

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Karin Brownlee at 8:45 A.M. on March 25, 2005 in Room 519S of the Capitol.

All members were present.

Committee staff present:

Susan Kannarr, Kansas Legislative Research Department
Helen Pedigo, Revisor of Statutes
Marry Galligan, Kansas Legislative Research Department
Jackie Lunn, Committee Secretary

Conferees appearing before the committee:

Lee Allison , Director of Science & Energy, Kansas Geological Survey
Charles Benjamin, Kansas Chapter Sierra Club
Bill Sneed, Kansas Speedway Corporation
Steve Kelly, Department of Commerce

Others attending:

See attached list.

Chairperson Brownlee opened the meeting by calling the attention of the Committee to the minutes waiting for approval for the following days: January 25th, 26th, 27th, 28th, March 3rd, March 11, and March 14. Senator Jordan made a motion to approve the minutes. Senator Emler seconded. Motion Carried.

Chairperson Brownlee opened from the floor for discussion on HB 2026. She called attention to the different amendments to the bill. One from Representative Watkins (Attachment 1), Verizon Wireless (Attachment 2) and the Brownlee Amendment (Attachment 3).

The Committee discussed the various amendments received on HB 2026 starting with Representative Watkins Amendment with Chairperson Brownlee conferring with Helen Pedigo, Revisor of Statutes regarding this amendment to explain what it would do. Next the Committee moved to the Verizon Wireless amendment and the discussion was brief. The Committee turned to the Brownlee Amendment and discussed the content. Chairperson Brownlee explained her amendment to the Committee. A discussion followed with Hal Gardner, Kan-Ed. He explained Kan-Win and Kan-Ren and the differences between the two. Stating these two might receive state General funds but indirectly.

Chairperson Brownlee recognized Senator Reitz. Senator Reitz stated his position is no matter what he wants Kan-ed to be funded and does not want any risk to Kan-ed at any time. He doesn't want it going to the general fund and have it subjected to the precocious nature of this Legislature in the future. He is not impressed with the way this Legislature used the vital instruments of education. He does not want it put in the hands of a body who thinks it is not important. He wants the Kan-ed funding to stay like it is. He believed Kan-ed is the way of the future and stated we need to be there. Senator Brownlee joined the discussion stating that Kan-ed is very beneficial to the state. Senator Elmer joined the discussion suggesting an amendment to address Senator Reitz's concerns. Senator Kelly entered the discussion asking what was the amount of the universal fee which goes to Kan-ed for funding. Senator Brownlee stated \$.40 per month to Kan-ed. Mr. Gardner joined in and stated that was correct and was approximately 17% of total cost. Senator Kelly asked what would happen to that \$.40 if they moved the funding to the state general fund. Senator Brownlee stated it would be dropped. Senator Kelly stated she agrees with Senator Reitz. Senator Wysong entered the discussion stating he liked Senator Emler's idea to add the language making Kan-ed funding as important as Educational funding.

Upon the conclusion of the discussion, Senator Wagle made a motion to accept the Brownlee amend on page 3 with a conceptional amendment from Senator Emler and move out favorably. Senator Wysong seconded.

A discussion followed regarding the year it would start coming out of the state general fund in the budget. It would be 2008. Senator Kelly is not sure that can be added to the education funding and stated that will probably have to be changed. Senator Reitz discussed changing the language from could to shall.

Upon the conclusion of the discussion, Chairperson Brownlee called for a vote on the motion. Motion carried

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with Senator Kelly, Senator Schodorf, and Senator Reitz voting against.

A discussion continued regarding the right place to receive the funding for Kan-ed. The committee would like for the funding for Kan-ed be as important as educational funding. Chairperson Brownlee called the attention of the Committee to page 4. An amendment to blend the networks, Kan-ed, Kan-ren and Kan-Win. Mr. Gardner entered the discussion stating the blending with Kan-ren would be doable because Kan-ed's relationship with Kan-ren is already in place. Blending with Kan-win would be a whole other issue and may take a great deal of time.

Senator Kelly made a motion to accept the amendment on Page 4. Senator Emler seconded. Motion carried

There was discussion on the section 3 which was removed from the bill yesterday in the Senate Commerce Committee meeting.

