

Substitute for HOUSE BILL No. 2647

By Committee on Economic Development

2-23

10 AN ACT concerning bioscience; creating a Kansas bioscience authority
11 and providing for the powers and duties thereof; providing for biosci-
12 ence development and funding; amending [**K.S.A. 12-1771 and 12-**
13 **1772 and**] K.S.A. 2003 Supp. [**12-1770a and**] 74-8017 and ~~74-8905~~
14 and repealing the existing sections.
15

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

17 New Section 1. Sections 1 to 18, inclusive, and amendments thereto,
18 shall be known and may be cited as the bioscience authority act.

19 New Sec. 2. (a) The legislature of the state of Kansas hereby finds
20 and declares that:

21 (1) Biosciences develop uses of biochemistry, molecular biology, ge-
22 netics, biotechnology, bioengineering and life sciences to promote and
23 enhance health care, veterinary medicine, agriculture, forestry, energy,
24 pharmacy, environment and other industries in the state of Kansas;

25 (2) high-paying jobs and innovative commercial products ensue from
26 the biosciences, which requires an educated workforce with advanced
27 technical skills;

28 (3) the universities, colleges, nonprofit institutions and private enter-
29 prises in the state of Kansas will be able to further educate and train
30 scientists, health care professionals and technicians to provide a suppor-
31 tive environment for bioscience research, development, testing and prod-
32 uct commercialization activities through increased targeted investments;

33 (4) manufacturing, licensing and commercialization of products de-
34 rived from the biosciences will benefit the state's economy and will fa-
35 cilitate the development of the bioscience industry and associated edu-
36 cational institutions in the state of Kansas;

37 (5) the mission of the Kansas bioscience authority is to make Kansas
38 the most desirable state in which to conduct, facilitate, support, fund and
39 perform bioscience research, development and commercialization, to
40 make Kansas a national leader in bioscience, to create new jobs, foster
41 economic growth, advance scientific knowledge and improve the quality
42 of life for the citizens of the state of Kansas;

43 (6) the needs of the citizens of the state of Kansas and the public and

1 private entities engaged in the biosciences will be best served by an in-
2 dependent public authority charged with the mission of facilitating, sup-
3 porting, funding and performing bioscience projects for the benefit of its
4 citizens to promote the state’s research, development and commerciali-
5 zation objectives.

6 (b) The exercise of the powers permitted by this act are deemed to
7 be an essential governmental function in matters of public necessity in
8 the provision of bioscience, education, research, development and
9 commercialization.

10 New Sec. 3. As used in the bioscience authority act, and amend-
11 ments thereto, the following words and phrases shall have the following
12 meanings unless a different meaning clearly appears from the content:

13 (a) “Authority” means the Kansas bioscience authority created by this
14 act.

15 (b) “Authority employee” means an employee of the authority who
16 performs services for the authority and whose salary is paid in whole or
17 in part by the authority. An authority employee will not be considered to
18 be a state employee, as such term is defined in this act or in any other
19 statute or regulation.

20 (c) “Bioscience” means the use of compositions, methods and organ-
21 isms in cellular and molecular research, development and manufacturing
22 processes for such diverse areas as pharmaceuticals, medical therapeutics,
23 medical diagnostics, medical devices, medical instruments, biochemistry,
24 microbiology, veterinary medicine, plant biology, agriculture and indus-
25 trial, environmental, and homeland security applications of bioscience,
26 and future developments in the biosciences. Bioscience includes biotech-
27 nology and life sciences.

28 (d) “Bioscience company” means a corporation, limited liability com-
29 pany, S corporation, partnership, registered limited liability partnership,
30 foundation, association, nonprofit entity, sole proprietorship, business
31 trust, person, group, or other entity that is engaged in the business of
32 bioscience in the state and has business operations in the state, including,
33 without limitation, research, development, or production directed to-
34 wards developing or providing bioscience products or processes for spe-
35 cific commercial or public purposes and are identified by the following
36 NAICS codes: 325411, 325412, 325413, 325414, 325193, 325199, 325311,
37 32532, 334516, 339111, 339112, 339113, 334510, 334517, 339115,
38 621511, 621512, 54171, 54138, 54194.

39 (e) “Bioscience research” means any original investigation for the ad-
40 vancement of scientific or technological knowledge of bioscience and any
41 activity that seeks to utilize, synthesize, or apply existing knowledge, in-
42 formation or resources to the resolution of a specific problem, question
43 or issue of bioscience.

