

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Karin Brownlee at 8:30 a.m. on February 23, 2004 in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Kathie Sparks, Legislative Research
Susan Kannarr, Legislative Research
Helen Pedigo, Revisor of Statutes
Nikki Kraus, Committee Secretary

Conferees appearing before the committee:

Allen Bell, Economic Development Coordinator, City of Wichita
Jack Brown, Environmental Health Director, City of Wichita
Chris Chronis, CFO, Sedgwick County
Melinda Walker, Purchasing Manager, City of Wichita

Others attending:

See Attached List.

Mr. Brown presented the committee with the TIF (Tax Increment Finance) reports from the city of Wichita. The first was entitled "Status Summary of the North Industrial Corridor Site" ([Attachment 1](#)); the second was entitled "Status Summary of the Gilbert and Mosley Site" ([Attachment 2](#))

Chairperson Brownlee opened the public hearing on:

SB 405–Cities; environmentally contaminated areas; completion dates

Ms. Sparks presented the committee with an overview of both bills **SB 405** and **SB 408**. ([Attachment 3](#))

Mr. Bell presented testimony in favor of the bill. ([Attachment 4](#))

Senator Steineger expressed concern about the ability to roll over projects infinitely. Mr. Bell stated that these changes do not apply to economic development TIFs, and that they only allow time to complete the projects.

Chairperson Brownlee suggested a possible cap of 30 years or something similar.

Mr. Chronis submitted testimony as an opponent of the bill. ([Attachment 5](#)) He stated that while his organization supported Wichita's projects, they do not support its use of county funds.

Senator Barone asked if the 20 mils on schools was not impacted, if LOBs would not be exempted. Mr. Chronis said no and explained that more specific numbers would have to come from the county clerk.

Mr. Bell stated that the design was appointed in 2000 and in 2001 the remediation phase began. Chairperson Brownlee asked if the NIC started in 1996, because if so, there were still 12 years left. Mr. Bell agreed and stated that the project was still in the design phase. Mr. Brown explained that the investigative phase was done, but the engineering was not. Senator Emler clarified with Mr. Brown that the Corrective Action decision was approved in September 1994, and that the original was in 1991, 1994, and 2000.

Senator Jordan stated that he would like more input from KDHE.

Diane Gjerstad, Wichita schools, stated that there was a negative impact on the city if the area was not cleaned up properly.

Chairperson Brownlee closed the hearing on **SB 405**.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMERCE COMMITTEE at 8:30 a.m. on February 23, 2004 in Room 123-S of the Capitol.

Chairperson Brownlee opened the public hearing on:

SB 408--Cities; environmentally contaminated areas; completion dates

Ms. Sparks explained the bill to the committee. (See Attachment 3)

Ms. Walker provided testimony in favor of the bill. (Attachment 6)

Senator Barone asked what would be a limit. He stated that they could do away with bonding requirement without no limit. Ms. Walker replied that Wichita would have a limit. She stated that it would allow municipalities to put a money limit on their economic areas.

Chairperson Brownlee stated that there was typically a limit. Senator Barone asked Ms. Walker what would be a number today that would work for them as a increase from the current limit of \$40,000. Ms. Walker replied that \$100,000 would be a good number.

Senator Emler stated that his concern was that if a contractor did not do his/her job, the city would still have to pay them. Ms. Walker stated that this would ensure that they pay subcontractors. Following additional committee discussion, Chairperson Brownlee closed the hearing on **SB 408**.

Senator Barone moved to amend **SB 408** on line 17, strike \$40,000 and insert \$100,000 in its place, and to change this elsewhere in the bill including new paragraph (d) on p.2, and lines 37, 39, and 40. Senator Emler seconded. The motion passed.

Senator Barone moved to recommend **SB 408** favorable as amended. Senator Emler seconded. The motion passed.

Chairperson Brownlee also formally closed the hearing on **SB 525**.

Senator Bunten asked if the committee planned to hear more detail concerning amendments to **SB 525** that would help companies trying to use winback.

Chairperson Brownlee stated that specifically concerning winback, the issue needs to work its way through the KCC. She stated that the committee had heard testimony from MCI concerning the way the process had been circumvented in Texas. The Chair stated that the KCC had been waiting on information from SBC. She asked the committee what it thought.

Senator Bunten stated that he thought the bill needed further hearings and that he would like to see it stay alive. Chairperson Brownlee stated that she had input from members of the committee who were not interested in seeing the bill continued.

Senator Barone stated that he would like to keep the bill alive and that he was intrigued with the KCC's definition of monopoly power.

Chairperson Brownlee stated that the committee would consider it the following day. She stated that the committee has no business working on the winback issue, however, because of the issue's overwhelming complexity.

Chairperson Brownlee adjourned the meeting at 9:30 a.m. The next meeting will be at 8:30 a.m. on February 23, 2004 in Room 123-S of the Capitol.