

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Renee Erickson at 12:00 pm on Tuesday, March 26, 2024, in room 546-S of the Capitol.

All members were present except:

Senator Kristen O'Shea – Excused

Committee staff present:

Chardae Caine, Legislative Research Department

Charles Reimer, Office of Revisor of Statutes

Connie Burns, Kansas Legislative Committee Assistant

Eric Adell, Legislative Research Department

Matthew Willis, Legislative Research Department

Conferees appearing before the Committee:

Brad Smoot on behalf of NetChoice

Robert C. Johnson, Shareholder, Polsinelli

Others in attendance:

No list available

Continued Discussion and possible Final Action SB545 — Providing a sales tax exemption for the construction or remodeling of a qualified data center in Kansas and the purchase of data center equipment, eligible data center costs, electricity and certain labor costs to qualified firms that commit to a minimum investment of at least \$600,000,000 and meet new Kansas jobs and other requirements.

Brad Smoot on behalf of NetChoice addressed questions from the Committee on what exemptions other states offer, and who pays for the installation and maintenance of electrical/transmission lines?

Robert C. Johnson, Shareholder, Polsinelli, talked about the lead time on a projects.

*Senator Shallenburger moved to pass **SB 545** out favorable. Senator Doll seconded the motion.*

Chair Erickson asked for discussion on the motion.

Senator Tyson stated that she had a substitute motion that would strip the contents of **SB 545** and insert the contents of **SB 54-Expanding the eligible uses to qualify for the 0% state sales tax rate for certain utilities and providing for the levying of local sales tax on such sales by cities and counties.** This would create a sales tax exemption on utilities for all businesses and eliminates picking and choosing winners and losers.

*Senator Tyson moved the substitute motion to strip the language from **SB 545** and insert the language.*

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.

CONTINUATION SHEET

MINUTES of the Committee on Commerce at 12:00 pm on Tuesday, March 26, 2024, in room 546-S of the Capitol.

of **SB 54**. Senator Peck seconded the Substitute motion. Motion failed.

Senator Tyson moved a Substitute Motion which would insert the language of **SB 54** into **SB 545**. Senator Peck seconded the Substitute motion. The motion failed.

Back on the original motion by Senator Shallenburger and seconded by Senator Doll to pass out favorable. The original motion carried.

The meeting was adjourned at 12:55 pm