

Approved: 3/3/94
Date

MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Alicia Salisbury at 8:00 a.m. on February 28, 1994 in Room 123-S of the Capitol.

Members present: Senators Burke, Downey, Feleciano, Gooch, Harris, Petty, Ranson, Reynolds, Salisbury, and Steffes

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

Conferees appearing before the committee:

Others attending: See attached list

Committee discussion and consideration of SCR 1626-Creates council on competitiveness

Senator Ranson reviewed the concurrent resolution.

Senator Feleciano moved and Senator Petty seconded to amend SCR 1626 on line 39, page 1, (c), to read "The Legislative Coordinating Council shall appoint seven members as follows:" The motion carried on a voice vote.

Senator Reynolds moved and Senator Steffes seconded to amend SCR 1626 on line 14, page 3, to correct the date to read "January 20, 1995" The motion carried on a voice vote.

A motion was made by Senator Ranson and seconded by Senator Downey to recommend SCR 1626, as amended, favorably for passage. The motion carried on a roll call vote.

Committee discussion and consideration of Substitute for SB 183-An act concerning urban revitalization, relating to strategic planning

Bob Nugent, Revisor of Statutes, reviewed proposed Substitute for SB 183--An act concerning urban revitalization, relating to strategic planning, see attachment 1.

Following committee discussion, Senator Ranson moved that on page 4, (2), city governing boards, as well as county commissions, be required to endorse by resolution, if the application is approved by the local economic development organization. The motion was seconded by Senator Feleciano, and the motion carried on a voice vote.

Senator Ranson moved and Senator Feleciano seconded to substitute the word "blighted" for the word "decaying" in (g) on page 2.

A motion was made by Senator Feleciano and seconded by Senator Gooch to change the 70% to 50% in (3), page 5, and to waive the 50% split requirement after authority to give grants to non-metropolitan counties expires. The motion carried on a voice vote.

Senator Gooch moved and Senator Feleciano seconded to recommend Substitute for SB 183, as amended, favorably for passage. The motion carried on a roll call vote.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON COMMERCE, Room 123-S Statehouse, at 8:00 a.m.
on February 28, 1994.

The Chairman adjourned the meeting at 9:00 a.m.

GUEST LIST

COMMITTEE: SENATE COMMERCE COMMITTEE

DATE: 2/28/94

[illegible]

PROPOSED SUBSTITUTE for SENATE BILL NO. 183

By Committee on Commerce

AN ACT concerning urban revitalization, relating to strategic planning; amending K.S.A. 74-5093, 74-5094, 74-5095, 74-5096 and 74-50,101 and K.S.A. 1993 Supp. 74-5097, 74-5098 and 74-50,100 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 74-5093 is hereby amended to read as follows: 74-5093. As used in this act:

(a) "Blighted area" has the meaning ascribed to it in K.S.A. 12-1771 and amendments thereto;

~~(a)~~ (b) "committee" means the community strategic planning grant committee established by K.S.A. 74-5095 and amendments thereto;

~~(b)~~ (c) "metropolitan county" means the county of Douglas, Johnson, Leavenworth, Sedgwick, Shawnee or Wyandotte; and

(d) "neighborhood revitalization organization" means any group organized for the purpose of encouraging economic development in a blighted area of a metropolitan county; and

~~(c)~~ (e) "nonmetropolitan county" means any county which is not a metropolitan county.

Sec. 2. K.S.A. 74-5094 is hereby amended to read as follows: 74-5094. The purposes of the community strategic planning assistance act are to:

(a) Build and enhance economic development capacity at the local and regional levels;

(b) develop and sustain long-term commitments for local development efforts;

(c) encourage broad-based local and multi-county development strategies that build on local strengths and to complement and reinforce statewide economic development strategy;

(d) improve the ability of local communities to effectively

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use economic data and analysis in the strategic planning process for economic development;

(e) maximize state investments in economic development through more efficient implementation of limited resources; and

(f) provide recognition for successful communities and to motivate other communities; and

(g) encourage local initiatives to revitalize decaying areas in metropolitan counties.

