

## MINUTES OF THE SENATE COMMERCE

The meeting was called to order by Chairperson Karin Brownlee at 8:35 A.M. on February 9, 2005 in Room 123-S of the Capitol.

Committee members absent:

Senator Susan Wagle-excused

Committee staff present:

Helen Pedigo, Revisor of Statutes  
Susan Kannarr, Legislative Research  
Jackie Lunn, Committee Secretary

Conferees appearing before the committee:

Matt Jordan, Department of Commerce  
Steve Kelly, Department of Commerce  
Secretary Garner, Department of Labor

Others attending:

See attached list

Chairperson Brownlee opened the meeting by introducing Matt Jordan and Steve Kelly from the Department of Labor to give a presentation on "Programs that Provide Tax Incentives and Tax Credits". Steve Kelly was the first to speak. He offered information on the tax incentives programs covering FY 01 through FY 04 (Attachment 1) along with a chart (Attachment 2) which gives a description of different programs offered with background information on each. Mr. Kelly explained the summary sheets listing data on each program along with their stats.

There was discussion by the committee with Mr. Kelly and Mr. Jordan regarding KIT/KIR programs' contractual agreements and the outcome if these agreements are not met. Mr. Kelly stated with these two programs the money is given on a reimbursement basis. There was also discussion about the numbers on attachment 1, Mr. Kelly stated they are the actual job numbers right now.

The discussion continued moving to KEOIF and KEIEP and the fact monies are paid out before you know the performance. Mr. Kelley stated that these two programs are set up with the company based on the company predicts their performance will be over a 5 year period.. These predictions are spelled out in the contractual agreement. Once the contract is in place, the funds can be expended on the front end. If they don't meet their contract agreement they must pay it back. There was also discussion on the report given by the Department of Revenue and the report of the Department of Commerce. Mr. Jordan stated with the passage of **SB 13** the Department of Revenue and the Department of Commerce would be able to share information which would allow better tracking of this information. The question was raised regarding a way to track wages and verify that these companies are paying higher wages as agreed upon and how the Department of Commerce tracks and obtains this information at the present time. Mr., Jordan stated these companies are obligated to report annually. The Department of Commerce also can verify against the KDHR information.

Chairperson Brownlee recognized Senator Barone to introduce a bill, 5RS0879 dealing with agritourism owners having to become licensed food service providers. Motion to introduce this bill was made by Senator Barone and seconded by Senator Schodorf. Motion passed.

Chairperson Brownlee introduced Helen Pedigo to explain **SB 108**. Ms. Pedigo explained the bill and provided written copy. (Attachment 3)

Chairperson Brownlee opened the hearing on **SB 108** by introducing Secretary Jim Garner, Department of Labor to give his testimony. Secretary Garner stated that the Department of Labor supports **SB 108**. This bill has three major areas of changes which have been reviewed and approved by the Employment Security Advisor Council. Secretary Garner provided information on the members of the Kansas Employment Security Council (Attachment 4) Secretary gave an overview of the three major areas of change. (Attachment 5) Secretary Garner stated he did not need any amendments and the **SB 108** was ready to go as written.

CONTINUATION SHEET

MINUTES OF THE Senate Commerce at 8:30 A.M. on February 9, 2005 in Room 123-S of the Capitol.

Chairperson Brownlee closed the hearing on **SB 108**.

Chairperson Brownlee announced a planning meeting for the Commerce Committee with Senator Jordan, Senator Kelly and Chairperson in her office at 4:00 p.m. today.

Meeting was adjourned at 9:25 a.m. with the next meeting scheduled for Thursday, February 10, 2005 at 8:30 a.m. in room 123S.