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4 **SENATE BILL No. 605**

5  
6 By Committee on Commerce

7  
8 2-15

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10 AN ACT concerning certain reports to the legislature and committees  
11 thereof; amending K.S.A. 44-1408 and 66-117b and K.S.A. 2001 Supp.  
12 74-5049, 74-50,151, 74-50,152, 74-8004 and 74-8204 and repealing the  
13 existing sections.  
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15 *Be it enacted by the Legislature of the State of Kansas:*

16 Section 1. K.S.A. 44-1408 is hereby amended to read as follows: 44-  
17 1408. The secretary shall annually submit a report to the house ~~economic~~  
18 ~~development~~ *new economy* committee and the senate commerce com-  
19 mittee detailing the manner in which funds were spent pursuant to K.S.A.  
20 44-1401, *et seq.*, and amendment thereto. Such report shall include the  
21 nature of the work performed by participating youths, the percentage of  
22 funds expended for administrative expenses, findings on the educational,  
23 criminal and occupational disposition of participating youths and an eval-  
24 uation of the program as a whole including a recommendation concerning  
25 continuation of the program. *The report to the house new economy com-*  
26 *mittee and the senate commerce committee under this section shall be*  
27 *made by the secretary by publishing such report on the internet and by*  
28 *notifying each member of the committee that the report is available and*  
29 *providing, as part of such notice, the uniform resource locator (URL) at*  
30 *which such report is available.*

31 Sec. 2. K.S.A. 66-117b is hereby amended to read as follows: 66-  
32 117b. The state corporation commission shall report to the legislature *in*  
33 *accordance with this section* on or before February 1 each year in regard  
34 to any changed rate, joint rate, toll, charge or classification or schedule  
35 of charges, or any rule or regulation or practice pertaining to the service  
36 or rates of a public utility or common carrier approved by the state cor-  
37 poration commission during the preceding fiscal year. Such report shall  
38 contain statistical and narrative information as the state corporation com-  
39 mission deems appropriate. Such report need not include any information  
40 regarding any public utility or common carrier that had less than ~~ten~~  
41 ~~million dollars~~ *\$10,000,000* annual operating revenues in the preceding  
42 calendar year. *The report to the legislature under this section shall be*  
43 *made by the state corporation commission by publishing such report on*

1 *the internet and by notifying the legislature that the report is available*  
2 *and providing, as part of such notice, the uniform resource locator (URL)*  
3 *at which such report is available.*

4 Sec. 3. K.S.A. 2001 Supp. 74-5049 is hereby amended to read as  
5 follows: 74-5049. (a) In order to insure that the department of commerce  
6 and housing is effectively administering this act, the department shall  
7 cooperate with the standing committee on commerce of the senate, the  
8 standing committee on ~~economic development~~ **new economy** of the  
9 house of representatives and the joint committee on economic develop-  
10 ment and Kansas, Inc. in the performance of an independent perform-  
11 ance review of the activities of the department and the departmental  
12 divisions. The review shall include, but not be limited to: (1) An assess-  
13 ment of the impacts of the department's programs corresponding to the  
14 strategic plans of the department and the departmental divisions; (2) a  
15 comparative assessment of the relative impact of the department's pro-  
16 grams with similar programs in other states; and (3) a comparative as-  
17 sessment of the targeting of the department's programs by size and sector  
18 of economic activity, and by location in different areas of the state. The  
19 review shall be completed or updated at least once every three years.

20 (b) On or before October 1, the department shall prepare and publish  
21 an annual report, which shall be made widely available, of its activities  
22 and expenditures for the information of the governor, the standing com-  
23 mittee on commerce of the senate, the standing committee on ~~economic~~  
24 ~~development~~ **new economy** of the house of representatives and the joint  
25 committee on economic development, Kansas, Inc. and the public, and  
26 shall, from time to time, submit recommendations to the governor con-  
27 cerning legislation found to be necessary or desirable in effecting the  
28 purposes of this act. The annual report shall include any information  
29 which the department is required to report by law. The annual report  
30 shall specifically account for the ways in which the purposes of the de-  
31 partment and its divisions as described in this act have been achieved,  
32 and the recommendations shall specifically note what changes in the ac-  
33 tivities of the department and its divisions, and of state government are  
34 necessary to better address the purposes described in this act. *The annual*  
35 *report to the standing committee on commerce of the senate, the standing*  
36 *committee on new economy of the house of representatives and the joint*  
37 *committee on economic development shall be made by the department by*  
38 *publishing such report on the internet and by notifying each member of*  
39 *the committees that the report is available and providing, as part of such*  
40 *notice, the uniform resource locator (URL) at which such report is avail-*  
41 *able.*

42 Sec. 4. K.S.A. 2001 Supp. 74-50,151 is hereby amended to read as  
43 follows: 74-50,151. (a) There is hereby created in the state treasury the

1 Kansas economic opportunity initiatives fund. Subject to acts of the leg-  
2 islatre applicable thereto, the moneys in the Kansas economic oppor-  
3 tunity initiatives fund shall be used only for the purposes prescribed by  
4 this section.