Sec. 3. K.S.A. 74-5095 is hereby amended to read as follows: 74-5095. (a) There is hereby established the community strategic planning grant committee which is composed of the following:

(1) The president of Kansas, Inc., who shall act as chairperson;

(2) the director of the national institute for rural development or the director's designee;

(3) one member from the Kansas association of counties;

(4) one member from the Kansas league of municipalities; and

(5) one member from the Kansas industrial developers association who is also from a metropolitan county; and

(6) one member with extensive knowledge of urban revitalization or public finance or both who shall be appointed by the secretary of commerce and housing.

(b) Members designated in ~~paragraphs~~ subsections (a)(3), (4) and (5) shall be appointed by the secretary of commerce and housing in consultation with the respective associations named therein.

(c) The committee is hereby attached to the department of commerce and housing as a part thereof. All budgeting, purchasing and related management functions of the committee shall be administered by the secretary of commerce and housing. The secretary of commerce and housing shall provide office and meeting space and such clerical and other staff assistance as may be necessary to assist the committee in carrying out its powers, duties and functions under this act.

(d) Members of the committee attending meetings of the

committee, or attending a subcommittee meeting thereof authorized by the committee, may be paid compensation, subsistence allowances, mileage and other expenses as provided in K.S.A. 75-3223 and amendments thereto.

Sec. 4. K.S.A. 74-5096 is hereby amended to read as follows: 74-5096. The department of commerce and housing shall administer the provisions of this act to provide:

(a) Grants to city-county economic development organizations, located in nonmetropolitan counties, for the development and implementation of county-wide economic development strategy plans.

(b) Grants to neighborhood revitalization organizations, located in metropolitan counties, for the development and implementation of urban revitalization strategy plans.

Sec. 5. K.S.A. 1993 Supp. 74-5097 is hereby amended to read as follows: 74-5097. (a) Subject to the provisions of appropriations acts and in accordance with the provisions of this act, the department of commerce and housing may provide planning grants and action grants to city-county economic development organizations located in nonmetropolitan counties, for the development and implementation of countywide economic development strategy plans or to neighborhood revitalization organizations, in metropolitan counties, for the planning and implementation of urban economic development plans.

(b) The committee shall establish grant eligibility criteria for applicants in both metropolitan and nonmetropolitan counties, and shall administer the competitive selection process for the awarding of planning grants and action grants. The committee shall submit its recommendations for grant awards to the secretary of commerce and housing for final determination and award.

(1) Grant applicants from nonmetropolitan counties shall be subject to the following conditions. Planning grants shall be for the development of countywide economic development strategy plans. No planning grant shall exceed \$15,000 for any single

county economic development plan. An additional award for an amount not to exceed \$5,000 may be granted for each additional county participating in the development of a joint multi-county strategic economic development plan, except that under no circumstances shall the total planning grant exceed \$35,000. Any city-county economic development organization receiving a planning grant shall be required to provide additional funds equaling 25% of the amount of the planning grant. Action grants shall be for the implementation of countywide economic development strategy plans. Total action grants shall not exceed \$25,000 for any single county action grant application. An additional award for an amount not to exceed \$10,000 may be granted for each additional county participating in a joint multi-county action grant implementation effort, except that under no circumstances shall the action grant totals exceed \$65,000. Any city-county economic development organization receiving a grant shall be required to provide additional funds equaling 100% of the amount of the action grant. Not more than one planning grant may be awarded to any one county or combination of counties.

(2) Neighborhood revitalization organizations from metropolitan counties shall be subject to the following conditions. Prior to applying to the committee, the neighborhood revitalization organization must submit its application to a local economic development organization designated by the county commission of the county in which the organization is located. The local economic development organization shall review the application and determine whether the application should be funded on the basis of local needs and priorities. If the application is approved by the local economic development organization and endorsed by resolution by the county commission, the application shall be forwarded to the committee for further consideration. Planning grants shall be for the development of urban economic development strategy plans. No planning grant shall exceed \$15,000 for any single urban economic development

plan. Any neighborhood revitalization organization receiving a planning grant shall be required to provide additional funds equaling 25% of the amount of the planning grant. Action grants shall be for the implementation of urban economic development strategy plans. Total action grants shall not exceed \$25,000 for any single urban action grant application. Any neighborhood revitalization organization receiving a grant shall be required to provide additional funds equaling 100% of the amount of the action grant. Not more than one planning grant may be awarded to any one neighborhood revitalization organization.

(3) No more than 70% of funds appropriated for use pursuant to this act shall be granted to applicants from metropolitan counties.

