

MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Senator Karin Brownlee at 8:15 a.m. on March 27, 2002 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Sherman Parks, Revisor of Statutes
Norman Furse, Revisor of Statutes
April Holman, Legislative Research
Debra Hollon, Legislative Research
Lea Gerard, Committee Secretary

Conferees appearing before the committee: Phil Harness, Director,
Workers Compensation

Others attending: See attached list

Senator Emler moved, seconded by Senator Jordan to approve the minutes for February 26, March 5, 6, 7, 8, 11, 12, 13, and 14, 2002. Motion carried.

Chairperson Brownlee provided committee members with a color coded map of the Sunflower Army Ammunition Plant site and the Senator Pat Roberts 2800 acre proposal for a park (Attachment 1).

SB 649–Tax increment financing; expansion of major tourism areas.

Senator Steineger presented a balloon amendment for **SB 649** describing the three improvement areas in Wyandotte County, Kansas City, Kansas that would qualify for STAR Bonds (Attachment 2).

Senator Jordan questioned using STAR Bonds for Zones B and C in that it was a major policy shift for the State of Kansas. Using STAR Bonds is a shift from local responsibility for re-development to making it a state responsibility. He was concerned about opening up STAR Bonds for any re-development use in the State of Kansas. Senator Steineger stated in the past that it would always be specified as a major state-wide attraction like the Speedway or what the OZ theme park would have been. It had to be a project of major state-wide attraction and that policy still remains for Site A but would not apply to the intercity sites B and C.

Senator Steineger moved, seconded by Senator Barone to make a conceptual motion for SB 649 to leave site A intact with a \$50M threshold as written, site B, Page 1, Lines 27 through 32 with a \$10M threshold and eliminate site C.

Senator Emler questioned the conceptual motion and did it address the concerns of the committee regarding the use of STAR Bonds for re-development. Chairperson Brownlee stated it did not.

Senator Steineger moved, seconded by Senator Brungardt to redraw the conceptual motion for SB 649 and make a substitute motion to leave site A intact with a \$50M threshold as written, eliminate site B, Page 1, Lines 27 through 32 and eliminate the balloon language for site C. Motion carried.

Senator Steineger moved, seconded by Senator Emler to amend SB 649 on Page 1, to strike lines 33 and 34. Motion carried.

Senator Steineger moved, seconded by Senator Jenkins to move SB 649 as amended favorably for passage. Motion carried.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON COMMERCE at on March 27, 2002 in Room 123-S of the Capitol.

HB 2729–Workers compensation; wholly dependent children.

Phil Harness, Director, Workers Compensation, briefed the committee on proposed amendments for **HB 2729** (Attachment 3). The alternative language for 44-510K would read, “As used in this subsection “costs” include, *but not limited to*, witness fees, mileage allowances, any costs associated with reproduction of documents that become a part of the hearing record, the expense of making a record of the hearing, and such other charges as are by statute authorized to be taxed as costs”. Norman Furse, Revisor of Statutes, stated this would be a new section to **HB 2729**.

Senator Emler moved, seconded by Senator Jordan to adopt the language for 44-510K. Motion carried.

Phil Harness explained the amendment for 44-523 provides guidelines for recusal of a workers compensation administrative law judge.

Senator Emler moved, seconded by Senator Brungardt to adopt the amendment for 44-523. Motion carried.

Senator Emler moved, seconded by Senator Brungardt to adopt the amendment of adding a physical therapist to the workers compensation advisory panel. Motion carried.

Brad Smoot, American Insurance Association, proposed an amendment for **HB 2729** that all closed claims data for workers comp be submitted to the Director of Workers Compensation electronically rather than just the random sampling (Attachment 4). The amendment would allow insurers to voluntarily submit claims information electronically.

Senator Brungardt moved, seconded by Senator Kerr to adopt an amendment for **HB 2729**, Page 10 that allows insurers to voluntarily submit claims information electronically to the Director of Workers Compensation on Page 10. Motion carried.

Senator Emler moved, seconded by Senator Jenkins to move **HB 2729** as amended favorably for passage. Motion carried.

