

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Karin Brownlee at 8:30 a.m. on February 18, 2004 in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Kathie Sparks, Legislative Research
Susan Kannarr, Legislative Research
Helen Pedigo, Revisor of Statutes
Nikki Kraus, Committee Secretary

Conferees appearing before the committee:

Mike Peck, Vice President for Investments and Portfolio Management, KTEC
Michael Farmer, KTEC
Terry Leatherman, KCCI
Wil Leiker, AFL-CIO
Jeff Cooper, Kansas Coalition for Workplace Safety

Others attending:

See Attached List.

Chairperson Brownlee opened the public hearing on:

SB 480—An act concerning incoming taxation; relating to tax credits for investment in qualifying businesses; powers and duties of the Kansas technology enterprise corporation.

Mr. Peck provided testimony in favor of the bill. (Attachment 1)

Mr. Farmer spoke to the committee in favor of the bill. He stated that in his own experience with the invention of a new product, it had been difficult to raise initial capital, however, his company was eventually able to locate an angel investor who made the decision to invest because of a New York state tax credit. He stated that in the past twelve months, they had received advise on advisory board formation and intellectual property issues.

Chairperson Brownlee closed the public hearing on **SB 480**.

Ms. Sparks provided the committee with a sheet entitled, "Tax Year 2001 Kansas Department of Revenue Tax Credits". (Attachment 2)

The committee was provided with a fiscal note on the bill. (Attachment 3)

The committee discussed the particulars of the bill regarding those who are defined as qualified investors and other specific questions. In regard to a question from Senator Barone regarding the inclusion of retail shops, Senator Jordan stated that the goal of the bill was to facilitate high growth entrepreneurs in the state and to help mid-sized businesses, rather than being directed at retail facilities. Senator Jordan went on to say that although the bill sought to leave some flexibility, it was not directed at small retailers on mainstreet Kansas.

Following further discussion, Senator Jordan stated that the problem with specifically excluding retail is that there was no way to know what might come along in the future. He stated that regardless, to qualify for the bill a business would have to first be certified by KTEC as high-growth, and, second, have an angel investor who thinks that the business is high-growth, both of which are very difficult decisions.

Senator Kerr moved the bill favorable for passage. Senator Jordan seconded. The motion passed.

Chairperson Brownlee opened the public hearing on:

CONTINUATION SHEET

MINUTES OF THE SENATE COMMERCE COMMITTEE at 8:30 a.m. on February 18, 2004 in Room 123-S of the Capitol.

SB 441—An act concerning workers compensation; relating to the date of accident

Ms. Pedigo provided the committee with a summary of the bill. (Attachment 4)

Mr. Leatherman testified in favor of the bill. (Attachment 5)

Mr. Leiker testified in opposition to the bill. (Attachment 6) He also provided the committee with the “Report of Subcommittee: Paula Greathouse, Kip Kubin, John Ostrowski.” (Attachment 7)

The committee discussed the subcommittee report. Chairperson Brownlee stated that the Legislature is not bound by what comes out of the Workers Compensation Advisory Council.

Mr. Cooper testified in opposition to the bill. (Attachment 8)

Senator Barone asked if Mr. Cooper could help him clarify a seeming discrepancy in the bill in which an accident was defined at one point as an undesigned, sudden event, and at another point as a result of a series of events. Mr. Cooper replied that the former was a more typical definition and that the latter described a different type of injury.

The committee discussed when the clock on the injury begins running. Senator Barone asked what the ramifications would be of changing the word “earliest” to “latest” in line 22. Mr. Cooper stated that it would be better on behalf of employees. Mr. Leatherman stated that all three would have to occur with “latest”. Following further discussion, Chairperson Brownlee suggested the committee continue work on the bill with the participation of those who testified.

The committee was provided with the publication entitled “Kansas Workers Compensation: 29th Annual Report 2003 Fiscal Year” published by the Kansas Department of Human Resources in January 2004. The principle author of the publication is David Sprick, Technology and Statistics Section, Kansas Division of Workers Compensation.

Chairperson Brownlee adjourned the meeting at 9:30 a.m. The next meeting will be at 8:30 a.m. on February 19, 2004 in Room 123-S of the Capitol.