

MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Senator Karin Brownlee at 8:15 a.m. on March 27, 2002 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Sherman Parks, Revisor of Statutes
Norman Furse, Revisor of Statutes
April Holman, Legislative Research
Debra Hollon, Legislative Research
Lea Gerard, Committee Secretary

Conferees appearing before the committee: Phil Harness, Director,
Workers Compensation

Others attending: See attached list

Senator Emler moved, seconded by Senator Jordan to approve the minutes for February 26, March 5, 6, 7, 8, 11, 12, 13, and 14, 2002. Motion carried.

Chairperson Brownlee provided committee members with a color coded map of the Sunflower Army Ammunition Plant site and the Senator Pat Roberts 2800 acre proposal for a park (Attachment 1).

SB 649–Tax increment financing; expansion of major tourism areas.

Senator Steineger presented a balloon amendment for **SB 649** describing the three improvement areas in Wyandotte County, Kansas City, Kansas that would qualify for STAR Bonds (Attachment 2).

Senator Jordan questioned using STAR Bonds for Zones B and C in that it was a major policy shift for the State of Kansas. Using STAR Bonds is a shift from local responsibility for re-development to making it a state responsibility. He was concerned about opening up STAR Bonds for any re-development use in the State of Kansas. Senator Steineger stated in the past that it would always be specified as a major state-wide attraction like the Speedway or what the OZ theme park would have been. It had to be a project of major state-wide attraction and that policy still remains for Site A but would not apply to the intercity sites B and C.

Senator Steineger moved, seconded by Senator Barone to make a conceptual motion for SB 649 to leave site A intact with a \$50M threshold as written, site B, Page 1, Lines 27 through 32 with a \$10M threshold and eliminate site C.

Senator Emler questioned the conceptual motion and did it address the concerns of the committee regarding the use of STAR Bonds for re-development. Chairperson Brownlee stated it did not.

Senator Steineger moved, seconded by Senator Brungardt to redraw the conceptual motion for SB 649 and make a substitute motion to leave site A intact with a \$50M threshold as written, eliminate site B, Page 1, Lines 27 through 32 and eliminate the balloon language for site C. Motion carried.

Senator Steineger moved, seconded by Senator Emler to amend SB 649 on Page 1, to strike lines 33 and 34. Motion carried.

Senator Steineger moved, seconded by Senator Jenkins to move SB 649 as amended favorably for passage. Motion carried.

HB 2729–Workers compensation; wholly dependent children.

CONTINUATION SHEET

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Phil Harness, Director, Workers Compensation, briefed the committee on proposed amendments for **HB 2729** (Attachment 3). The alternative language for 44-510K would read, "As used in this subsection "costs" include, *but not limited to*, witness fees, mileage allowances, any costs associated with reproduction of documents that become a part of the hearing record, the expense of making a record of the hearing, and such other charges as are by statute authorized to be taxed as costs". Norman Furse, Revisor of Statutes, stated this would be a new section to **HB 2729**.

Senator Emler moved, seconded by Senator Jordan to adopt the language for 44-510K. Motion carried.

Phil Harness explained the amendment for 44-523 provides guidelines for recusal of a workers compensation administrative law judge.

Senator Emler moved, seconded by Senator Brungardt to adopt the amendment for 44-523. Motion carried.

Senator Emler moved, seconded by Senator Brungardt to adopt the amendment of adding a physical therapist to the workers compensation advisory panel. Motion carried.

Brad Smoot, American Insurance Association, proposed an amendment for **HB 2729** that all closed claims data for workers comp be submitted to the Director of Workers Compensation electronically rather than just the random sampling (Attachment 4). The amendment would allow insurers to voluntarily submit claims information electronically.

Senator Brungardt moved, seconded by Senator Kerr to adopt an amendment for **HB 2729**, Page 10 that allows insurers to voluntarily submit claims information electronically to the Director of Workers Compensation on Page 10. Motion carried.

Senator Emler moved, seconded by Senator Jenkins to move **HB 2729** as amended favorably for passage. Motion carried.

HB 2872–Workforce development loan program and fund

Steve Jacks, Kansas Department of Human Resources, presented an amendment for **HB 2872** regarding the funding of the workforce development loan program and a way to transfer the funds (Attachment 5). The monies would be transferred annually to the Workforce Development Loan Program from the Workforce Investment Act (WIA) which is returned to the state as unspent WIA funds.

Senator Wagle moved, seconded by Senator Jordan to adopt the funding provisions amendment for **HB 2872** from the Kansas Department of Human Resources. Motion carried.

Candy Shively, Kansas Department of Social and Rehabilitation Services, presented amendments for **HB 2872** (Attachment 6).

Senator Wagle moved, seconded by Senator Jordan to adopt Option 1 of the amendments presented by SRS and the language on Page 1, Lines 33 and 34; to move conceptually and allow the revisor to place the language in the bill and make technical changes as necessary. Motion carried;

Senator Barone commented on his concern regarding Page 1, Lines 36 thru 38, and if the language includes private technical colleges. What is the intention of the language?

Senator Barone requested the following statement be reflected in the minutes.

Steve Kearney, representing the Kansas Association of Technical Schools and Colleges, stated coordination is a term of art that came from **SB 345** and refers to public institutions that are either governed or coordinated including community colleges and all public institutions. The intention of the bill was not private or proprietary schools.

Senator Jenkins moved, seconded by Senator Emler to move **HB 2872** as amended favorably for passage. Motion carried.

CONTINUATION SHEET

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HB 2754–Telecommunications; affordable rates; quality of service; standards.

Chairperson Brownlee asked if someone could address her concern that **HB 2754** is setting rates in statute and does this change the role of the KCC?

Tom Gleason, Attorney for Rural Independent Telecommunication Companies, stated it is generally accepted and acknowledged that rate making is in origin a legislative function and can be delegated. If it is delegated, then it is delegated subject to rules and conditions that are placed by the legislature. The Corporation Commission staff and the Citizens Utility Ratepayer Board agreed on the original threshold and a continuing formula for establishing an affordable rate standard. **HB 2754** does not set rates, it establishes affordable standards and would be a legislative determination of the level at which rates are to be supported by the Kansas Universal Service Fund (KUSF). It does not require companies to charge the rate, it is not an adoption of the rate statutorily, it is a determination of policy that says the parties agree the KUSF will provide support. He stated with that his answer to the question would be no it is not legislatively setting rates and no it is not interfering with the authority of the KCC.

The bill is needed because it is important to rural Kansas that the companies provide service and would have some measure of predictability. The companies would know what's expected in terms of cost recovery that would be available from service funds to continue investment in expanding their facilities and to increase availability of communication services in rural Kansas which in turn holds promise for economic development for distance learning and tele-medicine.

Chairperson Brownlee asked Janet Buchanan, KCC, if she would like to respond. Janet Buchanan stated it does to some extent limit what the Commission can do but there is room for the Commission in the future if it finds other evidence that it considers or meaningful for determining affordable rates. The KCC does not traditionally have requests to codify KCC orders.

Meeting adjourned at 9:30 a.m.

Next meeting is scheduled for Friday, March 29, 2002.