HB 2872–Workforce development loan program and fund

Steve Jacks, Kansas Department of Human Resources, presented an amendment for **HB 2872** regarding the funding of the workforce development loan program and a way to transfer the funds (Attachment 5). The monies would be transferred annually to the Workforce Development Loan Program from the Workforce Investment Act (WIA) which is returned to the state as unspent WIA funds.

Senator Wagle moved, seconded by Senator Jordan to adopt the funding provisions amendment for **HB 2872** from the Kansas Department of Human Resources. Motion carried.

Candy Shively, Kansas Department of Social and Rehabilitation Services, presented amendments for **HB 2872** (Attachment 6).

Senator Wagle moved, seconded by Senator Jordan to adopt Option 1 of the amendments presented by SRS and the language on Page 1, Lines 33 and 34; to move conceptually and allow the revisor to place the language in the bill and make technical changes as necessary. Motion carried;

Senator Barone commented on his concern regarding Page 1, Lines 36 thru 38, and if the language includes private technical colleges. What is the intention of the language?

Senator Barone requested the following statement be reflected in the minutes.

Steve Kearney, representing the Kansas Association of Technical Schools and Colleges, stated coordination is a term of art that came from **SB 345** and refers to public institutions that are either governed or coordinated including community colleges and all public institutions. The intention of the bill was not private or proprietary schools.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON COMMERCE at on March 27, 2002 in Room 123-S of the Capitol.

Senator Jenkins moved, seconded by Senator Emler to move **HB 2872** as amended favorably for passage. Motion carried.

HB 2754—Telecommunications; affordable rates; quality of service; standards.

Chairperson Brownlee asked if someone could address her concern that **HB 2754** is setting rates in statute and does this change the role of the KCC?

Tom Gleason, Attorney for Rural Independent Telecommunication Companies, stated it is generally accepted and acknowledged that rate making is in origin a legislative function and can be delegated. If it is delegated, then it is delegated subject to rules and conditions that are placed by the legislature. The Corporation Commission staff and the Citizens Utility Ratepayer Board agreed on the original threshold and a continuing formula for establishing an affordable rate standard. **HB 2754** does not set rates, it establishes affordable standards and would be a legislative determination of the level at which rates are to be supported by the Kansas Universal Service Fund (KUSF). It does not require companies to charge the rate, it is not an adoption of the rate statutorily, it is a determination of policy that says the parties agree the KUSF will provide support. He stated with that his answer to the question would be no it is not legislatively setting rates and no it is not interfering with the authority of the KCC.

The bill is needed because it is important to rural Kansas that the companies provide service and would have some measure of predictability. The companies would know what's expected in terms of cost recovery that would be available from service funds to continue investment in expanding their facilities and to increase availability of communication services in rural Kansas which in turn holds promise for economic development for distance learning and tele-medicine.

Chairperson Brownlee asked Janet Buchanan, KCC, if she would like to respond. Janet Buchanan stated it does to some extent limit what the Commission can do but there is room for the Commission in the future if it finds other evidence that it considers or meaningful for determining affordable rates. The KCC does not traditionally have requests to codify KCC orders.

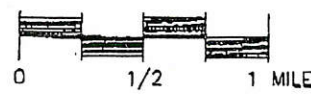
Meeting adjourned at 9:30 a.m.

Next meeting is scheduled for Friday, March 29, 2002.

**SENATE COMMERCE COMMITTEE
GUEST LIST**

DATE: March 27, 2002

NAME	REPRESENTING
Armand Corpalang	Dept. of Human Resources
Janet Buchanan	KCC
Eva Powers	KCC
Tom Day	KCC
Bill Sneed	Ks Speedway
Sheila Kuban	KACCT
Barb Reavis	Governor
Steve Jack	KDHR
Shuly Allen	SITA
Tom Gleason	Independent Telecom Group
RICHARD VEACH	PIONEER COMMUNICATIONS
Doug Smith	State Independent Telephone Association
RICK WARNER	Fahnestock
STEVE GRAHAM	TITAN CONSTRUCTION
Michael Warner	Reece + Nichols
Bernie Koch	Wichita Area Chamber
Jim Gachner	SWBST
John Peterson	Ks Governmental Consulting
Brad Smoot	AIA

