

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Karin Brownlee at 8:15 a.m. on March 17, 2004 in Room 526-S of the Capitol.

All members were present.

Committee staff present:

Susan Kanarr, Legislative Research
Helen Pedigo, Revisor of Statutes
Nikki Kraus, Committee Secretary

Conferees appearing before the committee:

Rebecca Floyd, KDFFA General Counsel
Senator Jim Barnett

Others attending:

See Attached List.

Chairperson Brownlee opened the public hearing on:

HB 2539—An act relating to the Kansas development finance authority; concerning bonds for research facilities

Ms. Floyd provided an explanation of the bill's purpose and KDFFA's analysis to the committee. (Attachment 1)

Following further discussion, the Chair closed the hearing on **HB 2539** and directed the committee's attention to **Sub HB 2647**. Ms. Pedigo, explained the balloon amendment to the committee. (Attachment 2)

Senator Kerr moved to adopt the technical amendments. Senator Emler seconded. The motion passed.

Chairperson Brownlee asked if the bioscience redevelopment area would be subject to the same marketing studies as STAR bond developments, and Ms. Pedigo confirmed that they were under the same language.

Senator Jordan provided the committee with proposed amendment language that would change the bill by omitting language specifying the University of Kansas. (Attachment 3)

Senator Jordan moved to amend the bill to strike language on p.7, line 22 starting with word university to end of line, and the same on p. 9 (Attachment 3) Senator Kerr seconded the motion. The motion passed.

Senator Barnett presented the committee with a potential amendment to the bill to allow the non-profit entity to grant funds to schools to encourage young people to go into scientific fields. (Attachment 4)

Senator Emler moved to amend the bill; Senator Barone seconded the motion.

The committee discussed the limitations and benefits of the amendment at length and decided to continue the discussion further the following day.

Following additional discussion, Senator Wagle referred to KU's testimony concerning the creation of a regional cancer center and expressed her support of this idea. She also stated that she would question if the Legislature should micro-manage the Bioscience Authority; although she supported the amendment, she said if the Legislature were going to direct this authority, then she would suggest they take KU's suggestion for a regional cancer center.

Senator Jordan said that the points from both Senator Kerr and Wagle were good, however, the goal of the bill was to build an infrastructure in Kansas to prepare students for whatever direction in which we choose to go. He said that this is a workforce development issue, and we need Kansas young people who are trained and educated to fill positions.

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Senator Emler withdrew motion; Senator Barone withdrew his second.

Senator Barone presented the committee with another proposed amendment. (Attachment 5)

Senator Barone moved to amend the bill on p. 5, line 14; Senator Emler seconded.

Senator Brungardt stated that he was envisioning the grid needed to put these restrictions on the Board's membership, and he thought that they would be unnecessarily restrictive. The committee discussed the role of non-voting members.

Following further discussion, Senator Barone withdraw his motion; Emler withdrew his second.

Chairperson Brownlee pointed out that at the top of p.5, the other two members shall be non-voting members appointed by the Board of Regents. Senator Barone stated that he has a problem with "research universities" and would prefer to say a representative of a university with expertise to avoid limiting the scope of this. Senator Jordan agreed.

Chairperson Brownlee moved that the other two members of the board shall be non-voting members with research expertise representing Kansas universities appointed by the Kansas Board of Regents; Senator Wagle seconded. The motion passed.

Senator Barone moved p. 7, line 30 to insert the word voting; Senator Kerr seconded. The motion passed.

Senator Barone stated that on p.14, line 14, there has been some concern expressed about controls and if we are doing what we are supposed to do. Senator Kerr stated that it will give Kansas, Inc. the ability to do economic development reviews; as good as Legislative Post Audit is, they start out cold each time, and this would turn over reviewing authority to Kansas, Inc. to determine success or not.

Senator Barone moved a conceptual motion of Senator Kerr's words regarding those projects that would be subject to Kansas, Inc. Review; Senator Emler seconded. The motion passed.

Chairperson Brownlee stated that the STAR bond authority was subjected to Kansas, Inc. review also.

Senator Jordan provided the committee with proposed amendment language regarding bioscience development districts. (Attachment 6)

Senator Jordan moved to amend p.26, to allow county eligibility for bioscience districts; Senator Wagle seconded. The motion passed.

Senator Jordan provided the committee with a proposed amendment to delete language restricting vouchers to small or medium-sized businesses only. (Attachment 6)

Senator Jordan moved to amend p.39 regarding the Research and Development voucher program to strike language that restricts them only to small or medium-sized businesses to make them available for any size company; Senator Emler seconded. The motion carries.

Senator Jordan moved to amend p.4, line 43 to change the number of Kansas resident board members from seven to five; Senator Kerr seconded.

Senator Emler noted that this would take the bill back to where it was to begin with. Mr. Taylor stated that it had been changed on the floor of the House.

The motion passed.

Senator Barone spoke about addressing the architects' concerns, stating that the language in the bill is that which was passed for the Hospital Authority. He stated that he was concerned about doing nothing. Senator Barone suggested the committee make a conceptual amendment to use the language in the University

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Research Bill from two years ago. Senator Kerr stated that he was not quite sure what this amendment does, and he was hesitant to head in the direction of more bureaucracy. Senator Barone stated that this was not the amendment's intent, and suggested that the committee look at the issue more the following day.

Sam Campbell, Manager, New Oread Group, L.C., and owner, West Lawrence Laboratories, provided written testimony in favor of the bill. (Attachment 8)

Chairperson Brownlee adjourned the meeting at 9:35 a.m. The next meeting will be at 8:30 a.m. on March 18, 2004 in Room 123-S of the Capitol.