

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT.

The meeting was called to order by Chairperson Representative Kenny Wilk at 3:30 p.m. on February 18, 2003, in Room 522-S of the Capitol.

All members were present except:

Committee staff present: April Holman, Legislative Research
Debra Hollon, Legislative Research
Rena Jefferies, Revisor of Statutes
Fulva Seufert, Committee Secretary

Conferees appearing before the committee: Representative Doug Patterson, 28th District
Mr. Larry R. Baer, Assistant Legal Counsel, League of
Kansas Municipalities
Mr. Steven Weatherford, President, Kansas
Development Finance Authority (KDFFA)

Others attending: See attached list

Chairman Wilk opened the meeting at 3:30 p.m. by welcoming Representative Doug Patterson to the Committee. He called the Committee's attention to fiscal notes for the following bills: **HB 2289**, **HB 2335**, and **HB 2365**. The minutes for the February 13, 2003, meeting were also distributed.

The Chair then opened the Public Hearing for:

HB 2365: Community improvement districts

Representative Patterson addressed the committee as a proponent of **HB 2365**. (Attachment 1) He essentially said this legislation was an assemblage of an economic development tool borrowed from the state of Missouri. He explained the infrastructure needs of developers with the passage of this bill would bring in additional tax money to help defray the cost of needed infrastructure improvements to the district. The primary purpose would allow real property owners to collectively organize and coordinate efforts to develop, redevelop, beautify and improve their community through the creation of a community improvement district (CID). Rep. Patterson stated that a community improvement district (CID) is actually an extension of a Transportation Development District (TDD).

In order to accommodate Representative Patterson's schedule, the Chairman closed the Public Hearing on **HB 2365**. He then opened the Public Hearing for:

HB 2335: TIF, economic development areas

The Chairman again recognized Representative Patterson who spoke as a proponent for **HB 2335**. He said **HB 2335** does change a substantive portion of TIF. (Attachment 2).

The Chair thanked Representative Patterson and asked if there was anyone else who wished to speak either as a proponent or opponent on **HB 2335**. Since there were no others wanting to speak, the Chair closed the Public Hearing on **HB 2335**.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT at 3:30 p.m. on February 18, 2003 in Room 522-S of the Capitol.

Chairman Wilk asked the Committee to turn its attention back to **HB 2365**. He welcomed Mr. Larry Baer, Assistant Legal Counsel for the Kansas League of Municipalities, who appeared neither in support nor opposition to **HB 2365**. He appeared before the Committee to make some specific comments about the bill. He spoke about the following three concerns:

- The districts which could be established under **HB 2365** appear to be separate, stand alone entities that would be governed by a board of directors.
- The creation of another set of taxing entities within the state.
- Local economic activity tax on the sale of tangible personal property at retail or the rendering or furnishing of services, which is really a sales tax.

Mr. Baer suggested that there were probably some drafting problems and that legislators should proceed with caution since there were some significant departures from current state law. He suggested a possible interim study that could try to blend something to develop a plan to meet the needs expressed. (Attachment 3).

Seeing no other conferees, the Chair closed the Public Hearing on **HB 2365**.

The Chair directed the Committee's attention to:

HB 2289: K DFA financing out-of-state projects

He asked April Holman, Legislative Research Department, to brief the Committee. Ms. Holman pointed out and explained all the changes in the bill that are in italics.

Chairman Wilk opened the Public Hearing for **HB 2289**. He then introduced Mr. Steven R. Weatherford, President of K DFA, and asked him to share with the Committee a little about himself and his professional background. Mr. Weatherford then mentioned the following points in regard to the bill:

- **HB 2289** seeks to amend the K DFA Enabling Act to authorize the Authority to issue bonds for certain projects both within and outside the State of Kansas.
- Authorization is sought in part at the request of the Sisters of Charity, Health Services Corporation based in Leavenworth, Kansas.
- Surrounding states of Colorado, Missouri, and Nebraska all now have multi-state issuance authority to facilitate these kinds of financings. (Attachment 4).

The Chairman thanked Mr. Weatherford, and seeing no other conferees, closed the Public Hearing for **HB 2289**.

Chairman Wilk announced that the last item on the agenda, **ERO 30**, does not require any action by the legislature because the Governor can actually reorganize whenever he or she chooses. It must be done within 30 days, and the Legislature has 60 days to respond. It would go into effect on July 1, 2003. He asked Deb Hollon, Legislative Research Department, to brief the Committee on **ERO 30**. (Attachment 5).

The Chair opened the Public Hearing for:

ERO 30: Executive Reorganizaation Order No. 30

The Chair again welcomed Mr. Steve Weatherford who said that it was the intent of the Governor's vision for Housing to create a "One Stop Shop for Housing." His testimony included the Governor's Message that home ownership is part of the American Dream. Since Kansas is the only state in the union without a statewide home ownership program, the first step in this process will be accomplished through this Executive Reorganization Order which will transfer housing programs from the Department of Commerce and Housing to the Kansas Development Finance Authority. (Attachment 6).

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT at 3:30 p.m. on February 18, 2003 in Room 522-S of the Capitol.

Chairman Wilk thanked Mr. Weatherford and closed the Public Hearing on **ERO 30**. He announced that the next meeting would be Thursday, February 20, 2003 and it was the intent to have a hearing on **HB 2396**, Substitute STAR bond authority and to consider **HB 2208**.

Representative Krehbiel made a motion to approve the minutes of the February 13, 2003 meeting. Representative Boyer seconded. Motion carried.

The meeting adjourned at 5:35 p.m.