- 1 (f) “Bioscience research institutions” means all universities and col-
2 leges located in the state of Kansas conducting bioscience research.
- 3 (g) “Biotechnology” means those fields focusing on technological de-
4 velopments in such areas as molecular biology, genetic engineering, gen-
5 omics, proteomics, physiomics, nanotechnology, biodefense, biocomput-
6 ing and bioinformatics.
- 7 (h) “Board” means the board of directors of the authority created by
8 this act.
- 9 (i) “Bonds” has the same meaning as in K.S.A. 74-8902, and amend-
10 ments thereto.
- 11 (j) “Bioscience development and investment fund” means the fund
12 created by section 22, and amendments thereto.
- 13 (k) “Eminent scholar” means world-class, distinguished and estab-
14 lished investigators recognized nationally for their research and garnering
15 significant funding annually from federal sources. They are noted for their
16 scientific and entrepreneurial spirit to drive the innovative research that
17 leads to economic gains and are either members of or likely candidates
18 for the national academy of sciences or other distinguished academic
19 organizations.
- 20 (l) “Kansas technology enterprise corporation” or “KTEC” means the
21 Kansas technology enterprise corporation created under K.S.A. 74-8101,
22 and amendments thereto.
- 23 (m) “Life sciences” means the areas of medical sciences, pharmaceu-
24 tical sciences, biological sciences, zoology, botany, horticulture, ecology,
25 toxicology, organic chemistry, physical chemistry, physiology and any fu-
26 ture advances associated with life sciences.
- 27 (n) “NAICS” means the north American industry classification
28 system.
- 29 (o) “NISTAC” means the national institute for strategic technology
30 acquisition and commercialization.
- 31 (p) “President” means the chief executive officer of the authority.
- 32 (q) “Rising star scholar” means up-and-coming distinguished inves-
33 tigators growing in their national reputations in their fields, active and
34 demonstrating leadership in their associated professional societies, and
35 attracting significant federal research grant support. Rising star scholars
36 would be likely national academy of science or other distinguished aca-
37 demic organization candidates in the future.
- 38 ~~(r) “SIC industry groups” or “SIC codes” means the standard indus-~~
39 ~~trial classification system promulgated by the United States department~~
40 ~~of labor in the 1987 standard industrial classification manual, as may be~~
41 ~~amended or revised from time to time.~~
- 42 ~~(s)~~ [(r)] “State” means the state of Kansas.
- 43 ~~(t)~~ [(s)] “State employee” means a person employed by the state of

1 Kansas whether or not a classified or unclassified employee in the state
2 personnel system. Authority employees shall not be considered state em-
3 ployees, as such term is defined in this act or in any other statute or rule
4 and regulation.

5 ~~(tt)~~ [(t)] “Taxpayer” means a person, corporation, limited liability
6 company, S corporation, partnership, registered limited liability partner-
7 ship, foundation, association, nonprofit entity, sole proprietorship, busi-
8 ness trust, group or other entity that is subject to the Kansas income tax
9 act K.S.A. 79-3201 *et seq.*, and amendments thereto.

10 ~~(vv)~~ [(u)] “Technology transfer” means, without limitation, assisting
11 with filing patent applications, executing licenses, paying maintenance
12 fees and managing the finance, production, sales and marketing of bio-
13 science intellectual property.

14 ~~(ww)~~ [(v)] “This act” means the bioscience authority act.

15 ~~(xx)~~ [(w)] Notwithstanding any other provision of this act, the terms
16 “bioscience,” “biotechnology” and “life sciences” shall not be construed
17 to include:

18 (1) Induced abortion in humans, performed after the date of enact-
19 ment of this act, or the use of cells or tissues derived therefrom; or

20 (2) any research the federal funding of which would be contrary to
21 federal laws that are in effect on the date of enactment of this act.

22 New Sec. 4. (a) There is hereby established a body politic and cor-
23 porate, with corporate succession, to be known as the Kansas bioscience
24 authority. The authority shall be an independent instrumentality of the
25 state. Its exercise of the rights, powers and privileges conferred by this
26 act shall be deemed and held to be the performance of an essential gov-
27 ernmental function.