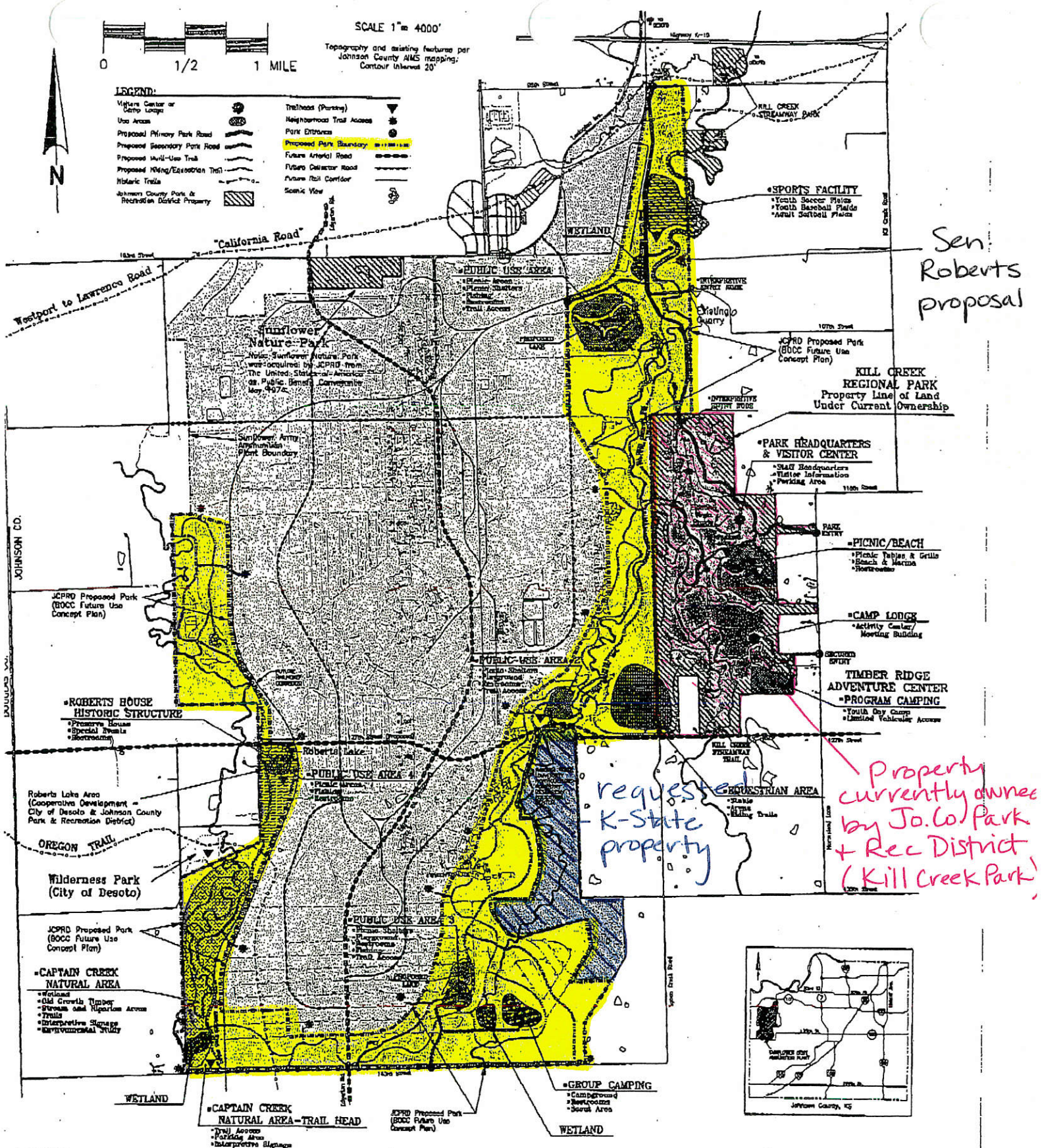


SCALE 1" = 4000'

Topography and existing features per Johnson County AIMS mapping; Contour Interval 20'

LEGEND:

Visitor Center or Camp Lounge	Trailhead (Parking)
Use Areas	Neighborhood Trail Access
Proposed Primary Park Road	Park Entrance
Proposed Secondary Park Road	Proposed Park Boundary
Proposed Multi-Use Trail	Future Arterial Road
Proposed Mining/Excavation Trail	Future Collector Road
Historic Trails	Future Rail Corridor
Johnson County Parks & Recreation District Property	Scenic View



