

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Julia Lynn at 8:30 am on Tuesday, March 15, 2016, 548-S of the Capitol.

All members were present except:
Senator Jeff Melcher – Excused

Committee staff present:
Debbie Bartuccio, Kansas Legislative Committee Assistant
Reed Holwegner, Legislative Research Department
Chuck Reimer, Office of Revisor of Statutes

Conferees appearing before the Committee:
Eric Stafford, Vice President of Government Affairs, Kansas Chamber
Blake Flanders, President and CEO, Kansas Board of Regents
Larry Baer, General Counsel, League of Kansas Municipalities
John Milburn, Director of Legislative and Public Affairs, Kansas Department of Administration
Rebecca Proctor, Kansas Organization of State Employees

Others in attendance:
[See Attached List](#)

Hearing on: SB493 — Providing for community finance fees and other administrative cost recovery fees for the department of commerce.

Chairperson Lynn stated legislation was being developed concerning STAR (Sales Tax and Revenue) Bonds oversight. She noted the ten points from the Secretary of Commerce concerning STAR Bond reform recommendations would be included.

Chairperson Lynn opened the hearing on **SB 493** and requested Revisor Reimer to provide an overview of the bill.

Senator Wagle inquired if the Secretary of Commerce had the flexibility to assess fees up to a certain percentage. Mr. Reimer responded affirmatively.

Chairperson Lynn recognized the following conferees:

Eric Stafford, Vice President of Government Affairs, Kansas Chamber, provided testimony in support of the bill. ([Attachment 1](#))

Senator Holland asked if Mr. Stafford thought the fee assessments would be an issue for small businesses. Mr. Stafford replied he was not concerned about the \$750 application fee which would

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typically be assessed small businesses.

Blake Flanders, President and CEO, Kansas Board of Regents, provided testimony in opposition to the bill. ([Attachment 2](#))

Chairperson Lynn inquired as to where the engineering graduates are being placed, and specifically, how many are placed in Kansas. Mr. Flanders responded from the data that is available, a report could be created to show how many graduates are placed in Kansas and Missouri and then the total number of graduates placed in the remaining states (but not specifically for each state). He said due to privacy issues, national data bases concerning graduates are no longer available.

Larry Baer, General Counsel, League of Kansas Municipalities, provided testimony in opposition to the bill. ([Attachment 3](#))

Senator Holland inquired if Mr. Baer thought the presence of a fee would impact negotiations with developers. Mr. Baer replied while the fee may not impact the overall project, it could impact the thought process when determining whether to pursue a project. Senator Holland asked Mr. Baer if he knew if any of the surrounding boarder states assess a similar fee. Mr. Baer replied he did not know.

Senator Wagle stated Alvarez and Marsal indicated fees are being charged in other states. The goal is to provide flexibility to the Secretary of Commerce in determining an appropriate administrative fee to cover the expense involved in overseeing these projects.

Written only testimony in opposition to the bill was provided by:

Adam Stodola, Kansas Society of Professional Engineers ([Attachment 4](#))

Written only testimony neutral to the bill was provided by:

Secretary Antonio Soave, Kansas Department of Commerce ([Attachment 5](#))

Ashley Sherard, Vice President, Lenexa Chamber of Commerce ([Attachment 6](#))

Tim McKee, CEO, Olathe Chamber of Commerce ([Attachment 7](#))

Chairperson Lynn closed the hearing on **SB 493**.

Hearing on: SB501 — Establishing a non-discretionary performance based bonus program for state employees.

Chairperson Lynn opened the hearing on **SB 501** and asked Revisor Reimer to provide an overview of the bill.

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Chairperson Lynn recognized the following conferee:

John Milburn, Director of Legislative and Public Affairs, Kansas Department of Administration.
([Attachment 8](#))

Senator Hollard asked if there would be explicit goals and objectives established for performance criteria. Director Milburn said the performance criteria would be established by departments and would be reviewed and monitored by an oversight committee.

Director Milburn provided additional information concerning the oversight committee in response to a question from Senator Faust-Goudeau.

Senator Baumgardner asked if all employees would be eligible and how the program would be funded. Director Milburn responded it would be an optional program and each agency would need to determine a source of funding for the program.

There was no testimony in opposition to the bill.

Rebecca Proctor, Kansas Organization of State Employees, provided testimony neutral to the bill.
([Attachment 9](#))

There were no other questions.

Chairperson Lynn closed the hearing on **SB 501**.

Hearing on: SB502 — Kansas ideas festival by state employees for efficiency savings in state government.

Chairperson Lynn opened the hearing on **SB 502** and requested Revisor Reimer to provide an overview of the bill.

Chairperson Lynn recognized the following conferee:

John Milburn, Director of Legislative and Public Affairs, Kansas Department of Administration, provided testimony in support of the bill. ([Attachment 10](#))

There were no questions.

There was no testimony submitted in opposition or neutral to the bill.

Chairperson Lynn closed the hearing on **SB 502**.

Possible action on bills previously heard

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

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There was no action on bills previously heard.

Chairperson Lynn stated final action would be taken on **SB 493**, **SB 501** and **SB 502** on March 17, 2016.

The meeting was adjourned at 9:29 a.m. The next meeting is scheduled for March 16, 2016.

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