

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 14, 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
Bob Nugent, Revisor of Statutes
April Holman, Legislative Research
Debra Hollon, Legislative Research

Conferees appearing before the committee:

Don Jarrott, Attorney for Johnson County
Jack Brier, President KDFB
Charles Benjamin, Sunflower Advisory Board

Others attending:

See attached list.

SB 611—Concerning the redevelopment of the sunflower army ammunition plant in Johnson County.

Senator Steineger presented a balloon amendment which will add an additional 400 acres with Star Bond Authority. Some of the technical features are it would not allow property tax to be abated for use of the Star Bond. The second 400 acres would be targeted towards arts, entertainment, hotel and possible theme parks. Most of the 400 acres is owned by the unified government with little development.

Ike Parsons, Fahnestock, Kansas City, Missouri testified they have been associated with unified government and other communities in the Kansas City area and across the state of Kansas for several years. Star Bonds are a very viable mechanism for providing financing to facilities of this type and would accelerate the development by the Speedway.

During Committee discussion regarding imminent domain, SIC, NAIC codes and changes to the existing Star Bond Authority for the 400 additional acres, Chairperson Brownlee stated to committee members the amendment submitted by Senator Steineger would be held for further review and the committee would work the amendments for the base bill.

April Holman, Legislative Research, briefed the committee on the amendments submitted for Balloon 1 for **SB 611** (Attachment 1).

Don Jarrott, Attorney for Johnson County, requested that on Page 11, Line 7, the amendment submitted would read *“Prior to taking title, possession or otherwise exercising control over the land, Johnson county shall ensure that adequate environmental insurance is obtained and purchased to cover the property.”* Mr. Jarrott stated that Johnson County will be responsible for ensuring that adequate comprehensive environmental liability insurance is purchased by Johnson County or the developer.

Don Jarrott requested that on Page 10, Line 38 to reinstate the language *“Nothing in this section is intended and shall not be construed to relieve the United States army, the federal government or any agency thereof from any duty, responsibility or liability for any contamination or remediation of the land as may be imposed or required under state or federal law”*.

Senator Emler stated he has some concern about liability and would like somewhere in the amendments that the State of Kansas is not responsible for the clean-up or any associated fees which would include fees of litigation.

Don Jarrott stated a preamble was offered at the first meeting and the Bond Council for Johnson County would like the Section 1 amendment to be adopted because it would declare this is a blighted area and establishes the base line for use using a lot of the economic development tools.

Senator Brownlee asked the committee if they would feel comfortable adding the amendments in the balloon which were mostly technical except for the one on Page 11 that deals with switching from a

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competent attorney to the Kansas Attorney General, the language added on Page 11, Line 7 regarding prior to taking title there has to be adequate environmental insurance and Page 3, Line 35 correcting the Statute number from 79-8924 to 74-8924.

Senator Jordan moved, seconded by Senator Steineger to adopt the amendments in Balloon 1 for **SB 611**. Motion carried.

Balloon 2 for **SB 611** was submitted to committee members and was recommended by the KDFA (Attachment 2). Chairperson Brownlee stated there is ambiguity as to whether or not the additional 2% sales tax would be part of the STAR Bond Authority as when the OZ project was being considered and it was decided to remove the 2% sales tax. The state-wide sales tax of 4.9% plus 1% county sales tax would pay off the STAR Bonds.

Senator Steineger moved, seconded by Senator Emler to adopt Balloon 2 for **SB 611**. Motion carried.

Balloon 3 for **SB 611** was submitted to committee members and is placing Section 74-8902 for the purpose of striking out Section (q) on Page 3 of the balloon (Attachment 3). This balloon was submitted by KDFA and eliminates the language for the OZ Project.

Senator Jenkins moved, seconded by Senator Jordan to adopt Balloon 3 for **SB 611**. Motion carried.

Ron Gaches, representing Intrust Bank, submitted written testimony to committee members regarding **HB 2676** (Attachment 4).

Meeting adjourned at 9:30 a.m.

The next meeting is scheduled for Tuesday, March 19, 2002 at 8:30 a.m.