

Approved: February 22, 2000
Date

MINUTES OF THE SENATE COMMERCE COMMITTEE.

The meeting was called to order by Chairperson Alicia Salisbury at 8:00 a.m. on February 18, 2000 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Lynne Holt, Legislative Research Department
Jerry Ann Donaldson, Legislative Research Department
Bob Nugent, Revisor of Statutes
Betty Bomar, Secretary

Conferees appearing before the committee:

Judy A. Moler, Kansas Association of Counties
Kim Gulley, League of Kansas Municipalities
Rob Hodges, Kansas Telecommunications Association
Mike Murray, Sprint
Jim Yonnally, Cellular One
Don Seifert, City of Olathe
Dana Fenton, Johnson County, Kansas
Diane M. Gage, Sedgwick County, Kansas

Others attending: See attached list

Upon motion by Senator Umbarger, seconded by Senator Barone, the Minutes of the February 16th and February 17th Meetings were unanimously approved.

SCR 1641 - Formation of Enhanced 911 task force

Judy Moler, testified in support of **SCR 1641** which is legislation requested by the Kansas Association of Counties (KAC). The KAC believes a task force study of the issues addressed in the Legislative Post Audit report on 911 emergency phone systems in Kansas and its recommendations will assist in educating and achieving tax equity for counties providing 911 service. The KAC supports the broad charge of the task force and agrees with the representation on the task force. (Attachment 1)

Lynne Holt, Legislative Research Department, briefed the Committee on **SCR 1641** which establishes a task force to develop a strategy for funding and deploying wireless emergency telephone services. The task force is to make recommendations for establishing a mechanism for administering wireless 911 service, a mechanism for funding the service, and a method for recovering costs. The task force is made up of 15 members and includes representatives from the wireless telecommunications industry appointed by the Legislative Coordinating Council; a local exchange carrier other than a rural telephone company designated by the Kansas Telecommunications Association, one member representing a rural telephone company to be appointed by the Legislative Coordinating Council, two members designated by the Kansas Association of Counties, two members designated by the League of Kansas Municipalities, the Adjutant General, Superintendent of the Highway Patrol, Secretary of the Department of Revenue, a member to be appointed by the Speaker of the House of Representatives, one appointed by the House Minority Leader, one appointed by the President of the Senate and one appointed by the Senate Minority Leader. A report of the task force findings and conclusions is to be submitted to the House Committee on Utilities and the Senate Commerce Committee during the first week of the 2001 Session.

Kim Gulley, Director of Policy Development, League of Kansas Municipalities, testified in support of **SCR 1641**, stating that the League and its member cities support the formation of a task force to study the issues surrounding the 911 system. The League supports the composition of the task force as outlined in **SCR 1641** and believes it is a balanced representation. (Attachment 2)

CONTINUATION SHEET

Rob Hodges, Kansas Telecommunications Industry Association, appeared in support of SCR 1641. And to request that a person with a communication disability be included on the task force.

Mike Murray, Sprint, testified in support of SCR 1641.

Jim Yonnally, Cellular One, testified in support of SCR 1641.

Don Seifert, Management Services Director, City of Olathe, submitted written testimony in support of SCR 1641. (Attachment 3)

Dana Fenton, Intergovernmental Relations Coordinator, Johnson County, Kansas, submitted written testimony in support of SCR 1641. (Attachment 4)

Diane M. Gage, Director, Sedgwick County Emergency Communications, submitted written testimony in support of SCR 1641. (Attachment 5)

The hearing on SCR 1641 was concluded.

The Committee questioned why the Revenue Department was represented on the task force and not the Kansas Corporation Commission. Staff responded that there would be sales tax issues discussed, and the Corporation Commission does not regulate cellular companies.

Senator Brownlee moved, seconded by Senator Ranson, that SCR 1641 be amended so that designated groups recommend members to be their representatives but the Legislative Coordinating Council makes the actual appointments; that a representative of the Secretary of Revenue not be included; that a person recommended by the Kansas Commission for the Deaf and Hard of Hearing be appointed, and that a member of the Kansas Corporation Commission staff be designated if the chairman of the Commission elects not to be a member; and that the Revisor make technical corrections to the Resolution. The voice vote was in favor of the amendments.

Senator Gooch moved, seconded by Senator Feleciano that SCR 1641 be recommended favorably for passage as amended. The recorded vote was unanimous in favor of the motion.

SB 521 - Enterprise Zone Act; eligibility for firms which construct or remodel only a portion of a business facility.

Bob Nugent, Revisor of Statutes, distributed a proposed amendments to SB 521, which has been agreed to by both Shirley Sicilian, Department of Revenue, and Steve Kelly, Department of Commerce and Housing. (Attachment 6)

Senator Feleciano moved, seconded by Senator Ranson, that SB 521 be amended on Page 2, Line 16, to strike “the sales tax exemption may be claimed” and insert: “a project exemption certificate may be granted”; on Line 19 to strike “sale” and insert “sales”; on Line 22 after the word “business” to insert: “, as the person may elect”. The voice vote was unanimous in favor of the motion.

