

SENATE BILL No. 480

By Committee on Ways and Means

3-4

1 AN ACT concerning the issuance of certain bonds; relating to the
2 construction of a state veterans home; providing for the powers, duties
3 and functions of the Kansas development finance authority and the
4 department of administration.
5

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

7 Section 1. (a) For the purpose of financing a capital improvement
8 project relating to construction of a state veterans home facility located in
9 Douglas, Jefferson, Leavenworth, Shawnee or Wyandotte county, the
10 Kansas development finance authority is hereby authorized to issue one or
11 more series of revenue bonds pursuant to the Kansas development finance
12 authority act, K.S.A. 74-8901 et seq., and amendments thereto, in a total
13 amount not to exceed \$17,500,000, plus all amounts required for costs of
14 bond issuance, costs of insurance or credit enhancement, costs of interest
15 on the bonds issued for such capital improvement project during the
16 construction of such project and any required reserves for the payment of
17 principal and interest on the bonds.

18 (b) The proceeds from the sale of any bonds, other than refunding
19 bonds, issued pursuant to this section, after payment of any costs related to
20 the issuance of such bonds, shall be paid by the Kansas development
21 finance authority to the department of administration to be applied to the
22 payment of costs of the capital improvement project authorized pursuant to
23 this section as requested by the secretary of administration and by
24 resolution of the Kansas development finance authority and shall
25 constitute the state's required 35% match for the United States department
26 of veterans affairs state veterans home construction grant program under
27 38 U.S.C. §§ 8131 through 8138, as in effect on July 1, 2020.

28 (c) On and after July 1, 2020, the capital improvement project
29 described in subsection (a) is hereby approved for the department of
30 administration for the purposes of K.S.A. 74-8905(b), and amendments
31 thereto, and the authorization of the issuance of bonds by the Kansas
32 development finance authority shall be approved by the Kansas
33 development finance authority in accordance with K.S.A. 74-8901 et seq.,
34 and amendments thereto.

35 (d) The department of administration shall only make expenditures
36 from the moneys received from the issuance of any bonds pursuant to this

1 section for those purposes set forth in subsection (a) for such capital
2 improvement project.

3 (e) The debt service for any such bonds issued pursuant to this
4 section shall be financed by appropriations from the state general fund or
5 any appropriate special revenue fund or funds.

6 (f) The date of maturity on bonds issued pursuant to this section shall
7 not be fixed for a period of time that exceeds 20 years from the date of
8 issuance.

9 (g) The state hereby pledges and covenants with the holders of any
10 bonds issued pursuant to the provisions of this section, that the state will
11 not limit or alter the rights or powers vested in the Kansas development
12 finance authority by this section, nor limit or alter the rights or powers of
13 the authority, or the department of administration, in any matter that would
14 jeopardize the interest of the holders, or any trustee of such holders, or
15 inhibit or prevent performance or fulfillment by the Kansas development
16 finance authority or the department of administration with respect to the
17 terms of any agreement made with the holders of the bonds or agreements
18 made pursuant to this section, except that the failure of the legislature to
19 appropriate moneys for debt service on any bonds issued pursuant to this
20 section shall not be deemed a violation of this pledge and covenant. The
21 department of administration is hereby specifically authorized to include
22 this pledge and covenant in any agreement with the Kansas development
23 finance authority. The Kansas development finance authority is hereby
24 specifically authorized to include this pledge and covenant in any bond
25 resolution, trust indenture or agreement for the benefit of the holders of the
26 bonds.

27 (h) Neither the state nor the department of administration shall have
28 the power to pledge the full faith and credit or taxing power of the state for
29 debt service on any bonds issued pursuant to this section, and any payment
30 by the department of administration for such purpose shall be subject to
31 and dependent on appropriations by the legislature. Any obligation of the
32 state or the department of administration for payment of debt service on
33 bonds issued pursuant to this section shall not be considered a debt or
34 obligation of the state for the purpose of section 6 of article 11 of the
35 constitution of the state of Kansas.

36 (i) Subject to the provisions of appropriation acts, the secretary of
37 administration shall enter into pledge agreements with the Kansas
38 development finance authority to pledge moneys for the payment of bonds
39 issued pursuant to this section, which pledge shall be subject to the
40 appropriation of moneys therefor.

41 Sec. 2. This act shall take effect and be in force from and after its
42 publication in the statute book.