

MINUTES OF THE HOUSE COMMERCE, LABOR AND ECONOMIC DEVELOPMENT
COMMITTEE

The meeting was called to order by Chairperson Mark Hutton at 1:30 pm on Thursday, March 10, 2016, 346-S of the Capitol.

All members were present except:

Representative Gene Suellentrop – Excused

Committee staff present:

Linda Herrick, Kansas Legislative Committee Assistant

Reed Holwegner, Legislative Research Department

Chuck Reimer, Office of Revisor of Statutes

Conferees appearing before the Committee:

Luke Bell, General Counsel, Kansas Association of Realtors

Sean Miller, Wichita Area Builders Association

Casey Toomay, Assistant Manager, City of Lawrence

Larry Baer, General Counsel, League of Kansas Municipalities

Doug Smith, Kansas Housing Association

Representative Willie Dove

Rick Trojan, Farmer, Eaton, CO

Paul Isham, Executive Director, Industrial Hemp Research Foundation, Wheat Ridge, CO

Eric Steenstra, President, Vote Hemp

Chris Brunin, Generation Farmer in Kansas

Kevin Barone, Kansas Farmers for Alternative Crop Expansion

Josh Roe, Assistant Secretary, Kansas Department of Agriculture

Others in attendance:

[See Attached List](#)

Hearing on: SB366 — Prohibiting price controls on the purchase or sale of private residential or commercial property.

Chairperson Hutton opened the hearing on this bill. Chuck Reimer, Revisor, gave the overview. The bill would prohibit cities and counties from enforcing an ordinance or resolution that would control the purchase price or sale of privately owned residential or commercial property.

Luke Bell gave proponent testimony ([Attachment 1](#)). A city in Kansas is pushing the city and county to adopt inclusionary zoning requirements, which impose price control mandates on private property owners by limiting the rental amount or sales price that a private property owner can charge to rent or sell a property to a potential buyer or tenant. Mr. Bell in his testimony offered an amendment to clarify that property owners may voluntarily agree to price controls.

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Sean Miller, Kansas Building Industry, gave proponent testimony ([Attachment 2](#)) for Wess Galyon, Wichita Area Builders Association. Inclusionary zoning is primarily on the east and west coasts in high population areas, but recently there are groups in Kansas pushing for mandatory adoption as part of the approval of new housing developments. The suggested amendment would create a voluntary process. Mr. Miller also noted this applies to affordable housing as first time homeowners seek a second home often outside of town. This leaves homes vacant inside the city.

Written-only proponent testimony ([Attachment 3](#)) was provided by Rodger Woods, Americans for Prosperity.

Opponent testimony ([Attachment 4](#)) was given by Casey Toomay, Assistant City Manager, Lawrence for Mayor Mike Amyx. Ms. Toomay serves as staff liaison to the Lawrence's Affordable Housing Advisory Board. She said this bill limits the home rule powers. The City of Lawrence likes the public process to involve realtors, home builders, and neighborhoods.

Larry Baer, General Counsel, League of Kansas Municipalities, provided opponent testimony ([Attachment 5](#)). He said this bill prevents a city from exercising its home rule. Local officials are elected by local voters and should have the ability to evaluate the needs of the community and proceed with the best interests of their community. He would like to protect the integrity of local control.

Written-only opponent testimony was provided jointly by Richard Nienstedt, City Manager, and Scott Bird, Director of Finance for the City of Ottawa ([Attachment 6](#)).

Neutral testimony was provided by Doug Smith, Kansas Housing Association ([Attachment 7](#)). He said he is working toward safe, affordable housing across Kansas. In his testimony, an amendment was suggested to Subsection (b) on line 13 of the bill.

The presenters stood for questions.

The hearing was closed.

Hearing on: HB2634 — Enacting the alternative crop research act.

Chairperson Hutton opened the hearing. Chuck Reimer, Revisor, gave an overview. The bill gives the Department of Agriculture authority to start an industrial hemp research program in conjunction with educational institutions of our state. Mr. Reimer also explained the membership structure of the 23-person commission created by the bill to oversee industrial hemp.

Representative Willie Dove gave proponent testimony ([Attachment 8](#)). He noted Section 7606 of the 2014 Farm Bill authorized state legislatures to begin research and pilot programs to grow hemp.

More than half of the states have either introduced legislation or are actively producing, manufacturing

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and marketing hemp. The stem, leaves, seeds, and roots of the hemp plant can be manufactured to produce 25,000 products. At one time in our country, 400,000 acres of land were planted in hemp, and Kansas was a leading producer.

He added that industrial hemp is not marijuana. While marijuana has high levels of THC and low levels of CBD, hemp is the opposite. Section 7606 of the Farm Bill says that industrial hemp is distinct from marijuana and limits the THC content of its certified seed to 0.3%.

Rick Trojan, owner of an industrial hemp farm called Colorado Cultivars, provided supporting testimony ([Attachment 9](#)). He cultivates 300 acres of hemp, and to his knowledge, he has the largest hemp farm in the United States.

He added that the United States purchases over \$600 million of hemp in the form of food, clothing, plastics, and building material. Ninety percent of Canadian hemp is purchased in the U.S. There is a demand for hemp and anything that can be made from corn can be made from hemp. Hemp requires 30% less water than corn.

Industrial hemp would provide jobs and another crop for Kansas farmers to grow. Twenty-nine states have legalized hemp cultivation, but only nine states grew hemp in 2015. Kansas should join Colorado in bringing hemp revenue to this region.

Paul Isham, Executive Director, Industrial Hemp Research Foundation, provided proponent testimony ([Attachment 10](#)). The mission for the foundation is to support hemp research at educational institutions within Colorado. Missouri just passed a law to grow industrial hemp.

Hemp can be used for building materials such as fiberboard, insulation, and hempcrete, the latter which is six times lighter than concrete and stronger over time.

Written-only proponent testimony was provided by:

David Hicks, Bonner Springs ([Attachment 11](#))

Dane Hicks, Publisher, The Anderson County Review, Garnett ([Attachment 12](#))

Eric Steenstra, President, Vote Hemp ([Attachment 13](#))

Chris Brunin, Generation Farmer of Kansas ([Attachment 14](#))

Kevin Barone, Kansas Farmers for Alternative Crop Expansion ([Attachment 15](#))

Josh Roe, Assistant Secretary, Kansas Department of Agriculture, provided neutral testimony ([Attachment 16](#)). The production of hemp has been illegal since 1937. There has been no research since the 1940's. Better and more viable crops can be made through research. Current federal law allows the cultivation of industrial hemp for research purposes only.

The presenters stood for questions.

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The hearing was closed.

State Efficiency Study Recommendations

Chairperson Hutton created comments about the six recommendations. (See Attachment 5 from the minutes of March 8, 2016.) These have been discussed in previous Committee meetings. He asked for comments by noon tomorrow so the spreadsheet can be completed.

Adjournment

The meeting adjourned at 3:06 p.m.