Senator Steffes moved, seconded by Senator Feleciano, that SB 521 be recommended favorably for passage as amended. The recorded vote was unanimous in favor of the motion.

The meeting adjourned at 8:40 a.m.

The next meeting is scheduled for February 21, 2000.



KANSAS
ASSOCIATION OF
COUNTIES

TESTIMONY ON SCR 1641
Senate Commerce Committee
By Judy A. Moler, Legislative Services Director
February 18, 2000

Senator Salisbury and Members of the Commerce Committee, thank you for allowing me to speak in support of SCR 1641 on behalf of the Kansas Association of Counties. As the Committee is aware Senate Concurrent Resolution 1641 was requested by the Kansas Association of Counties.

The KAC has for several years requested legislation that would expand tax currently collected on hard wired telephones for 9-1-1 services to wireless, mobile and cellular phones. The KAC has posited that extension of this tax is a matter of tax equity

Because of the questions raised by testimony on this issue, a Legislative Post Audit reviewing the 9-1-1 emergency phone systems in Kansas was requested by this committee. The Post Audit Report was well done but questions still remain. For this reason, the KAC at its Annual Meeting decided to ask for the formulation of a task force as one of the KAC 2000 Platform priorities. We decided to take this step of education needed to occur before moving toward our priority position of working toward tax equity. We felt this should be done in order that some of the questions raised by the post audit could be answered.

We support the concept and the charge contained in SCR 1641. The Kansas Association of Counties also appreciates the number of local officials that would serve on the Task Force contained in this resolution.

The Kansas Association of Counties urges you to act favorably on SCR 1641.

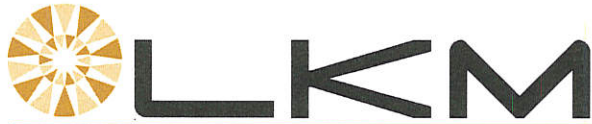
Thank you for the opportunity to speak on this bill.

The Kansas Association of Counties, an instrumentality of member counties under K.S.A. 19-2690, provides legislative representation, educational and technical services as well as a wide range of informational services to its member counties. Inquiries concerning this testimony should be directed to the KAC by calling (785) 272-2535.

6206 SW 9th Terrace
Topeka, KS 66615
785•272•2585
Fax 785•272•3585
email kac@ink.org

Senate Commerce Committee
Date: 2-18-00

Attachment # 1



League of Kansas Municipalities

300 SW 8th Avenue
Topeka, Kansas 66603-3912
Phone: (785) 354-9565
Fax: (785) 354-4186

To: Senate Commerce Committee
From: Kim Gulley, Director of Policy Development
Date: February 17, 2000
Re: Support for SCR 1641

Thank you for allowing me to appear today on behalf of the League and our member cities. We support the formation of a task force to study the issues surrounding the 911 system in Kansas.

During our policy development process last Fall, League member cities discussed the 911 issue and the following was adopted as a priority by our Governing Body and Convention of Voting Delegates:

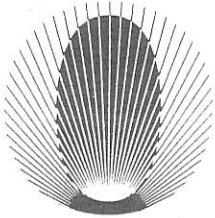
- We Support Extending the 911 Tax to All Telecommunications Customers. Although all telecommunications customers may use 911 services free of charge, current law exempts wireless communications customers from paying the local 911 tax. The 911 tax supports a vital public safety interest and should be funded equitably by all users of the service. *The League of Kansas Municipalities supports the formation of a statewide task force to investigate issues concerning local government 911 systems.*

We recognize both the importance and complexity of this issue. We, therefore, support the formation of a task force to study the issue and make recommendations. We believe that it is vital that the task force be balanced in its representation and would oppose altering the balance that is represented in the resolution as currently drafted.

We respectfully request your favorable consideration of SCR 1641 and I would be happy to answer any questions that you have.

Senate Commerce Committee
Date: 2-18-00

Attachment # 2



City of Olathe

MEMORANDUM

TO: Members of the Senate Commerce Committee

FROM: Don Seifert, Management Services Director *DS*

SUBJECT: SCR 1641; Formation of Enhanced 911 Task Force

DATE: February 18, 2000

On behalf of the City of Olathe, thank you for the opportunity to support **SCR 1641** establishing a task force to study issues associated with deploying enhanced 911 services to users of wireless communications services. The task force would report its findings to the 2001 legislature.

The Olathe Police Department operates a busy public safety answering point that handled some 55,000 calls during 1998. Reflecting the rapid growth of wireless communications in our society, wireless 911 calls account for a growing portion of total call volume. In Olathe, wireless 911 calls are now approximately 40% of the total. However, unless enhanced services become widely available, wireless callers cannot receive the same level of emergency service as wire based callers.

To enhance public safety and equitably share the cost of enhanced 911 service, the city of Olathe supports extension of the 911 tax to wireless communications users. We recognize this will involve significant policy decisions as well as a myriad of complex technical questions. We join other units of local government in supporting creation of this task force to address these issues.

