

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT.

The meeting was called to order by Chairman Kenny Wilk at 3:30 p.m. on February 25, 2003, in Room 522-S of the Capitol.

All members were present except: Representative Steve Brunk, Excused

Committee staff present: April Holman, Legislative Research
Debra Hollon, Legislative Research
Rena Jefferies, Revisor of Statutes
Fulva Seufert, Secretary

Conferees appearing before the committee: Paul Johnson, Kansas Catholic Conference, the United Methodist Church of Kansas, and United Church of Christ

Janet McPherson, Assistant Director, Kansas Farm Bureau Governmental Relations

Carole Jordan, Director of Outreach, Kansas Department of Agriculture, representing Secretary of Agriculture Adrian Polansky

Rebecca Floyd, Executive Vice President/General Counsel, Kansas Development Finance Authority

Others attending: See attached list

Chairman Wilk opened the meeting at 3:30 p.m. by allowing Representative Novascone a point of personal privilege in which he reminded everyone to vote in the primary. The Chair then asked Deb Hollon, Legislative Research Department, to explain **HB 2258**. Ms. Hollon said this act shall be known and may be cited as the agricultural opportunities and value-added partnerships act. She pointed out the purposes on page 2, section 4 and the grants used to support projects in research, education and training, market development, etc. on page 3, section 7. The fiscal note was also distributed to the Committee.

Chairman Wilk opened the Public Hearing for **HB 2258**.

HB 2258: Enacting the agricultural opportunities and value-added partnerships act

The Chair welcomed Mr. Paul Johnson representing Kansas Catholic Conference who spoke in support of **HB 2258**. Mr. Johnson said that the bill was patterned after a law that was enacted in Nebraska in June of 2000. Its primary purpose is to provide up to \$75,000 in grant funds to agricultural groups who are working cooperatively to develop value-added products. He said that he hoped this act would serve as a marker for the Agriculture Products Development Division to use more of their existing budget for these grants. (Attachment 1).

Chairman Wilk next welcomed Ms. Janet McPherson, Assistant Director, Kansas Farm Bureau Governmental Relations, who spoke in support of **HB 2258** and for the “establishment of a mechanism designed to help foster additional agricultural value-added opportunities in Kansas.” Ms. McPherson suggested “the committee consider a more concise statement of legislative intent that will transcend economic cycles as opposed to the current listing contained in section 2 of the bill.” She had another concern as to the wording of “small enterprise” on page 2, line 10, and what criteria was used to establish “small enterprise.” She said that since this represents such a large variety that small is difficult to define. (Attachment 2).

The Chair recognized Ms. Carole Jordan, Director of Outreach, Kansas Department of Agriculture, who said she was representing Secretary of Agriculture Adrian Polansky. She spoke in support of **HB 2258** because

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of their interest in economic development for agriculture and rural Kansas. She stated that rural agricultural economic development is vital to the future success of every citizen in the state. She commented that a healthier rural Kansas means a healthier state of Kansas. Ms. Jordan's testimony mentioned that Kansas farmers and ranchers lost at least 1.1 billion dollars during last year's drought, and that predictions indicate that net farm income will average \$10,000 in 2002, which is \$35,000 less than what is needed to cover a family's living expenses and income taxes. (Attachment 3).

Seeing no other conferees, Chairman Wilk closed the Public Hearing on **HB 2258**.

Chairman Wilk asked April Holman, Legislative Research Department, to refresh the Committee's memory on the following:

HB 2289: K DFA financing out-of-state projects

After Ms. Holman's briefing, Chairman Wilk recognized Ms. Rebecca Floyd, Executive Vice President/General Counsel, Kansas Development Finance Authority, who presented three amendments for **HB 2289**. Ms. Floyd suggested the following:

- 74-8905 (a) (2) delete the term "health care facilities"
- 74-8905 (a) (2) change "may" to "are being"
- 74-8905 (a) (3) Last Paragraph: add bold language as indicated: "Nothing in this subsection (a) shall prohibit the issuance of bonds by the authority when a political subdivision requests the authority to issue bonds or when any statute specifically authorizes the issuance of bonds by the authority..."

She said any one or all of the above changes should work for the program they are trying to develop in their HUD 242 mortgage guarantee assistance program aimed at helping rural and critical access care hospitals with their long term capital finance needs. (Attachment 4).

Representative Krehbiel made a motion to strike line 2, page 6, beginning with the sentence starting with Any and striking out lines 3 and 4 to amend HB 2289. Representative Novascone seconded. Motion carried.

Representative Kuether made a motion to amend HB 2289 on page 4, line 33 by striking "health care facilities." Representative Carlin seconded. Motion carried.

Representative Loganbill made a motion to amend HB 2289 by omitting the or at the end of line 32 and remove comma after facilities and add "or." Also, remove "may" in line 33 and insert "are being." Representative Kuether seconded. Motion carried.

The Chairman called the Committee's attention back to **HB 2289** as amended. Representative Kuether made a motion to pass HB 2289 out favorably as amended. Representative Carlin seconded. Motion carried.

The Chair asked the Committee if members wanted to discuss Representative Patterson's bills, **HB 2365** and **HB 2335**. After discussion, the committee decided to write a letter to the Legislative Coordinating Council recommending these bills to be reviewed.

Representative Novascone made a motion to approve the minutes of the February 20, 2003, meeting. Representative Kuether seconded. Motion carried.

The Chairman announced that there would be no meeting on March 4, 2003, which is a Pro forma day, and that the next meeting would be March 6, 2003, at which time there would be hearings scheduled for the following: **HB 2395** and **HB 2373**.

The meeting adjourned at 4:30 p.m.

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