier effect on the Kansas economy.

Enterprise Zones
(K.S.A. 74-50,118)

Report made annually on or before April 1 to the Governor and Legislature by the Enterprise Zone Program. The report shall include information provided by the designated non-metropolitan areas. The report will include information on local incentives for economic development, usage of such incentives committed by local governing bodies, and any other information deemed relevant by the secretary.

Trade Show Promotion Act
(K.S.A. 74-50,146)

Annual report made to the economic development committees of the House and Senate during the legislative session by the Kansas Trade Show Assistance Program. The report shall include information on the types of businesses receiving assistance to participate in trade shows and the results obtained from such participation.

Export Finance Program
(K.S.A. 74-5073)

Annual report submitted by the Export Loan Guarantee Review Committee on or before February 1 to the Governor and the Joint Economic Development Committee. The report is to include a summary of all "activities" of the program.

HOUSE BILL No. 3068

By Committee on Taxation

3-6

9 AN ACT concerning the Kansas technology enterprise corporation; re-
10 lating to compensation of officers and employees; amending K.S.A.
11 1995 Supp. 74-8105 and repealing the existing section
12

13 *Be it enacted by the Legislature of the State of Kansas*

14 Section 1. K.S.A. 1995 Supp. 74-8105 is hereby amended to read as
15 follows: 74-8105 (a) The president shall be the chief executive officer of
16 the corporation and shall serve at the pleasure of the board. The presi-
17 dent's salary shall be set by the board of directors. The president shall be
18 in the unclassified service under the Kansas civil service act. The board
19 of directors may negotiate and enter into an employment agreement with
20 the individual selected as president of the corporation which may provide
21 for such compensation and such provisions for allowances, benefits and
22 expenses as may be included in such agreement. The board of directors
23 is authorized to make all payments and payroll deductions as may be
24 required under such agreement. The president shall direct and supervise
25 administrative affairs and the general management of the corporation.

26 (b) The president:

27 (1) May employ and terminate such other officers and employees as
28 designated by the board of directors. *Any officer or employee of the cor-*
29 *poration who receives compensation allocated from state funds shall re-*
30 *ceive no other compensation.* Such officers and employees shall be in the
31 unclassified service under the Kansas civil service act;

32 (2) shall attend board meetings;

33 (3) shall appoint a secretary to keep a record of all proceedings and
34 maintain and be custodian of all financial and operational records, doc-
35 uments and papers filed with the corporation and of the minute book of
36 the corporation; and

37 (4) before accepting any applications as provided for under this act,
38 shall prepare a business plan which shall include the corporate analysis
39 of funding levels of programs in other states that are shown in the report
40 required in subsection (b) of K.S.A. 74-8111 and amendments thereto
41 and the threshold funding levels specified in subsection (c) of K.S.A. 74-
42 8111 and amendments thereto. Upon approval of the business plan by
43 the corporation board, the plan shall be presented to the standing com-

a salary

including, but not limited to, salaries, bonuses, fees or incentives for performance of any duties on behalf of any entity which is a subsidiary of or is other wise related to the corporation or is a business in which the corporation has invested state funds. The president's employment contract, including any renewal of an existing contract, shall be made available to the senate commerce committee and the house economic development committee, or if the legislature is not in session, the joint committee on economic development, prior to execution of the contract.

*Economic Development
MARCH 18, 1996
Attachment 2*

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