

MINUTES OF THE HOUSE COMMITTEE ON TAXATION

The meeting was called to order by the Chairman at 9:00 a.m. February 21, 2001 in Room 519-S of the Capitol.

All members were present.

Committee staff present: Chris Courtwright, Legislative Research Department
April Holman, Legislative Research Department
Don Hayward, Revisor
Winnie Crapson, Secretary

Conferees appearing before the committee: Representative Mason
Charles R. Ranson, Kansas, Inc.
Terry Leatherman, Kansas Chamber of Commerce and Industry

Others attending: See attached list.

Hearing was opened on:

HB 2505 - Venture Capital Best Practices

Representative Mason presented testimony in support of **HB 2505** (Attachment #1) and responded to questions from members of the Committee.

Charles R. Ranson presented testimony in support of **HB 2505** on behalf of Kansas, Inc (Attachment #2). Mr. Ranson distributed and discussed Best Practices of State Sponsored Seed and Venture Capital Programs and Alternatives to State Funding, a research report prepared by Kansas, Inc. He distributed written testimony of Tom Blackburn, Executive Vice President of Kansas Venture Capital, Inc., which was presented to the Senate Commerce Committee February 2, 2001 (Attachment #3). Mr. Ranson responded to questions from members of the Committee.

Terry Leatherman presented testimony in support of **HB 2505** on behalf of the Kansas Chamber of Commerce and Industry (Attachment #4) and responded to questions from members of the Committee.

Hearing on **HB 2505** was closed.

Hearing was opened on:

HB 2219 - Tax incentive effectiveness report.

Charles R. Ranson presented testimony in support of **HB 2219** on behalf of Kansas, Inc (Attachment #5). Mr. Ranson described difficulties experienced in gathering data required for the report.

During questioning of Mr. Ranson members of the Committee noted that the reporting provisions were put into law to provide some accountability for moneys spent to guarantee that intended results were being achieved. Members questioned whether the confidentiality barriers could not be overcome by requiring those utilizing the program to agree to divulge the information necessary to prepare the required report.

Hearing on **HB 2219** was closed.

Representative Hutchins, Chair, presented report of the Subcommittee on **HB 2128 - Income tax credit for historic preservation project expenditures** (Attachment #6). The Subcommittee report included balloon with amendment to include in line 18, page 1 language clarifying that to become eligible total amount of expenditures on the project must equal \$5,000 or more. The Department of Revenue indicates this amendment would not change the Fiscal Note.

Chairman Edmonds complimented the Subcommittee on the thoroughness of their work and the quality and clarity of its report.

CONTINUATION SHEET

The Committee took under consideration **HB 2505** on which hearing was held today.

Representative Huff moved to amend **HB 2505** in line 9, page 5 to reduce maximum tax credits from \$25,000,000 to \$12,500,000 and maximum per fiscal year from \$2,500,000 to \$1,250,000. Representative Vickery seconded. Motion failed.

Representative Powers moved that **HB 2505** be reported favorable for passage as amended Representative Osborne seconded and motion was adopted..

The Committee took under consideration **HB 2219** on which hearing was held today.

Representative Osborne moved to table **HB 2219**. Representative Newton seconded and motion was adopted.

Meeting was adjourned at 10:40 a.m. Next scheduled meeting is February 28.

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.