Senator Wagle made a motion to move HB 2026 out favorable as amended. Senator Emler seconded. Motion carried.

Chairperson Brownlee turn the Chair over to Senator Jordan. Chairperson Jordan opened the hearing on SB 304 by introducing Bill Sneed to give his testimony as proponent of SB 304. Mr. Sneed presented written testimony (Attachment 4) Mr. Sneed stated the state of Kansas is working diligently to put a package together in order to respond to an RFP in hopes of having the NASCAR Hall of Fame located near the Speedway. They believe the potential for procuring the Hall of Fame in Kansas will only strengthen Kansas as a destination center. In order to have all possible financial alternatives available, and after meeting with members of the K DFA, they believe this technical amendment to be offered by Steve Weatherford, K DFA is necessary in order to assure the maximum opportunity to procure the museum. In closing Mr. Sneed urged the Committee to vote in favor of SB 304 with the amendment.

Chairperson Jordan introduced Steve Kelly, Department of Commerce, to give his testimony as a proponent to SB 304. Mr. Kelly offered written testimony. (Attachment 5) Mr. Kelly stated the Department of Commerce is seeking legislative approval of an expansion of K DFA authorization in K.S.A. 74-8905 to include issuance of bonds for, a hall of fame, museum or tourist destination of national significance as shall be determined by the Secretary of Commerce". Bonds issued by K DFA on behalf of the NASCAR Hall of Fame at Kansas City, would not be a liability of the state nor would the state have any responsibility for the repayment of such bonds; rather the debt would/could be retired be a variety of streams of revenue available to the Hall of Fame. In closing Mr. Kelly urged the Committee to support SB 304.

Chairperson Jordan introduced Steve Weatherford , K DFA to give his testimony as a proponent and to offer K DFA's amendment. Mr. Wetherford offered an amendment to SB 304. (Attachment 6) This amendment would change th language to include a hall of fame, a museum or tourist facilities to be determined by the Secretary of Commerce.

A discussion followed Mr. Weatherford's testimony. Senator Reitz raised the question what would happen if it failed and turned out to be a disaster. Mr. Sneed stated the debt bond holders would be first in line for the collateral. There would be no liability to the state. Senator Brownlee entered the discussion asking where it would be located. Mr. Kelly stated they were considering several sites but thought the site at I-70 and 435 by Cabela's sign would probably be the final decision. Senator Brownlee wanted to know if the museum would buy the land. Mr. Sneed is not sure how that would work. Senator Brownlee stated this would be a separate entity. The discussion continued regarding the land and if it was still a possibility they would use STAR bonds. The estimate of the \$100 million dollar range was given for the museum.

With no further discussion or conferees, Chairperson Jordan closed the hearing on SB 304.

Senator Wysong made a motion to move SB 304 out favorably as amended by Steve Weatherford, K DFA. Senator Reitz seconded. Motion carried.

Chairperson Jordan opened the hearing on SB 284 by introducing Lee Allison, Director of Science and

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Energy office, Kansas Geological Survey, to give his testimony as a proponent of SB 284. Mr. Allison offered written testimony. (Attachment 7) He stated this bill simply would allow the Kansas Development Finance Authority to issue revenue bonds to finance Kansas energy projects. This would include facilities that generate energy, including electricity or energy fuels, from any source including renewable energy. In closing he urged the Committee to pass this bill out favorably.

Chairperson Jordan introduced Charles Benjamin testifying as an opponent of SB 284. Mr. Benjamin is representing Brooks Albery, Chair, Energy Committee, Kansas Chapter of Sierra Club, Overland Park. Mr. Benjamin offered written testimony of Mr. Albery. (Attachment 8) Mr. Benjamin stated that the Sierra Club could not support this bill. He stated the bill was overly broad in its inclusion of all sources of electricity generation. As currently written, this bill could be used by utilities to fund fossil fuel and nuclear powered electricity and is unwarranted and unnecessary.

Upon the completion of Mr. Benjamin's testimony a discussion followed with the Committee. The consensus of the Committee was more time was needed. Chairperson Jordan stated this bill was a big bill and he did not sense the committee was ready to do anything on this bill.

Meeting adjourned at 9:30 a.m. with no other meetings scheduled for this session.

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