5 (b) All expenditures made pursuant to this act shall be made in ac-  
6 cordance with appropriations acts upon warrants of the director of ac-  
7 counts and reports issued pursuant to vouchers approved by the governor  
8 or the governor's designee. The governor may approve a warrant upon  
9 certification, by the secretary of commerce and housing, that an economic  
10 emergency or unique opportunity exists which warrant funding for a stra-  
11 tegic economic intervention by such state agency or agencies to address  
12 expenses involved in securing economic benefits or avoiding or remedying  
13 economic losses related to:

14 (1) A major expansion of an existing Kansas commercial enterprise;

15 (2) the potential location in Kansas of the operations of a major  
16 employer;

17 (3) the award of a significant federal or private sector grant which has  
18 a financial matching requirement;

19 (4) the departure from Kansas or the substantial reduction of the  
20 operations of a major employer; and

21 (5) the closure or the substantial reduction of a major federal or state  
22 institution or facility.

23 (c) An intervention strategy may include financial assistance in the  
24 form of grants, loans or both. The department of commerce and housing  
25 shall adopt written guidelines concerning the terms and conditions of any  
26 such loans. However, all repaid funds shall be credited to the Kansas  
27 economic opportunity initiatives fund. No intervention strategy approved  
28 pursuant to this act shall facilitate the moving of an existing Kansas firm  
29 to another location within the state unless such restriction is waived by  
30 the secretary of commerce and housing. Every intervention strategy ap-  
31 proved pursuant to this act shall identify the intended outcomes to be  
32 realized by the strategy for which funding is sought.

33 (d) The department of commerce and housing and Kansas, Inc. shall  
34 make joint findings concerning the costs and benefits, on both a local and  
35 statewide basis, of projects proposed pursuant to this act. Prior to allo-  
36 cation of any funds pursuant to this act, the governor shall review the  
37 cost-benefit findings performed on each project.

38 (e) The director of the budget and the director of the legislative re-  
39 search department shall consult periodically and review the balance cred-  
40 ited to and the estimated receipts to be credited to the state economic  
41 development initiatives fund during the fiscal year. During any period  
42 when the legislature is not in session, upon a finding by the director of  
43 the budget in consultation with the director of the legislative research

1 department that the total of the unencumbered balance and estimated  
2 receipts to be credited to the state economic development initiatives fund  
3 during a fiscal year are insufficient to fund the budgeted expenditures  
4 and transfers from the state economic development initiatives fund for  
5 the fiscal year in accordance with the provisions of appropriation acts, the  
6 director of the budget shall make a certification of such finding to the  
7 governor. Upon approval by the governor, the director of accounts and  
8 reports shall transfer the amount of moneys from the Kansas economic  
9 opportunity initiatives fund to the state economic development initiatives  
10 fund that is required, in accordance with a certification by the director  
11 of the budget under this subsection, to fund the budgeted expenditures  
12 and transfers from the state economic development initiatives fund for  
13 the fiscal year in accordance with the provisions of appropriation acts, as  
14 specified by the director of the budget pursuant to such certification.

15 (f) On or before the 10th day of each month, the director of accounts  
16 and reports shall transfer from the state general fund to the state eco-  
17 nomic development initiatives fund interest earnings based on:

18 (1) The average daily balance of moneys in the Kansas economic op-  
19 portunity initiatives fund for the preceding month; and

20 (2) the net earnings rate for the pooled money investment portfolio  
21 for the preceding month.

22 (g) A five member panel consisting of the secretary of commerce and  
23 housing, the president of Kansas, Inc., the president of the Kansas tech-  
24 nology enterprise corporation, the private sector chairperson of the board  
25 of Kansas, Inc. and the private sector chairperson of the Kansas technol-  
26 ogy enterprise corporation shall review annually the propriety of projects  
27 funded under this section. The panel shall report its findings in writing  
28 to the governor, the ~~economic development~~ *new economy* committee of  
29 the house of representatives, the senate commerce committee and the  
30 joint committee on economic development. *The report to the new econ-  
31 omy committee of the house of representatives, the commerce committee  
32 of the senate and the joint committee on economic development under this  
33 subsection shall be made by the panel by publishing such report on the  
34 internet and by notifying each member of the committees that the report  
35 is available and providing, as part of such notice, the uniform resource  
36 locator (URL) at which such report is available.*

37 Sec. 5. K.S.A. 2001 Supp. 74-50,152 is hereby amended to read as  
38 follows: 74-50,152. required pursuant to K.S.A. 2001 Supp. 74-5049, and  
39 amendments thereto, the secretary of commerce and housing shall issue  
40 a report concerning the use of the fund to the joint committee on eco-  
41 nomic development. The secretary's report shall include a detailed de-  
42 scription of how funds were spent, what, if any, economic benefits were  
43 realized from the expenditures and whether the intended outcomes iden-

1 tified pursuant to subsection (c) of K.S.A. 2001 Supp. 74-50,151 and  
2 amendments thereto have been realized. *The report to the joint committee*  
3 *on economic development under this section shall be made by the secre-*  
4 *tary by publishing such report on the internet and by notifying each*  
5 *member of the joint committee that the report is available and providing,*  
6 *as part of such notice, the uniform resource locator (URL) at which such*  
7 *report is available.*

8 Sec. 6. K.S.A. 2001 Supp. 74-8004 is hereby amended to read as  
9 follows: 74-8004. (a) In order to achieve its purpose as provided in this  
10 act, Kansas, Inc. shall:

11 (1) Serve in an advisory capacity to the governor, the Kansas depart-  
12 ment of commerce and housing and the standing committee on com-  
13 merce of the senate, the standing committee on ~~economic development~~  
14 *new economy* of the house of representatives and the joint committee on  
15 economic development.

