

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Nick Jordan at 8:30 A.M. on January 25, 2006 in Room 123-S of the Capitol.

All members were present except:
Jim Barone- excused

Committee staff present:
Kathie Sparks, Kansas Legislative Research Department
Helen Pedigo, Revisor of Statutes
Jackie Lunn, Committee Secretary

Conferees appearing before the committee:
Sandy Jacquot-League of Kansas Municipalities

Others attending:
See attached list.

Chairperson Jordan opened the meeting by calling on Bill Sneed representing Southwestern Bell Telephone Company doing business as AT&T to introduce a bill. Mr. Sneed requested the Committee to introduce a bill dealing with statewide franchise authority relative to certain video transmissions.

Chairperson Jordan called for questions or motions, Senator Schodorf moved to introduce. Seconded by Senator Reitz. Motion carried.

Upon completion of introduction of bills, Chairperson Jordan opened the hearing on **SB 319--Disposal of excess real property of a redevelopment project where the property was obtained through eminent domain**, giving a brief explanation on the intent of the bill and stated the proponents of the bill would be the members of the Joint Economic Development Committee that serve on the Commerce Committee; Senator Brownlee, Senator Jordan, Senator Kelly, Senator Wysong, and Senator Barone. Chairperson Jordan stated the bill addresses one of the major concerns left on STAR bonds in the state. Chairperson Jordan commented Secretary Fricke, with the Department of Commerce, in earlier testimony and questioning stated it would not hurt STAR bond development.

Chairperson Jordan introduced Sandy Jacquot representing the League of Kansas Municipalities, an opponent of the bill, to give her testimony. Ms. Jacquot presented written testimony (Attachment 1) Ms. Jacquot stated the League of Kansas Municipalities does not have a problem with the objective the bill is seeking to achieve. A discussion occurred with the Committee and Ms. Jacquot regarding the concerns of the League of Kansas Municipalities regarding the intent of the bill. The Committee stated that possibly some language could be added to address the concerns of the League of Kansas Municipalities.

Chairperson Jordan called for anyone else wanting to testify in regards to **SB 319**, being none, he closed the hearing on **SB 319** and stated that the Committee would work the bill on another day.

Chairperson Jordan then turned the attention of the Committee to strategic planing, goal setting and the mission statement of the Committee. Senator Brownlee joined the discussion and stated workforce development should be a primary goal this session. Chairperson Jordan stated he also felt the Committee should focus on workforce development. He also stated that the housing issue at Ft. Riley with the "Big Red One" coming back and reminded the Committee of Senator Reitz's concerns with encroachment and felt that should be discussed by the Committee. Senator Wysong suggested adding workforce development to the goals of the Committee. Senator Reitz called the attention of the Committee to older Kansans that want to work. Senator Kelley joined the discussion stating the Committee did need to deal with the concerns of workforce development. The Committee was referred to 46-1601. Legislative committees on economic development; purpose. (Attachment 2) by Senator Brownlee.

Senator Brownlee requested a conceptual bill to add a sixth point (6) to 46-1601. The Legislative committees on economic development; purpose. She moved to include workforce development as one of the purposes of the legislative committees. Wysong seconded. Motion carried.

CONTINUATION SHEET

MINUTES OF THE Senate Commerce Committee at 8:30 A.M. on January 25, 2006 in Room 123-S of the Capitol.

The discussion of the Committee was turned to the lecture of Dr. Hildreth from Wichita State. The Committee felt it would be a good idea to create a policy on debt. Additionally, the Committee should continue to fairly evaluate the tax incentive programs.

Chairperson Jordan turned the discussion to high-speed internet access across the state of Kansas and the impact it has had on the economic development in the state. Chairperson Jordan would like for the Committee to stay on top of this issue and address it in some way this session.

Senator Brownlee announced that Kan-ed would update the Committee on Friday morning.

The discussion turned back to the goals of the Committee and if work comp reform would be a goal added. The Committee decided work comp reform would fall under the existing goals of the Committee.

Chairperson Jordan adjourned the meeting at 9:10 a.m. with the next meeting scheduled for tomorrow, February 26, 2006 at 8:30 a.m. in room 123S.



League of Kansas Municipalities

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TO: Senate Commerce

FROM: Sandy Jacquot, Director of Law/General Counsel

DATE: January 25, 2006

RE: Opposition to SB 319

Thank you for allowing the League of Kansas Municipalities to appear before you in opposition to SB 319. In its current form, there are a few practical problems with the bill, but the League does not oppose the objective the bill is seeking to achieve. It appears that the bill is seeking to ensure that property acquired through eminent domain in a tax increment financing project may not be used by a developer for other than the purpose for which it was acquired. The League has no objection to this purpose and, in fact, most development agreements entered into by cities contain such a caveat. Because most cities are already restricting the developer's use of the property, however, this bill is probably unnecessary.

There are a couple of difficulties with the language in the bill. First, it is unclear in Section (b) how the percentage amount should be calculated. Should the amount be based upon the original amount paid to the city, or should the percentage be based upon current value? The second issue is whether the intent of the bill was to prohibit the conveyance by one developer to another developer of all property in the redevelopment area regardless of how it was acquired. The language as it currently reads would prevent a developer from conveying any land in the redevelopment area, regardless of whether it was acquired through the use of eminent domain or through purchase. This is unduly restrictive and would not further any legitimate public policy. Therefore, the League, although of the opinion that this bill is unnecessary, would respectfully request that the committee restrict the prohibition on conveyance to land acquired through the use of eminent domain and clarify the method by which to determine the value of the remnant parcel.

January 25, 2006

Commerce Committee

46-1601. Legislative committees on economic development; purpose.

(a) The purpose of the legislative committees shall be to:

(1) Facilitate the growth, diversification and expansion of existing enterprises and the creation by Kansans of new wealth-generating enterprises;

(2) promote economic diversification and innovation within the basic industries and sectors of the state;

(3) promote increased productivity and value added products, processes and services among wealth-generating enterprises, and the export of those goods and services created by small and large Kansas enterprises to the nation and world;

(4) maintain and revitalize economically depressed rural areas and urban neighborhoods by annually targeting scarce resources by size, sector and location to communities and enterprises of particular need and opportunity, and by working in close collaboration with local communities; and

(5) protect and enhance the environmental quality of the state in ways consistent with dynamic economic growth.

Senate Commerce Committee

January 25, 2006

Attachment 2-1