

HOUSE BILL No. 2728

By Committee on Transportation

2-5

AN ACT relating to the comprehensive transportation program; concerning the financing thereof; amending K.S.A. 2003 Supp. 79-34,147 and repealing the existing section.

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

New Section 1. (a) For the purpose of financing a portion of the comprehensive transportation program, K.S.A. 68-2314a, *et seq.*, and amendments thereto, the Kansas development finance authority is hereby authorized to issue one or more series of revenue bonds pursuant to the Kansas development finance authority act, K.S.A. 74-8901 *et seq.*, and amendments thereto, in an amount necessary to provide a deposit or deposits in a total amount not to exceed \$465,000,000 to the state highway fund plus amounts necessary to pay the costs of issuance of the bonds, including any credit enhancement, and provide any required reserves for the bonds. The principal amount, interest rates and final maturity of such revenue bonds and any bonds issued to refund such bonds or parameters for such principal amount, interest rates and final maturity shall be approved by the secretary of transportation and by a resolution of the state finance council. The bonds, and interest thereon, issued pursuant to this section shall be payable from moneys appropriated by the state for such purpose. The bonds and interest thereon, issued pursuant to this section shall be obligations only of the authority and in no event shall such bonds constitute an indebtedness or obligation of the Kansas department of transportation or an indebtedness or obligation for which the faith and credit or any assets of the system are pledged.

(b) (1) The authority may pledge the contract or contracts authorized in subsection (c), or any part thereof, for the payment or redemption of the bonds, and covenant as to the use and disposition of money available to the authority for payments of the bonds. The authority is authorized to enter into any agreements necessary or desirable to effectuate the purposes of this section.

(2) The proceeds from the sale of the bonds, other than refunding bonds, issued pursuant to this section, after payment of any costs related to the issuance of such bonds, shall be paid by the authority to the Kansas department of transportation to be applied to the payment, in full or in

1 part, of the construction projects authorized by the comprehensive trans-
2 portation program.

3 (3) The state hereby pledges and covenants with the holders of any
4 bonds issued pursuant to the provisions of this section, that it will not
5 limit or alter the rights or powers vested in the authority by this section,
6 nor limit or alter the rights or powers of the authority, the department of
7 administration or the Kansas department of transportation, in any manner
8 which would jeopardize the interest of the holders or any trustee of such
9 holders or inhibit or prevent performance or fulfillment by the authority,
10 the department of administration or the Kansas department of transpor-
11 tation with respect to the terms of any agreement made with the holders
12 of the bonds or agreements made pursuant to this section, except that
13 the failure of the legislature to appropriate moneys for any purpose shall
14 not be deemed a violation of this pledge and covenant. The department
15 of administration is hereby specifically authorized to include this pledge
16 and covenant in any agreement with the authority. The authority is hereby
17 specifically authorized to include this pledge and covenant in any bond
18 resolution, trust indenture or agreement for the benefit of holders of the
19 bonds.

20 (4) Revenue bonds may be issued pursuant to this section without
21 obtaining the consent of any department, division, commission, board or
22 agency of the state, other than the approvals of the state finance council
23 required by this section, and without any other proceedings or the oc-
24 currence of any other conditions or other things other than those pro-
25 ceedings, conditions or things which are specifically required by the Kan-
26 sas development finance authority act.

27 (c) The department of administration and the authority are author-
28 ized to enter into one or more contracts to implement the payment ar-
29 rangement that is provided for in this section. The contract or contracts
30 shall provide for payment of the amounts required to be paid pursuant
31 to this section and shall set forth the procedure for the transfer of moneys
32 for the purpose of paying such moneys. The contract or contracts shall
33 contain such terms and conditions including principal amount, interest
34 rates and final maturity as shall be approved by resolution of the state
35 finance council and shall include, but not be limited to, terms and con-
36 ditions necessary or desirable to provide for repayment of and to secure
37 any bonds of the authority issued pursuant to this section.

38 (d) The approvals by the state finance council required by subsection
39 (a) and (c) are hereby characterized as matters of legislative delegation
40 and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-
41 3711c, and amendments thereto. Such approvals may be given by the
42 state finance council when the legislature is in session.

43 Sec. 2. K.S.A. 2003 Supp. 79-34,147 is hereby amended to read as

1 follows: 79-34,147. (a) (1) On July 1, ~~1999~~ 2006, and quarterly thereafter
2 the secretary of revenue shall certify to the director of accounts and re-
3 ports the amount equal to ~~7.628%~~ 3% of the total revenues received by
4 the secretary from the taxes imposed under the Kansas retailers' sales tax
5 act and deposited in the state treasury and credited to the state general
6 fund during the preceding three calendar months.

7 (2) On July 1, ~~2001~~ 2008, and quarterly thereafter, the secretary of
8 revenue shall certify to the director of accounts and reports the amount
9 equal to ~~9.5%~~ 6% of the total revenues received by the secretary from
10 the taxes imposed under the Kansas retailers' sales tax act and deposited
11 in the state treasury and credited to the state general fund during the
12 preceding three calendar months.

13 ~~(3) On July 1, 2002, and quarterly thereafter, the secretary of revenue~~
14 ~~shall certify to the director of accounts and reports the amount equal to~~
15 ~~11% of the total revenues received by the secretary from the taxes im-~~
16 ~~posed under the Kansas retailers' sales tax act and deposited in the state~~
17 ~~treasury and credited to the state general fund during the preceding three~~
18 ~~calendar months.~~

19 ~~(4) On July 1, 2003, and quarterly thereafter, the secretary of revenue~~
20 ~~shall certify to the director of accounts and reports the amount equal to~~
21 ~~11.25% of the total revenues received by the secretary from the taxes~~
22 ~~imposed under the Kansas retailers' sales tax act and deposited in the~~
23 ~~state treasury and credited to the state general fund during the preceding~~
24 ~~three calendar months.~~

25 ~~(5) On July 1, 2004, and quarterly thereafter, the secretary of revenue~~
26 ~~shall certify to the director of accounts and reports the amount equal to~~
27 ~~12% of the total revenues received by the secretary from the taxes im-~~
28 ~~posed under the Kansas retailers' sales tax act and deposited in the state~~
29 ~~treasury and credited to the state general fund during the preceding three~~
30 ~~calendar months.~~

31 (b) Upon receipt of each certification under subsection (a), the di-
32 rector of accounts and reports shall transfer from the state general fund
33 to the state highway fund an amount equal to the amount so certified, on
34 each July 1, October 1, January 1 and April 1, ~~except that no transfers~~
35 ~~shall be made pursuant to this section during state fiscal year 2004. All~~
36 ~~transfers made pursuant to this section are subject to reduction under~~
37 ~~K.S.A. 75-6704, and amendments thereto.~~

38 (c) All transfers made in accordance with the provisions of this section
39 shall be considered to be demand transfers from the state general fund.

40 Sec. 3. K.S.A. 2003 Supp. 79-34,147 is hereby repealed.

41 Sec. 4. This act shall take effect and be in force from and after its
42 publication in the statute book.

43