

## MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Karin Brownlee at 8:30 a.m. on February 10, 2004 in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Kathie Sparks, Legislative Research  
Susan Kannarr, Legislative Research  
Helen Pedigo, Revisor of Statutes  
Nikki Kraus, Committee Secretary

Conferees appearing before the committee:

Paul Johnson, Kansas Catholic Conference  
Patty Clark, Department of Commerce  
Dr. Ernesto Sirolli, Sirolli Institute  
Randy Hrabe, NW Regional Planning and Development Commission

Others attending:

See Attached List.

Chairperson Brownlee opened the public hearing on:

### **SB 241--Enacting the agricultural opportunities and value-added partnerships act**

Kathie Sparks explained the bill to the committee. ([Attachment 1](#))

The committee was provided with a fiscal note for the bill. ([Attachment 2](#))

Paul Johnson testified in favor of the bill. ([Attachment 3](#)) Mr. Johnson provided the committee with an informational sheet entitled "Kansas Center for Sustainable Agriculture and Alternative Crops" ([Attachment 4](#)) and "Kansas Family Farmer Coalition." ([Attachment 5](#)) He stated that people are interested in locally produced produce, meat, and milk. He stated that rural development is needed to give micro enterprises a fair chance.

Chairperson Brownlee closed the public hearing on **SB 241**.

Chairperson Brownlee opened the public hearing on:

### **SB 417--Rural business development income tax credits**

Ms. Clark provided testimony in support of the bill. ([Attachment 6](#)) Senator Jordan asked her to clarify what a "qualified entrepreneur" is and how the funds are distributed and by whom. Ms. Clark stated that the closer the decision making is to the application, the better the decisions that come out of that situation. She stated that there is a lengthy application process followed by 5 years of quarterly reports that will be reviewed by the Regional Board. She stated that the majority would probably be outright grants, but others might be matching funds. Chairperson Brownlee stated that Rules and Regulations would help to clarify that information.

Matt Jordan, Department of Commerce, stated that the community tax credit program would take, for example, an initial investment of \$10,000 and provide a tax credit of \$5,000. Ms. Clark stated that this would be a greater incentive than would normally be provided.

Dr. Sirolli provided testimony in favor of the bill. ([Attachment 7](#)) He discussed enterprise facilitation with the committee and the creation of a mechanism for this kind of development can help transform ideas to a livelihood. He discussed the need for getting individuals from the business community involved to link people with resources that are available in their communities. He provided the committee with a chart entitled, "Kansas E.F. Project Results Recap" ([Attachment 8](#)) and another booklet entitled, "What is

## CONTINUATION SHEET

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Enterprise Facilitation?" ([Attachment 9](#))

In response to a question from Senator Kerr, Dr. Sirolli stated that clients are not allowed to start a company alone because there is no one person who can do all three elements of production, marketing, and keeping the books. He stated that no individual writes the business plan, but that the team goes together. Senator Kerr asked what the training was for the individual, and Dr. Sirolli stated that it was an issue of looking in the mirror and deciding which of those three things a person would want to do for the rest of his life.

Mr. Hrabe provided testimony in favor of the bill. ([Attachment 10](#))

Senator Barone asked, in regard to the community development tax credits, where the money goes because with this bill, it seemed unclear, and he would like to know if there are any targets or prohibitions. Mr. Hrabe stated that it would be regionally tailored with money going to entrepreneurs. He stated that the goal would be to fund businesses with a chance to grow; they are developing some guidelines, and in the last several years, there has been increasing cooperation between counties.

Written testimony in support of the bill was submitted by John Cyr, North Central Regional Planning Commission ([Attachment 11](#)) and by Bruce E. Fairbank, Executive Director, Mid-America Certified Development Company. ([Attachment 12](#))

Chairperson Brownlee closed the hearing on **SB 417**. She stated that the committee would try to work the bills the following day. The Chair adjourned the meeting at 9:30 a.m. The next meeting will be at 8:30 a.m. on February 11, 2004 in Room 123-S of the Capitol.