(4) The secretary of commerce and housing may authorize a recipient of a planning grant, who has unexpended funds from such planning grant, to apply such funds to the implementation of the recipient's approved strategic economic development plan. Any unexpended planning grant funds applied to the implementation of such strategic economic development plan shall require the appropriate 100% match. Application of the unexpended planning grant funds to the implementation of the strategic economic development plan may result in the reduction of any subsequent action grant awarded to the recipient.

(c) The secretary of commerce and housing may enter into an agreement with economic development service providers to provide reimbursement to such providers for expenses incurred in strategic planning activities which do not relate to the facilitation of a specific strategic plan. Such activities may include, but are not limited to, preapplication consulting and maintenance of economic development data bases. Such expenses shall be paid on a per project basis and must be preapproved by the secretary.

(d) Each city-county economic development organization or neighborhood revitalization organization which has received a planning grant beginning on and after July 1, 1990, shall assess

the effectiveness of the strategic planning process under this program and the county local preparedness in engaging in such process. Such assessment shall be submitted to the Kansas department of commerce and housing within three months after completion of a ~~countywide-economic-development~~ strategic plan. The status report developed pursuant to subsection (f) shall include a summary of all strategic plan assessments received for a twelve-month period prior to the submittal of the report to the joint committee on economic development. However, the summary may not include assessments submitted within 30 days of the submittal of the department's report. Any such assessments shall be included in a subsequent annual report.

(e) Each city-county economic development organization or neighborhood revitalization organization which has received an action grant beginning on and after July 1, 1990, shall assess the extent to which goals identified in its action plan application have been met. Such assessment shall rely on quantifiable criteria to the greatest possible degree. Such assessment shall be submitted to the Kansas department of commerce and housing within three months after intended actions identified for implementation in the action grant application have been undertaken. The status report developed pursuant to subsection (f) shall include a summary of all action plan assessments received for a twelve-month period prior to the submittal of the report to the joint committee on economic development. However, the summary may not include assessments submitted within 30 days of the submittal of the department's report. Any such assessments shall be included in a subsequent annual report.

(f) Prior to September 1 of each year the Kansas department of commerce and housing shall present a status report of activities including, but not limited to, specifics of community strengths and weaknesses and planning issues and strategies under the provisions of this act to the joint committee on economic development.

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Sec. 6. K.S.A. 1993 Supp. 74-5098 is hereby amended to read as follows: 74-5098. City-county economic development organizations ~~can~~ or neighborhood revitalization organizations may use planning grant proceeds for the acquisition of technical assistance for strategy development activities, identification of specific projects, and other related services from educational institutions or other economic development service providers. City-county economic development organizations or neighborhood economic development organizations can use action grants for hiring of technical assistance, implementation, evaluation and reassessment of strategies, purchasing of equipment and other services, and economic development activities undertaken by public-private partnerships as authorized for cities and for counties pursuant to law. Action grants shall not be used for the purchase or lease of land or the purchase, lease or construction of buildings or payment of salaries and benefits for permanent employees of any public or quasi-public agency.

Sec. 7. K.S.A. 1993 Supp. 74-50,100 is hereby amended to read as follows: 74-50,100. (a) No planning grants shall be awarded to applicants from nonmetropolitan counties under this act on or after July 1, 1995. No planning grants shall be awarded to metropolitan counties under this act on or after July 1, 1997.

(b) No action grants shall be awarded to applicants from nonmetropolitan counties under this act on or after July 1, 1996. No action grants shall be awarded to applicants from metropolitan counties under this act on or after July 1, 1998.

Sec. 8. K.S.A. 74-50,101 is hereby amended to read as follows: 74-50,101. Two years after the last grant is awarded to an applicant from a nonmetropolitan county and, again, two years after the last grant is awarded to an applicant from a metropolitan county under this act, Kansas, Inc., shall evaluate each economic development strategic plan developed and determine the degree that such plan has been implemented and report such evaluations and determinations to the governor and the legislature.

Sec. 9. K.S.A. 74-5093, 74-5094, 74-5095, 74-5096 and 74-50,101 and K.S.A. 1993 Supp. 74-5097, 74-5098 and 74-50,100 are hereby repealed.

Sec. 10. This act shall take effect and be in force from and after its publication in the statute book.