28 (b) In order to accelerate any and all synergy and opportunities for
29 the growth of the authority, the authority shall be headquartered and
30 establish its principal operation in the county in the state with the highest
31 number of bioscience employees associated with bioscience companies
32 as of the effective date of this act. The exact location of the authority’s
33 headquarters and principal operations in such county shall be at the dis-
34 cretion of the authority’s board.

35 (c) The authority shall be governed by an eleven-member board. One
36 member of the board shall be an agricultural expert who is recognized
37 for outstanding knowledge and leadership in the field of bioscience. Eight
38 of the members of the board shall be representatives of the general public
39 who are recognized for outstanding knowledge and leadership in the
40 fields of finance, business, bioscience research, plant biotechnology, basic
41 research, health care, legal affairs, bioscience manufacturing or product
42 commercialization, education or government. Of the nine members rep-
43 resenting the general public who are appointed to the board, ~~five~~ [seven]

1 must be residents of the state. The other two members of the board shall
2 be nonvoting members appointed by the Kansas board of regents.

3 (d) Of the nine members representing the general public who will
4 be appointed to the authority's first board, two shall be appointed by the
5 governor for a term of office of four years, two shall be appointed by the
6 speaker of the house of representatives, one of which shall be the agri-
7 cultural expert as authorized in subsection (c), for a term of office of three
8 years, two shall be appointed by the president of the senate for a term of
9 office of three years, one shall be appointed by the minority leader of the
10 house of representatives for a term of office of two years, one shall be
11 appointed by the minority leader of the senate for a term of office of two
12 years, and one shall be appointed by the Kansas technology enterprise
13 corporation for a term of office of one year. **[No more than three voting
14 members shall be appointed from any one congressional district.]**

15 All voting members of the board shall be subject to senate confirmation
16 as provided in K.S.A. 75-4315b and amendments thereto. Any member
17 of the board whose nomination is subject to confirmation during a regular
18 session of the legislature shall be deemed terminated when the senate
19 rejects the nomination. No such termination shall affect the validity of
20 any action taken by such member of the board before such termination.

21 (e) Terms of general public members appointed pursuant to this sec-
22 tion shall expire on March 15. Any general public member of the board
23 whose term expires and thereafter is reappointed shall be exempt from
24 the requirements of subsection (f).

25 (f) After the expiration of the terms of the authority's first board,
26 members other than ex officio members shall be appointed for terms of
27 four years each, except in the event of a vacancy the appointment shall
28 be for the remainder of the unexpired portion of the term. Each member
29 of the board shall hold office for the term of appointment and until a
30 successor has been confirmed. Any member of the board is eligible for
31 reappointment, but members of the board shall not be eligible to serve
32 more than three consecutive four-year terms.

33 (g) When a vacancy occurs or is announced regarding a member or
34 members of the board representing the general public, the nominating
35 committee of the board, after receiving input from the board and con-
36 ferring with the board, shall assemble a slate of not less than two nor
37 more than three persons for each vacancy and shall forward each slate to
38 the governor. The governor shall appoint one member to the board from
39 each slate and shall forward each appointment to the senate for confir-
40 mation as provided in K.S.A. 75-4315b and amendments thereto. Except
41 as provided by K.S.A. 2003 Supp. 46-2601 and amendments thereto, no
42 person appointed to the board shall exercise any power, duty or function
43 as a member of the board until confirmed by the senate. In case of a

1 vacancy when the senate is not in session, the governor may make a
2 temporary appointment to the board until the next meeting of the senate.
3 Any person who is temporarily appointed by the governor to the board
4 shall have all of the powers, duties and functions as a member of the
5 board during such temporary appointment.

6 (h) The terms of members of the board serving by virtue of their
7 office shall expire immediately upon termination of their holding such
8 office.

9 (i) The board annually shall elect one of their number as chairperson
10 and at least one other as vice-chairperson. The board also shall elect a
11 secretary and treasurer for terms to be determined by the board. The
12 board may elect the same person to serve as both secretary and treasurer.
13 The board shall establish an executive committee, nominating committee
14 and other standing or special committees, and prescribe their duties and
15 powers. Any executive committee of the board may exercise all such pow-
16 ers and duties of the board as the board may delegate.

17 (j) Members of the board shall serve without compensation. Mem-
18 bers of the board attending meetings of the board, or attending a sub-
19 committee meeting thereof that is authorized by the board, shall be paid
20 mileage and all other applicable expenses, provided such expenses are
21 consistent with policies established from time-to-time by the board and
22 as required by subsection (k).