16 (2) Assume central responsibility to develop, with the guidance of  
17 both the private and public sectors, all facets of a comprehensive long  
18 term economic development strategy.

19 (3) Coordinate the strategy development with all other state and local  
20 agencies and offices and state educational institutions which do research  
21 work, develop materials and programs, gather statistics, or which perform  
22 functions related to economic development; and such state and local  
23 agencies and offices and state educational institutions shall advise and  
24 cooperate with Kansas, Inc. in the planning and accomplishment of the  
25 strategy.

26 (4) Evaluate and analyze the state's economy to guide the direction  
27 of future public and private actions, and report and make recommenda-  
28 tions to the governor, the department of commerce and housing, and the  
29 standing committee on commerce of the senate, the standing committee  
30 on ~~economic development~~ *new economy* of the house of representatives  
31 and the joint committee on economic development with respect to the  
32 state's economy. *The report to the committee on commerce of the senate,*  
33 *the committee on new economy of the house of representatives and the*  
34 *joint committee on economic development under this subsection shall be*  
35 *made by Kansas, inc., by publishing such report on the internet and by*  
36 *notifying each member of the committees that the report is available and*  
37 *providing, as part of such notice, the uniform resource locator (URL) at*  
38 *which such report is available.*

39 (5) Oversee and evaluate the state's economic development activities  
40 on an ongoing basis through the establishment of goals, priorities per-  
41 formance standards and the periodic program audit of those goals, pri-  
42 orities and performance standards.

43 (6) Oversee the implementation of the state's economic development

1 plan and monitor updates of that plan.

2 (7) Provide appropriate oversight to ensure the successful implemen-  
3 tation of Kansas venture capital, Inc.

4 (8) Oversee the targeting of scarce state resources by size and sector  
5 of economic activity and by geographic location within the state in order  
6 to enhance the state's potential comparative economic advantages.

7 (9) Review and evaluate the annual reports of the department of com-  
8 merce and housing, Kansas technology enterprise corporation and Kansas  
9 venture capital, Inc. Kansas, Inc. shall transmit recommendations con-  
10 cerning the agencies' activities to the governor and the legislature no later  
11 than September 1 of each year.

12 (b) Kansas, Inc. shall seek advice from the general public and from  
13 professional associations, academic groups and institutions and individuals  
14 with knowledge of and interest in areas of economic development and  
15 planning.

16 (c) The department of commerce and housing and all other inter-  
17 ested state agencies shall cooperate with Kansas, Inc. in providing infor-  
18 mation and other assistance as may be requested for the performance of  
19 its duties with respect to the state's economic development plan.

20 Sec. 7. K.S.A. 2001 Supp. 74-8204 is hereby amended to read as  
21 follows: 74-8204. Kansas Venture Capital, Inc. shall prepare and publish  
22 an annual report of its activities for the information of the governor, the  
23 standing committee on commerce of the senate, the standing committee  
24 on ~~economic development~~ *new economy* of the house of representatives  
25 and the joint committee on economic development, Kansas, Inc., and the  
26 public which shall be made widely available and shall specifically account  
27 for:

28 (a) The manner in which the purpose as described in this act has  
29 been carried out by Kansas Venture Capital, Inc.

30 (b) The total investments made annually by Kansas Venture Capital,  
31 Inc. in Kansas businesses.

32 (c) An estimate of jobs created and jobs preserved by investments by  
33 Kansas Venture Capital, Inc. in Kansas businesses.

34 (d) An estimate of the multiplier effect on the Kansas economy of  
35 investments by Kansas Venture Capital, Inc. in Kansas businesses.

36 (e) An analysis of the targeting of scarce resources by Kansas Venture  
37 Capital, Inc. by size, sector and location to enterprises of particular need  
38 and opportunity.

39 *The report to the standing committee on commerce of the senate, the*  
40 *standing committee on new economy of the house of representatives and*  
41 *the joint committee on economic development under this section shall be*  
42 *made by Kansas venture capital, inc., by publishing such report on the*  
43 *internet and by notifying each member of the committees that the report*

1 *is available and providing, as part of such notice, the uniform resource*  
2 *locator (URL) at which such report is available.*

3 Sec. 8. K.S.A. 44-1408 and 66-117b and K.S.A. 2001 Supp. 74-5049,  
4 74-50,151, 74-50,152, 74-8004 and 74-8204 are hereby repealed.

5 Sec. 9. This act shall take effect and be in force from and after its  
6 publication in the statute book.

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