

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Susan Wagle at 8:30 a.m. on March 7, 2012, in Room 548-S of the Capitol.

All members were present

Committee staff present:

Ms. Margaret Cianciarulo, Committee Assistant
Mr. Reed Holwegner, Kansas Legislative Research Department
Mr. Jason Long, Office of the Revisor of Statutes
Mr. Chuck Reimer, Office of the Revisor of Statutes

Conferees appearing before the Committee:

Mrs. Martha Neu Smith, Executive Director, Kansas Manufactured Housing Association
Mr. Ray Roberts, Secretary, Kansas Department of Corrections
Mr. Rob Fillion, Executive Director, Smoky Hill Development Corporation, Ellsworth, Kansas

Others attending:

See attached list.

Hearing on HB 2510 – an act concerning the prison-made goods act; prohibiting the manufacture or production of manufactured homes or modular homes

Upon calling the meeting to order, Chairman Susan Wagle announced the Committee would be hearing testimony on HB 2510 and asked Mr. Chuck Reimer, Office of the Revisor of Statutes, to explain the bill which included:

- 1.) Prohibiting the Department of corrections from establishing a home building program which could compete with manufactures and modular home businesses.
- 2.) Various definitions, as shown in K.S.A. 58-4202. for example, manufactured home, manufactured home dealer, and manufactured home manufacturer.
- 3.) An exception for the Department of Corrections (DOC) for the county building program which the DOC operates in cooperation with the Kansas Department of Wildlife, Parks, and Tourism called the "Vocational cabin building program" which states no cabin will exceed 1,000 square feet in size.

The only question for Mr. Long came from Senator Steineger who asked who introduced the bill? Mrs. Martha Neu Smith, Executive Director, Kansas Manufactured Housing Association (KMHA), and the first proponent to testify stated KMHA did request the bill introduction with Representative Hedke actually making that motion. She went on to say that KMHA is a statewide trade association representing all facets of the manufactured and modular housing industries. She briefly reviewed the three attempts that have been made by the DOC to build and sell homes. She concluded by saying allowing the DOC to build and sell homes is government competing against the factory built housing industry. Second, the

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DOC's existing Work Release Program provides training for inmates and not at the expense of the private business sector. And third, the bill ensures that the Legislature will set the policy concerning the DOC competing against the factory built housing industry. A copy of her testimony and attachments is Attachment 1.

The Chair then called on the first of two opponents, Mr. Ray Roberts, Secretary, Kansas Department of Corrections who stated this bill would prohibit the current correctional vocational education program from constructing small buildings for any other state agency, regent institution or nonprofit organization. He offered instances of how the bill would prohibit building by their program including two cabins for field studies in the Cheyenne Bottoms. He stated upon completion of their program the inmates receive national certification by the National Center for construction Education and Research (NCCER.) A copy of his testimony is Attachment 2.

The second opponent recognized was Mr. Rob Fillion, Executive Director, Smoky Hill Development Corporation, Ellsworth, Kansas, which represents their business community who have seen the benefits from the Ellsworth Correctional Facility. Not only does it provide a housing option for those that might not otherwise be able to afford it, but they supply business to local contractors who are responsible for things like concrete, landscapers, plumbers, etc. The houses being built by the Greenbush Vo-tech program, offer those same industries the same benefit, however, they are being bought by families that could not afford a manufactured built home by a private company. A copy of his testimony is Attachment 3.

The Chair thanked the conferees and asked for questions from the Committee including: Secretary Roberts stated the bill would prohibit the program from building for other state agencies, regent institutions or nonprofit organization, Senator Merrick asked how much work do they do now? (Minimal, but with these we would not be competing with private industries.) What would the inmates be doing to get work skills if they were not allowed to do this work? (They would need to continue to look at market relevant programs, but there is national certification with this program.) How many inmates in this program and are they behind fences? (They have 72 slots and try to locate much of their private industries inside the fence.) For Mrs. Neu Smith, do you agree with Secretary Roberts' definition of small buildings? (If they are not dwelling units.) Also asked was the clarification of the KHRC grant.

As the meeting time was coming to a close, the Chair closed the hearing.

Handout

The Chair announced to the Committee they had a handout before them from Ms. Michelle Walters, President, Kansas Organization of State Employees who offered testimony for yesterday's meeting (Hearing on HB 2638 and act regarding the Employment Security Law; pertaining to the state employee security advisory council; pertaining to benefits; pertaining to notice for experience ratings pertaining to rates. A copy of her testimony and face letter is Attachment 4.

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Adjournment

As they were running out of time, Chairperson Wagle announced the meeting was adjourned. The time was 9:30 a.m.

The next meeting is scheduled for March 8, 2012.