23 (k) No part of the funds of the authority shall inure to the benefit of,
24 or be distributed to, its employees, officers or members of the board,
25 except that the authority may make reasonable payments for expenses
26 incurred on its behalf relating to any of its lawful purposes and the au-
27 thority shall be authorized and empowered to pay reasonable compen-
28 sation for services rendered to or for its benefit relating to any of its lawful
29 purposes, including to pay its employees reasonable compensation.

30 (l) Any member of the board other than an ex officio member may
31 be removed by an affirmative vote by seven members of the board for
32 malfeasance or misfeasance in office, regularly failing to attend meetings,
33 or for any cause which renders the member incapable of or unfit to dis-
34 charge the duties of director.

35 (m) The board shall meet at least four times per year and at such
36 other times as it deems appropriate, or upon call by the president or the
37 chairperson, or upon written request of a majority of the directors of the
38 board. The board may adopt, repeal and amend such rules, procedures
39 and bylaws, not contrary to law or inconsistent with this act, as it deems
40 expedient for its own governance and for the governance and manage-
41 ment of the authority. A majority of the total voting membership of the
42 board shall constitute a quorum for meetings. The board may act by a
43 majority of those at any meeting where a quorum is present, except upon

1 such issues as the board may determine shall require a vote of six mem-
2 bers of the board for approval. The board shall meet for the initial meeting
3 upon call by the member of the board for the Kansas technology enter-
4 prise corporation, who shall act as temporary chairperson until officers of
5 the board are elected pursuant to subsection (i).

6 (n) The board shall appoint a president who shall serve at the pleasure
7 of the board. The president shall serve as the chief executive officer of
8 the authority. The president's salary shall be set by the board. The board
9 may negotiate and enter into an employment agreement with the indi-
10 vidual selected as president of the authority, which may provide for com-
11 pensation allowances, benefits and expenses as may be included in such
12 agreement. The president shall direct and supervise administrative affairs
13 and the general management of the authority.

14 (o) The board may provide supplemental benefits to the president
15 and other authority employees designated by the board in addition to the
16 benefits provided under this act.

17 (p) The authority shall continue until terminated by law, except that
18 no such law shall take effect so long as the authority has debts or obli-
19 gations outstanding, unless adequate provision has been made for the
20 payment or retirement of such debts or obligations. Upon any such dis-
21 solution of the authority, all property, funds and assets thereof shall be
22 vested in the state, university of Kansas, Kansas state university or other
23 state university or college as designated by the board, or any other public
24 institute or private enterprise engaged in the business of bioscience, or
25 any combination thereof, as designated by the board and approved by act
26 of the legislature.

27 New Sec. 5. (a) The board shall establish an executive committee of
28 the authority, to be composed of the chairperson, the vice-chairperson,
29 the secretary and two additional members of the board to be chosen by
30 the chairperson from the remaining directors.

31 (b) The executive committee, in intervals between meetings of the
32 board, may transact any business of the board that has been delegated to
33 the executive committee.

34 New Sec. 6. (a) All resolutions and orders of the board shall be re-
35 corded and authenticated by the signature of the secretary or any assistant
36 secretary of the board. The book of resolutions, orders, minutes of open
37 meetings, annual reports and annual financial statements of the authority
38 shall be public records as defined by K.S.A. 45-215 *et seq.* and amend-
39 ments thereto. All public records shall be subject to regular audit as pro-
40 vided in K.S.A. 46-1106 and amendments thereto.

41 (b) (1) Notwithstanding any provision of K.S.A. 45-215 *et seq.* and
42 amendments thereto to the contrary, the following records of the au-
43 thority shall not be subject to the provisions of the Kansas open records

1 act, when in the opinion of the board, the disclosure of the information
2 in the records would be harmful to the competitive position of the
3 authority:

4 (A) Proprietary information gathered by or in the possession of the
5 authority from third parties pursuant to a promise of confidentiality;

6 (B) contract cost estimates prepared for confidential use in awarding
7 contracts for research development, construction, renovation, commer-
8 cialization or the purchase of goods or services; and

9 (C) data, records or information of a proprietary nature produced or
10 collected by or for the authority, its employees, officers or members of
11 its board; financial statements not publicly available that may be filed with
12 the authority from third parties; the identity, accounts or account status
13 of any customer of the authority; consulting or other reports paid for by
14 the authority to assist the authority in connection with its strategic plan-
15 ning and goals; and the determination of marketing and operational strat-
16 egies where disclosure of such strategies would be harmful to the com-
17 petitive position of the authority.

