

Approved: 4/1/93  
Date

MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Alicia Salisbury at 8:00 a.m. on March 23, 1993 in Room 123-S of the Capitol.

Members present: Senators Burke, Downey, Feleciano, Jr., Gooch, Harris, Kerr, Petty, Ranson, Reynolds, Steffes and Vidricksen

Committee staff present: Lynne Holt, Legislative Research Department  
Bob Nugent, Revisor of Statutes  
Mary Jane Holt, Committee Secretary

Conferees appearing before the committee: Representative David Heinemann  
Charles Warren, President, Kansas Inc.  
Kevin Carr, Vice President, Kansas Technology Enterprise Corporation

Others attending: See attached list

**Continuation of discussion and action on SB 421**--Certain city redevelopment projects, special obligation and tax increment bond financing

A motion was made by Senator Burke and seconded by Senator Vidricksen to recommend **SB 421**, as amended, favorably for passage. The motion carried on a roll call vote.

**Hearing on HB 2507**--Kansas economic emergency projects

Representative David Heinemann informed the Committee **HB 2507** creates in the state treasury the Kansas Economic Emergency Projects Fund, and authorizes the State Finance Council to make allocation to, and authorize expenditures by one or more state agencies from, the Fund when the Legislature is not in session. The Finance Council shall be authorized to make such expenditures upon a joint application and certification of the Secretary of Commerce, President of Kansas Inc., and the President of Kansas Technology Enterprise Corporation. \$5 million would be set aside from the Economic Development Initiatives Fund and placed in the Kansas Economic Emergency Projects Fund for economic emergencies which warrant funding for strategic economic intervention by such state agency or agencies to address expenses involved in securing economic benefits or avoiding or remedying economic losses related to 1) a major expansion of an existing Kansas commercial enterprise; 2) the potential location in Kansas of the operations of a major employer; 3) the award of a significant federal or private sector grant which has a state financial matching requirement; 4) the departure from Kansas or the substantial reduction of the operations of a major employer; and 5) the closure of a major federal or state institution or facility. This would be a one time transfer.

Charles Warren, President, Kansas Inc., testified in support of HB 2507. He recommended modifying lines 26 to 32 of Section 1 (b) to "upon recommendation of the Secretary of Commerce and Housing and the President of Kansas Inc, the Governor may certify that an emergency exists...". see Attachment 1.

Kevin Carr, Vice President, Kansas Technology Enterprise Corporation, testified in support of HB 2507, see Attachment 2. He supported all the economic development agencies making recommendations to the Governor and the Finance Council.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON COMMERCE, Room 123-S Statehouse, at 8:00 a.m.  
on March 23, 1993.

A conceptual motion was made by Senator Burke that an application be submitted to the Finance Council by the Secretary of Commerce after consultation with Kansas Inc and KTEC boards. Senator Gooch seconded the motion.

There being no further conferees, the hearing on **HB 2507** was closed.

The committee meeting was adjourned at 9:00 a.m.

The next meeting is scheduled for March 25, 1993.

## GUEST LIST

COMMITTEE: SENATE COMMERCE COMMITTEE

DATE: 3/23/93

[illegible]

TESTIMONY OF  
Charles R. Warren  
President, Kansas Inc.

House Bill 2507

Senate Commerce Committee  
March 18, 1993

*Board of Directors*

GOVERNOR JOAN FINNEY  
THOMAS CLEVINGER  
*Co-Chairmen*

JAY A. ANDERSON  
PAUL "BUD" BURKE  
JILL DOCKING  
TIMOTHY R. DONOGHUE  
ERIC THOR JAGER  
GERALD "JERRY" KARR  
BOB KNIGHT  
DONALD LANDOLL  
DAN L. MEISINGER  
ROBERT H. MILLER  
WILLIAM A. MOORE  
JACK WEMPE  
BILL WOHLFORD

Charles R. Warren  
*President*

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Madame Chairman, members of the Committee, I would like to speak in support of H.B. 2507 to establish the Kansas Economic Emergency Projects Fund. While I cannot speak to the fiscal capacity of the State to establish this fund, the availability of an emergency fund of this nature would be of great benefit to Kansas and its economic development activities. It would allow a quick response capacity to opportunities and emergencies we lack today.

I would like to suggest that the provision in the bill for application and certification of an economic emergency in lines 26 to 32 of Section 1 (b) be modified to read as follows: "upon recommendation of the secretary of commerce and housing and the president of Kansas Inc., the Governor may certify that an economic emergency exists ..." The secretary represents the lead agency in economic development and Kansas Inc. is the policy agency with statutory authority regarding economic emergencies and opportunities, and both are appropriate officers to make such a recommendation. Neither I nor the Secretary would make such a certification without involvement of the Governor. The Governor is Co-Chair of Kansas Inc.

With this change, I believe this bill would provide essential resources in a timely fashion for an effective response to the situations outlined in the bill.

I would be pleased to answer any questions.

3/23/93  
Commerce  
Attachment 1

TESTIMONY CONCERNING  
HOUSE BILL 2507

Kansas has been fortunate over the past several years. We have sustained little or no effect from the repeated blows to our nation's economy. That good fortune has enabled us to forge ahead in developing one of the more advanced economic development infrastructures in this country.

We are poised to seize new opportunities that will provide economic benefits for our state. Companies from other states and other countries are looking at Kansas and the wide range of services and benefits that we can offer. They are extremely interested in our infrastructure, our facilities, our environment.

Likewise, this well-developed infrastructure will help us lessen the economic impact of significant layoffs or other emergency situations that occur with major employers or in industry sectors that traditionally employ many Kansans. Assistance may surface through retraining, through new companies, or through other innovative methods such as finding new markets for Kansas enterprises.

The importance of this economic emergency projects fund will span far beyond our immediate problems developing in Wichita. In future years, it could provide the means to take advantage of opportunities that will contribute to significant and sustainable economic growth for our state.

The Kansas Technology Enterprise Corporation fully supports House Bill 2507.

3/23/93  
Commerce  
Attachment 2