

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Julia Lynn at 8:30 am on Thursday, March 22, 2018, in room 548-S of the Capitol.

All members were present

Committee staff present:

Chuck Reimer, Office of Revisor of Statutes
Debbie Bartuccio, Kansas Legislative Committee Assistant
Edward Penner, Legislative Research Department
Norm Furse, Office of Revisor of Statutes
Reed Holwegner, Legislative Research Department

Conferees appearing before the Committee:

Robert North, Interim Secretary, Kansas Department of Commerce

Others in attendance:

[See Attached List](#)

Discussion & action on: SB432 — Transparency, project financial viability requirements and other reforms to the STAR bond financing act.

Chairperson Lynn referred Committee members to an article concerning the default of Zona Rosa in Platte County, Missouri. ([Attachment 1](#))

Chairperson Lynn continued deliberations on **Substitute for SB 432**. Robert North, Interim Secretary, Kansas Department of Commerce was available to answer questions from Committee members.

Senator Faust-Goudeau moved, seconded by Senator Baumgardner, to amend the bill. ([Attachment 2](#)) The motion carried.

Senator Pilcher-Cook moved, seconded by Senator Baumgardner, to amend the bill. ([Attachment 3](#)) The motion carried.

Senator Baumgardner moved, seconded by Senator Holland, to amend the bill. ([Attachment 4](#)) The motion carried.

Senator Baumgardner moved, seconded by Senator Pilcher-Cook, to amend the bill. ([Attachment 5](#)) The motion carried.

Senator Holland moved, seconded by Senator Baumgardner, to amend the bill. ([Attachment 6](#)) The

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motion carried.

Senator Holland moved, seconded by Senator Pilcher-Cook, to amend the bill. ([Attachment 7](#)) The motion carried.

Senator Holland moved, seconded by Senator Pilcher-Cook, to amend the bill. ([Attachment 8](#)) The motion carried.

Chairperson Lynn recessed the meeting at 9:26 a.m., to be reconvened at the conclusion of the Senate session that afternoon.

Chairperson Lynn reconvened the meeting at 5:28 p.m.

Chairperson Lynn expressed her appreciation to Committee members for their work during the session. She reviewed steps that had been taken concerning STAR (Sales Tax and Revenue) bonds in 2017 and 2018. The actions included multiple hearings from STAR bond districts across the state; presentations from subject matter experts on how to evaluate the effectiveness of incentive programs; and testimony about economic development in the state.

Chairperson Lynn suspended deliberations on **Substitute for SB 432**.

Final action on: SB448 — Creating the joint economic development incentive review committee and providing for regular evaluations of Kansas economic incentives and reports to the legislature.

Chairperson Lynn opened deliberations on **SB 448**. A copy of the performance audit report concerning Kansas tax revenues and reviewing how other states inventory and evaluate tax credits and exemptions was provided to Committee members. ([Attachment 9](#))

Senator Sykes moved, seconded by Senator Olson, to amend the bill. ([Attachment 10](#))

Senator Holland moved, seconded by Senator Pilcher-Cook, a substitute motion to return to the bill as introduced, with the addition of a provision that the implementation of the bill be made subject to appropriations. The motion failed.

Senator Sykes noted on page 2, item (f), lines 21 through 29, which had been stricken, needed to remain in the bill.

Senator Sykes moved her amendment. The motion carried.

Senator Holland moved, seconded by Senator Olson, the bill be passed as amended. The motion carried.

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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The meeting was adjourned at 6:04 p.m. There are no other meetings scheduled.