18 (2) The provisions of this subsection shall expire on July 1, 2009. Prior
19 to such date the legislature shall review the provisions of this subsection.

20 (c) Notwithstanding any provision of this section to the contrary, the
21 authority may claim the benefit of any other exemption to the Kansas
22 open records act listed in K.S.A. 45-215 *et seq.* and amendments thereto.

23 New Sec. 7. (a) No business of the board shall be transacted except
24 at a regular or special meeting at which a quorum consisting of at least a
25 majority of the total voting membership of the board is present. Any
26 action of the board shall require the affirmative vote of a majority of those
27 at any meeting of the board at which a quorum is present.

28 (b) Notwithstanding any provision of K.S.A. 75-4317 *et seq.* and
29 amendments thereto, in the case of the authority, discussion; **[and]** con-
30 sideration ~~and action~~ on any of the following may occur in executive ses-
31 sion, when in the opinion of the board, disclosure of the items would be
32 harmful to the competitive position of the authority:

33 (1) Plans that could affect the value of property, real or personal,
34 owned or desirable for ownership by the authority;

35 (2) the condition, acquisition, use or disposition of real or personal
36 property; or

37 (3) contracts for bioscience research, bioscience product manufac-
38 turing or commercialization, construction and renovation of bioscience
39 facilities and marketing or operational strategies.

40 (c) Notwithstanding any provision of this section to the contrary, the
41 authority may claim the benefit of any other exemption to the Kansas
42 open meetings act listed in K.S.A. 75-4317 *et seq.* and amendments
43 thereto.

1 New Sec. 8. (a) Any member of the board and any employee, other
2 agent or advisor of the authority, who has a direct or indirect interest in
3 any contract or transaction with the authority, shall disclose this interest
4 to the authority in writing. This interest shall be set forth in the minutes
5 of the authority, and no director, officer, employee, other agent or advisor
6 having such interest shall participate on behalf of the authority in the
7 authorization of any such contract or transaction; except that, the provi-
8 sions of this section shall not be construed to prohibit any employee of
9 the university of Kansas, Kansas state university, other state universities
10 or colleges, or any public institute or private enterprise engaged in the
11 business of bioscience who is a member of the board, who has no personal
12 interest, from voting on the authorization of any such contract or trans-
13 action between the authority and such employee's employer.

14 (b) All members of the board and all officers of the authority shall
15 file a written statement pursuant to K.S.A. 46-247 *et seq.* and amend-
16 ments thereto, regarding any substantial interests, within the meaning of
17 K.S.A. 46-229 and amendments thereto, that each director may hold. Any
18 employee, other agent or advisor of the authority who has a substantial
19 interest in any contract or transaction with the authority within the mean-
20 ing of K.S.A. 46-229 and amendments thereto, shall file a written state-
21 ment of substantial interest pursuant to K.S.A. 46-247 *et seq.* and amend-
22 ments thereto.

23 New Sec. 9. (a) The authority shall have all of the powers necessary
24 to carry out the purposes and provisions of this act, including, without
25 limitation, the following powers to:

26 (1) Make, amend and repeal bylaws, rules and regulations for the
27 management of its affairs;

28 (2) have the duties, privileges, immunities, rights, liabilities and dis-
29 abilities of a body politic and corporate and independent instrumentality
30 of the state;

31 (3) have perpetual existence and succession;

32 (4) adopt, have and use a seal and to alter the same at its pleasure;

33 (5) sue and be sued in its own name;

34 (6) work with state universities to identify and recruit eminent schol-
35 ars and rising star scholars who shall become employed by state univer-
36 sities or the authority, or both, to perform bioscience research, develop-
37 ment and commercialization at state university campuses or at authority
38 facilities, or both;

39 (7) transfer funds to state universities in amounts to be determined
40 by the board for the purpose of attracting and then supplementing the
41 compensation of eminent scholars and rising star scholars;

42 (8) work with and collaborate with state universities to determine the
43 types of bioscience research that will be conducted by eminent scholars

1 and rising star scholars;