Sen. Roberts proposal

request K-State property

Property currently owned by Jo. Co. Park + Rec District (Kill Creek Park)



JOHNSON COUNTY PARK & RECREATION DISTRICT
 7900 Renner Road, Shawnee Mission, Kansas 66219
 Drawn by: C. MIDDLETON Date: 1/29/99 Revised: 3/22/02



PROPOSED KILL CREEK PARK EXPANSION
SUNFLOWER ARMY AMMUNITION PLANT SITE

Senate Commerce Committee
March 27, 2002
Attachment 1-1

SENATE BILL No. 649

By Committee on Ways and Means

3-19

AN ACT concerning tax increment financing; relating to major tourism areas; amending K.S.A. 12-1770a, 12-1771b and 12-1775 and repealing the existing sections.

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

Section 1. K.S.A. 12-1770a is hereby amended to read as follows: 12-1770a. As used in this act, unless the context clearly shows otherwise:

(a) "Art, entertainment or recreation facility" means an enterprise classified within sectors 71 or 72 of the 1997 North American industrial classification system, other than an enterprise classified within categories 7132, 71321, 71329 or 72112 or an auto race track facility.

(1) The entire site shall not exceed 400 acres in size;

(2) one portion of such facility shall be located within the confines of lines drawn from the intersection of interstate 435 and Parallel Parkway east along Parallel Parkway to 94th street; south along 94th street to interstate 70; west along interstate 70 to interstate 435; and north along interstate 435 to Parallel Parkway. Such area shall be referred to as "zone A";

750
New Jersey avenue

(3) one portion of such facility shall be located within the confines of lines drawn from the intersection of State avenue and 47th street south along 47th street to Kaw drive; east along Kaw drive to interstate 635; north along interstate 635 to Orville avenue; east along Orville avenue to 41st terrace, north along 41st terrace to State avenue; and west on State avenue to 47th street. Such area shall be referred to as "zone B"; and

~~(4) retail businesses shall be permitted to locate within zone B, but not within zone A.~~

(4) One portion of such facility shall located within the confines of lines drawn from the intersection of Washington boulevard and 5th street north along 5th street to Parallel parkway, west on Parallel parkway for 300 feet, and then south to Washington boulevard. Such area shall be referred as "zone C"

~~(a)~~ (b) "Auto race track facility" means: (1) An auto race track facility and facilities directly related and necessary to the operation of an auto race track facility, including, but not limited to, grandstands, suites and viewing areas, concessions, souvenir facilities, catering facilities, visitor and retail centers, signage and temporary hospitality facilities, but excluding (2) hotels, motels, restaurants and retail facilities, not directly related to or necessary to the operation of such facility.

~~(b)~~ (c) "Base year assessed valuation" means the assessed valuation of all real property within the boundaries of a redevelopment district on