Senate Commerce Committee

Date: *2-18-00*

Attachment # *3*



Johnson County, Kansas

Office of the County Administrator

**TESTIMONY REGARDING SCR 1641
SENATE COMMERCE COMMITTEE**

FEBRUARY 18, 2000

DANA FENTON, INTERGOVERNMENTAL RELATIONS COORDINATOR

Madame Chair and members of the committee, my name is Dana Fenton, Intergovernmental Relations Coordinator for Johnson County, Kansas. Thank you for this opportunity to appear in front of the committee. I am here to express the SUPPORT of the Johnson County Board of Commissioners for SCR 1641.

SCR 1641 would authorize the formation of a task force to develop a strategy for deploying and funding enhanced 911 services throughout the State of Kansas. Among the subjects to be covered by the task force would be how to fund the technological enhancements necessary to implement enhanced 911 services for wireless users. Such a funding mechanism has been the subject of debate the past several legislative sessions.

Many task forces are formed to study issues of concern to the legislature. This task force would be composed of representation from private telecommunications providers, local government designees, state agency specialists, and legislators. The outcome of the task force's work would be legislation to be presented to the 2001 State Legislature.

The Legislative Post Audit Department, in its 1999 report to the Legislative Post Audit Committee on the state of 911 services in Kansas, proposed such a task force. The audit report was well done and the members of the Post Audit Department contributing to this study should be complimented for their hard work and excellent analysis.

Thus, we respectfully request that the Senate Commerce Committee favorably consider this resolution for passage.

Thank you Madame Chair and I will be glad to stand for questions.

Senate Commerce Committee

Date: 2-18-00

Attachment # 4



**SEDGWICK COUNTY, KANSAS
DEPARTMENT OF
EMERGENCY COMMUNICATIONS**

Diane M. Gage, Director
525 N Main Ste-B-6
Wichita, KS 67203-3707
(316) 383-7077
(316) 383-8060 (FAX)

**TESTIMONY TO THE SENATE COMMERCE COMMITTEE
REGARDING SENATE CONCURRENT RESOLUTION 1641**

February 18, 2000

Chairman Salisbury and members of the Senate Commerce Committee, I am Diane Gage, Director of Sedgwick County Emergency Communications, Sedgwick County's "911" department. Sedgwick County supports the Senate Concurrent Resolution 1641.

As a provider of "911" services, I feel SCR 1641 provides communications centers the representation needed to insure the needs of our citizens are met both now and in the future. The technology for the delivery of "911" telephone services is changing rapidly and there is a critical need to be able to provide a high level of service to all users, whether on hardwired or wireless telephones. This task force should provide the means for us to meet this challenge.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in cursive script that reads "Diane M. Gage".

Diane M. Gage
Director, Sedgwick County
Emergency Communications

....to be the best we can be.

Senate Commerce Committee

Date: 2-18-00

Attachment # 5

1 subsection (cc) of K.S.A. 79-3606, and amendments thereto, if the retail
2 business complies with the following requirements:

3 (1) A retail business shall provide documented evidence of job ex-
4 pansion involving the employment of at least two additional full-time em-
5 ployees; and

6 (2) such retail business locates or expands to a city having a popula-
7 tion of 2,500 or less, as determined by the latest United States federal
8 census.

9 (d) Any person constructing, reconstructing, remodeling or enlarging
10 a facility which will be leased *in whole or in part* for a period of five years
11 or more to a business that would be eligible for a sales tax exemption
12 hereunder if such business had constructed, reconstructed, enlarged or
13 remodeled such facility *or portion thereof* itself shall be entitled to the
14 sales tax exemption under the provisions of subsection (cc) of K.S.A. 79-
15 3606, and amendments thereto. *When such person leases less than the*
16 *total facility to an eligible business, the sales tax exemption may be claimed*

a project exemption certificate may
be granted

sales

, as the person may elect

17 on: (1) *The total cost of constructing, reconstructing, remodeling or en-*
18 *larging, the facility multiplied by a fraction given by dividing the number*
19 *of leased square feet eligible for the sale tax exemption by the total square*
20 *feet being constructed, reconstructed, remodeled or enlarged; or (2) the*
21 *actual cost of constructing, reconstructing, remodeling or enlarging that*
22 *portion of the facility to be occupied by the eligible business.*

23 (e) A business may qualify for a sales tax exemption under subsection
24 (cc) of K.S.A. 79-3606, and amendments thereto, without regard to any
25 of the foregoing requirements of this section if it is certified as a qualified
26 firm by the secretary of commerce and housing pursuant to K.S.A. 1999
27 Supp. 74-50,131, and amendments thereto, and is entitled to the corporate
28 tax credit established in K.S.A. 1999 Supp. 74-50,132, and amendments
29 thereto, or has received written approval for participation and has partic-
30 ipated, during the tax year in which the exemption is claimed, in training
31 assistance by the department of commerce and housing under the Kansas
32 industrial training, Kansas industrial retraining or state of Kansas invest-
33 ments in lifelong learning program.

34 (f) The secretary may adopt rules and regulations to implement and
35 administer the provisions of this section.

36 Sec. 2. K.S.A. 1999 Supp. 74-50,115 is hereby repealed.

37 Sec. 3. This act shall take effect and be in force from and after its
38 publication in the statute book.

Senate Commerce Committee
Date: 2-18-00
Attachment # 6