

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Nick Jordan at 8:05 A.M. on February 22, 2005 in Room 123-S of the Capitol.

All members were present except:

David Wysong- excused

Committee staff present:

Susan Kannarr, Kansas Legislative Research Department

Kathie Sparks, Kansas Legislative Research Department

Helen Pedigo, Revisor of Statutes

Jackie Lunn, Committee Secretary

Conferees appearing before the committee:

Steve Ahlerich, Kansas, Inc.

Patti Bossert, Kansas, Inc.

Others attending:

See attached list.

Chairperson Jordan opened the meeting introducing Matt Jordan to explain the amendment to **SB 233**. Mr. Jordan introduced Doug Farmer from KDHE who explained the amendment. (Attachment 1) Discussion followed regarding the regulations and how many meals could be served before the operator must get a license. Mr. Farmer turned to Ms. Mary Glassburn from KDHE to join the discussion with information regarding what the law requires. She stated the operator can serve meals on 6 days in a calendar year without a license. The discussion continued. Questions were raised on how the law was being enforced. Ms. Glassburn stated Bed & Breakfast establishments are not required to have a license unless they go public. The amendment would wave the licensing fee for a period of one year, but during that time the agritourism operator would be subject to the inspections and rules of licensed operators. The discussion continued with the Committee deciding the amendment needed more work on the language because it does not make sense. Chairperson Jordan stated the Committee is not ready to work this bill and would ask the bill be blessed to give more time.

Chairperson Jordan announced to the Committee the next bill to be worked would be **SB 260** concerning Kansas, Inc. The charts the Committee asked for have been developed by Kathie Sparks, Legislative Research and Helen Pedigo, Revisor or Status and they distributed copies to the Committee. Chairperson Jordan introduced Kathie Sparks, Legislative Research to explain her report on Kansas, Inc. (Attachment 2) Next Chairperson Jordan introduced Helen Pedigo to explain her chart regarding Kansas, Inc. (Attachment 3)

Chairperson Jordan introduced Mr. Stan Ahlerich, Vice-Chair, Kansas, Inc. to give his testimony. Mr. Ahlerich has been on the board of Kansas, Inc. for 8 years and feels for the first time the board is headed in the right direction to achieve it's duties. He is excited for the future of Kansas, Inc. and urged the committee not to pass **SB 260**. He would like for Kansas, Inc. to be given a period of two years and then to be reevaluated. He presented written testimony (Attachment 4) Mr. Ahlerich referred the Committee to the "Kansas, Inc Research Publication". (Attachment 5) He also referred the Committee to the "Kansas, Inc. Issue Papers". (Attachment 6) He referred the to Committee to the "2004-2005 Research Prospectus for Kansas, Inc". (Attachment 7) Also presented was "Kansas, Inc. Reports". (Attachment 8)

Upon conclusion of Mr. Ahlerich's testimony there was discussion with the Committee on why Kansas, Inc. had failed to meet their duties for the past several years. The discussion turned to the claim by Kansas, Inc. That some of the problem being a lack of funds and how to get funding. The Committee stated a lack of communication is another concern. Senator Brownlee made the statement she and Senator Jordan met with Secretary Fricke and Lt. Governor John Moore before introducing the bill and they were both supportive to abolish Kansas, Inc. and she doesn't know why they did not testify in favor of the bill.

Chairperson Jordan introduced Patti Bossert, Board of Kansas, Inc. to give her testimony. Ms. Bossert presented written testimony (Attachment 9) She referred to "Kansas, Inc. Indicators of the Kansas

## CONTINUATION SHEET

MINUTES OF THE Senate Commerce Committee at 8:30 A.M. on February 22, 2005 in Room 123-S of the Capitol.

Economy”(IKE) “Employment Trends in Kansas: December 2003 to December 2004 “(Attachment 10) Ms. Bossert also made reference to the Draft of the first report form IKE. (Attachment 11). Upon conclusion of her testimony, Ms. Bossert offered an alternative to abolishing Kansas, Inc. She stated she proposes Kansas, Inc. be given two years to prove it’s value to the state of Kansas.

The discussion continued and included the new publication of Kansas, Inc. called IKE. Then the topic of discussion changed to the fiscal note for **SB 260**, how much would be needed by the Department of Commerce and the Post Audit Division to accept part of the duties if Kansas, Inc. is abolished.. There was also discussion regarding the emergency board meeting which was called the next day after this bill was introduced in the Committee. Ms. Bossert stated they called the meeting to discuss with Secretary Fricke and Lt. Governor Moore about Kansas, Inc. being abolished since they both had called and discussed that subject over the telephone. The question was also raise had Kansas, Inc. offered the job of President to former Senator Dave Kerr. Ms. Bossert confirmed that fact. Matt Jordan stated the Department of Commerce offered Commerce staff as a gesture of help and would be submitting written testimony to clear up any misrepresentation which had occurred by Kansas, Inc. on that subject.

Chairperson Brownlee opened discussion on **SB 33**. Helen Pedigo stated there was another balloon that they had been working on for the past 24 hours. There was discussion regarding **SB 33** and it was determined to ask if the bill could be blessed. It is not ready to work.

Meeting adjourned at 9:20 a.m. with the next meeting scheduled Wednesday, March 2, 2005 at 8:30 a.m. in room 123S.