- 1 ~~(g)~~ (h) "Eligible area" means a blighted area, conservation area, en-
 2 terprise zone, historic theater or major tourism area.
- 3 ~~(h)~~ (i) "Enterprise zone" means an area within a city that was des-
 4 ignated as an enterprise zone prior to July 1, 1992, pursuant to K.S.A. 12-
 5 17,107 through 12-17,113, and amendments thereto, prior to its repeal
 6 and the conservation, development or redevelopment of the area is nec-
 7 essary to promote the general and economic welfare of such city.
- 8 ~~(i)~~ (j) "Environmental increment" means the increment determined
 9 pursuant to subsection (b) of K.S.A. 12-1771a, and amendments thereto.
- 10 ~~(j)~~ (k) "Environmentally contaminated area" means an area of land
 11 having contaminated groundwater or soil which is deemed environmen-
 12 tally contaminated by the department of health and environment or the
 13 United States environmental protection agency.
- 14 ~~(k)~~ (l) "Feasibility study" means a study which shows whether a re-
 15 development project's benefits and tax increment revenue and other
 16 available revenues under *subsection (a)(1) of K.S.A. 12-1774* ~~(a)(1)~~, and
 17 *amendments thereto*, are expected to exceed or be sufficient to pay for
 18 the redevelopment project costs.
- 19 ~~(l)~~ (m) "Historic theater" means a building constructed prior to 1940
 20 which was constructed for the purpose of staging entertainment, includ-
 21 ing motion pictures, vaudeville shows or operas, that is operated by a
 22 nonprofit corporation and is designated by the state historic preservation
 23 officer as eligible to be on the Kansas register of historic places or is a
 24 member of the Kansas historic theatre association.
- 25 ~~(m)~~ (n) "Historic theater sales tax increment" means the amount of
 26 state and local sales tax revenue imposed pursuant to K.S.A. 12-187 *et*
 27 *seq.*, 79-3601 *et seq.* and 79-3701 *et seq.*, and amendments thereto, col-
 28 lected from taxpayers doing business within the historic theater that is in
 29 excess of the amount of such taxes collected prior to the designation of
 30 the building as a historic theater for purposes of this act.
- 31 ~~(n)~~ (o) "Major tourism area" means: (1) An area for which the sec-
 32 retary has made a finding the capital improvements costing not less than
 33 \$100,000,000 will be built in the state to construct an auto race track
 34 facility; or (2) a project classified as an art, entertainment or recreation
 35 facility, as to which the secretary of commerce and housing has made a
 36 finding that at least: (A) Capital improvements costing not less than
 37 \$50,000,000 will be built in the state for such project; and (B) not less
 38 than 500 permanent and seasonal employment positions as defined by
 39 K.S.A. 74-50,114, and amendments thereto, will be created in the state by
 40 such project.
- 41 ~~(o)~~ (p) "Real property taxes" means all taxes levied on an ad valorem
 42 basis upon land and improvements thereon.
- 43 ~~(p)~~ (q) "Redevelopment project area" or "project area" means an area

The employment and investment thresholds described in subparagraphs (A) and (B) shall not apply to an art entertainment or recreation facility located within zone B or zone C.



Kansas City Kansas

225
County Fairgrounds
036
State Ave

A

Edwardsville

18
Grinter House

28

32729

44-510k. Post-award medical benefits; application; notice; attorney fees. (a) At any time after the entry of an award for compensation, the employee may make application for a hearing, in such form as the director may require for the furnishing of medical treatment. Such post-award hearing shall be held by the assigned administrative law judge, in any county designated by the administrative law judge, and the judge shall conduct the hearing as provided in K.S.A. 44-523 and amendments thereto. The administrative law judge can make an award for further medical care if the administrative law judge finds that the care is necessary to cure or relieve the effects of the accidental injury which was the subject of the underlying award. No post-award benefits shall be ordered without giving all parties to the award the opportunity to present evidence, including taking testimony on any disputed matters. A finding with regard to a disputed issue shall be subject to a full review by the board under subsection (b) of K.S.A. 44-551 and amendments thereto. Any action of the board pursuant to post-award orders shall be subject to review under K.S.A. 44-556 and amendments thereto.

(b) Any application for hearing made pursuant to this section shall receive priority setting by the administrative law judge, only superseded by preliminary hearings pursuant to K.S.A. 44-534a and amendments thereto. The parties shall meet and confer prior to the hearing pursuant to this section, but a prehearing settlement conference shall not be necessary. The administrative law judge shall have authority to award medical treatment relating back to the entry of the underlying award, but in no event shall such medical treatment relate back more than six months following the filing of such application for post-award medical treatment. Reviews taken under this section shall receive priority settings before the board, only superseded by reviews for preliminary hearings. A decision shall be rendered by the board within 30 days from the time the review hereunder is submitted.

(c) The administrative law judge may award attorney fees and costs on the claimant's behalf consistent with subsection (g) of K.S.A. 44-536 and amendments thereto. *As used in this subsection "costs" include, but are not limited to, witness fees, mileage allowances, any costs associated with reproduction of documents that become a part of the hearing record, the expense of making a record of the hearing, and such other charges as are by statute authorized to be taxed as costs.*

Senate Commerce Committee
March 29, 2002
Attachment 3-1

(c) Unless provided by regulations to the contrary, any insurer, group-funded workers compensation pool, or self-insured employer who voluntarily submits claims information to the director pursuant to Release 1 of the International Association of Industrial Accident Boards and Commission's standard dated _____ shall be deemed to be in compliance with subsection (b). This subsection shall take effect January 1, 2004.

