

## MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Senator Karin Brownlee at 8:30 a.m. on February 20, 2001 in Room 123-S of the Capitol.

All members were present except: Senator Jordan (Excused)

Committee staff present: April Holman, Legislative Research Department  
Bob Nugent, Revisor of Statutes  
Lea Gerard, Secretary

Conferees appearing before the committee: Tim Sheehan, Free Markets  
Dr. Gary George, Olathe School District  
Marty Nohe, First Vice President Public Finance Group  
John Houlihan, Director of Purchases

Others attending: See attached sheet.

**SB 146 - Act concerning the job investment credit act; expanding eligibility for sales tax exemptions.**

**Senator Emler moved, seconded by Senator Brungardt, that SB 146 be recommended favorably for passage. The recorded vote was Yes - 8 No - 0 in favor of the motion. The bill will be carried by Senator Emler.**

**SB 176 - Act concerning corporations, relating to professional corporations.**

**Senator Jenkins moved, seconded by Senator Steineger, that SB 176 be amended on Page 1, after Line 41 by adding the following:**

**(20) licensed geologists**

**(21) licensed clinical marriage and family therapists**

**(22) licensed clinical psychotherapists**

**(23) or any other profession licensed by a state regulating board.**

**The voice vote was in favor of the motion.**

**Senator Wagle moved, seconded by Senator Emler, that SB 176 be recommended favorably for passage. The recorded vote was Yes - 8 No 0 in favor of the motion. The bill will be carried by Senator Wagle.**

**SB 180 - eliminate the Performance Review Board.**

Senator Jenkins will be the chairperson of the post audit committee when it's the senate's turn to chair that committee and is interested in pursuing this type of review.

Senator Barone encouraged Senator Jenkins to pursue this important issue to look for ways to keep the process of reviewing functions of state government previously charged to the Performance Review Board.

**Senator Jenkins moved, seconded by Senator Steineger, that SB 180 be recommended favorably for passage. The recorded vote was Yes - 7 - No 1 in favor of the motion. The bill will be carried by Senator Jenkins.**

**SB 227:**

In accordance with KSA 75-3715a, the following fiscal note concerning **SB 227** is respectfully submitted to your committee (Attachment 1)

Tim Sheehan, Free Markets gave a demonstration of on-line bidding to Committee members. Mr. Sheehan explained in State Procurement the practice for the state procuring goods is through solicitation that involves a sealed bid process. The idea behind on-line bidding is to allow vendors to submit their bids on-line in an inactive open bidding environment. He has done 22 on-line bids for Pennsylvania, a long standing clients for a savings of about thirteen million dollars over the last eighteen months.

The benefits of on-line bidding are savings of tax payer dollars, improved efficiency and market transparency.

Some of the states that have legislation in place are Florida, Minnesota, South Carolina, Pennsylvania, Missouri and Massachusetts.

In response to a questions from the Committee, Mr. Sheehan stated they get paid one of several ways; flat annual fee, monthly fee or a percentage of the volume that is being driven through the on-line channel.

Dr. Gary George, Olathe School District, testified in support of **SB 227** with an amendment requesting authority to sell school bonds using the internet auction concept that was just demonstrated (Attachment 2). We believe this is an opportunity for school districts to save more money using the auction process. The law council, Gilmore & Bell has prepared an amendment that would change some language in KSA 10-106, the bond statute, making it possible to sell school bonds (Attachment 3). This process is being done in 25 other states since 1997 and over \$5.1 billion dollars has been sold. We believe this will save the State of Kansas money because of the money that the state reimburses local school districts for bond and interest payments.

Marty Nohe, First Vice President Public Finance Group, testified in support of **SB 227** (Attachment 4).

John Houlihan, Director of Purchases, spoke briefly in support of **SB 227** but would like to have amendments made to the bill so it is more compatible with the current Kansas purchasing statutes and practices (Attachment 5).

Meeting was adjourned at 9:30 a.m.

Next meeting is scheduled February 21, 2001 at 8:30 a.m.