**Recommended Funding Provisions for Substitute
HB No. 2872 from the Kansas Department of Human Resources:**

On page 5, in line 35, after "Annually," by striking the rest of line 35; striking all of line 36; in line 37, by striking "labor and";

Also on page 5, after line 43, by adding the following:

In addition, the Kansas department of human resources shall provide funding for the purpose of this act which shall be limited to the use of federal department of labor workforce investment act funds what are returned to the state as unspent local WIA program year adult, youth and dislocated worker funds. Such unspent funds shall be converted to and identified as state-level set-aside funds for use in carrying out activities as provided under this act. The annual amount of such funds shall not exceed \$500,000. The WIA set-aside funds shall be made available subject to the written approval from the United States department of labor authorizing the use of such for the purpose of this act and appropriated by the United States congress. Funding for this act by the Kansas department of human resources shall be contingent on the availability of WIA funding and shall terminate on or before the final WIA authorization date of June 30, 2005. Due to restrictions placed on the transfer of unspent federal funds to the state treasury and the need for timely disbursement of federal funds for WIA expenditures, the Kansas department of human resources shall develop in cooperation with the Kansas board of regents, a system for the reimbursement of actual expenses incurred pursuant to this act. Such reimbursement

procedures shall be in compliance with acceptable federal department of labor and office of management and budget procedures established for the draw down and disbursement of federal WIA funds.

8

KANSAS DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES ALTERNATIVE PROPOSALS TO HB 2872

Option 1

Replace existing New Section 10 with the following:

New Section 10. (a) Annually, \$500,000 from the moneys credited to the department of human resources from the United States department of labor and \$500,000 from the moneys received by the department of social and rehabilitation services (SRS) from the United States department of health and human services shall be reserved for the workforce development loan fund established in section 5, and amendments thereto.

(b) The \$500,000 from the department of human resources shall be transferred by the director of accounts and reports from funds specified by provisions in appropriation acts to the workforce development loan fund established in section 5, and amendments thereto, in accordance with and subject to the provisions of appropriation acts.

(c) The secretary of the department of social and rehabilitation services shall cooperate in the administration of the workforce development loan established in section 5, and amendments thereto, which may be funded with the \$500,000 which is to be contributed annually by SRS, in accordance with and subject to the provisions of appropriation acts. When there is a candidate that appears to meet the eligibility guidelines for federal funding administered by SRS, the state board of regents shall notify SRS. Upon SRS approval of the candidate's eligibility, the director of accounts and reports shall transfer funding from the appropriate federal source as identified by SRS to the secretary of the treasury. All receipts and interest collected from repayments of federal funds transferred under the authority of this section shall be returned to the director of accounts and reports for reposit to the originating federal funding source.

Option 2

Replace existing New Section 10 with the following:

New Section 10. (a) Annually, \$500,000 from the moneys credited to the department of human resources from the United States department of labor and \$400,000 from the moneys received from the Chafee funds allocated by the United States department of health and human services to the department of social and rehabilitation services (SRS) shall be transferred by the director of accounts and reports from funds specified by provisions in appropriation acts to the workforce development loan fund established in section 5, and amendments thereto, in accordance with and subject to the provisions of appropriation acts. The state funding required as match by the federal Chafee program in the amount of \$100,000 will require a specific annual appropriation by the Legislature from the State General Fund.

(b) All receipts and interest collected from repayments of federal funds transferred under the authority of this section shall be credited by the secretary of the treasury to the federal funding source from which said loan originated. Any interest paid to the loan fund by the financial institution in which said fund is held shall be proportionally divided and credited to each respective federal fund from which said loan funds originated. All

expenditures, disbursements and collected repayments of federal funds transferred under the authority of this section shall be made in compliance with all applicable federal rules and regulation.

(c) The \$400,000 from federal Chafee funds contributed by the department of social and rehabilitation services to the workforce development loan fund may only be used for workforce development loans to applicants who were in foster care until their 18th birthday or applicants who completed high school or G.E.D. and were released from foster care prior to their 18th birthday in accordance with federal law. The state board of regents shall establish this eligibility criteria for the use of the funds contributed by SRS in the rules and regulations it adopts for the administration of the workforce development loan program as set forth in section 9.