2 (9) work with state universities to determine the types of facilities
3 that may be constructed at state university campuses or at authority prem-
4 ises, or elsewhere, for eminent scholars and rising star scholars to perform
5 bioscience research and development;

6 (10) employ personnel to assist or complement the research of emi-
7 nent scholars and rising star scholars;

8 (11) establish policies and procedures to facilitate integrated biosci-
9 ence research activities by the authority and state universities;

10 (12) make and execute contracts, guarantees or any other instruments
11 and agreements necessary or convenient for the exercise of its powers
12 and functions including, without limitation, to make and execute contracts
13 with bioscience enterprises, including start-up companies, other public
14 and private persons and entities, health care businesses, state universities
15 and colleges, and to incur liabilities and secure the obligations of any
16 entity or individual;

17 (13) partner with the state universities and colleges; and private en-
18 terprises engaged in the business of biosciences in the state, to provide
19 matching funds for federal grants;

20 (14) borrow money and to pledge all or any part of the authority's
21 assets therefore;

22 (15) purchase, lease, trade, exchange or otherwise acquire, maintain,
23 hold, improve, mortgage, sell and dispose of personal property, whether
24 tangible or intangible, and any interest therein; and to purchase, lease,
25 trade, exchange or otherwise acquire real property or any interest therein,
26 and to maintain, hold, improve, mortgage, sell, lease and otherwise trans-
27 fer such real property to the universities, colleges, public institutions and
28 private enterprises in the state, so long as such transactions do not conflict
29 with the mission of the authority as specified in this act;

30 (16) own, acquire, construct, renovate, equip, improve, operate,
31 maintain, sell or lease any land, buildings or facilities in the state that can
32 be used in researching, developing, sponsoring or commercializing bio-
33 science in the state including, without limitation, a state-of-the-art facility,
34 laboratory or commercial wet lab space incubator to be used by the au-
35 thority, and also to be made available for use by state universities or
36 bioscience companies for bioscience research, commercialization and
37 technology transfer of bioscience products, processes and other intellec-
38 tual property in accordance with the provisions of this act;

39 (17) incur or assume indebtedness to, and enter into contracts with
40 the Kansas development finance authority, which is authorized to borrow
41 money, issue bonds and provide financing for the authority;

42 (18) develop policies and procedures generally applicable to the pro-
43 curement of goods, services and construction, based upon sound business

1 practices;

2 (19) solicit, study and assist in the preparation of business plans and
3 proposals of new or established businesses to advance the biosciences in
4 the state;

5 (20) own and possess patents, copyrights, trademarks and proprietary
6 technology and to enter into contracts for the purposes of commercial-
7 izing and establishing charges for the use of such patents, copyrights,
8 trademarks and proprietary technology involving bioscience;

9 (21) contract for and to accept any gifts, grants and loans of funds,
10 property or any other aid in any form from the federal government, the
11 state, any state agency or any other source, or any combination thereof,
12 and to comply with the provisions of the terms and conditions thereof;

13 (22) acquire space, equipment, services, supplies and insurance nec-
14 essary to carry out the purposes of this act;

15 (23) deposit any moneys of the authority in any banking institution
16 within or without the state or in any depository authorized to receive such
17 deposits, one or more persons to act as custodians of the moneys of the
18 authority;

19 (24) procure such insurance, participate in such insurance plans or
20 provide such self-insurance or both as it deems necessary or convenient
21 to carry out the purposes and provisions of this act; the purchase of in-
22 surance, participation in an insurance plan or creation of a self-insurance
23 fund by the authority shall not be deemed as a waiver or relinquishment
24 of any sovereign immunity to which the authority or its officers, directors,
25 employees or agents are otherwise entitled;

26 (25) appoint, supervise and set the salary and compensation of the
27 president, who shall be appointed by and serve at the pleasure of the
28 board;

29 (26) fix, revise, charge and collect rates, rentals, fees and other
30 charges for the services or facilities furnished by or on behalf of the au-
31 thority, and to establish policies and procedures regarding any such serv-
32 ice rendered for the use, occupancy or operation of any such facility; such
33 charges and policies and procedures not to be subject to supervision or
34 regulation by any commission, board, bureau or agency of the state; and

35 (27) do any and all things necessary or convenient to carry out the
36 authority's purposes and exercise the powers given in this act.

37 (b) The authority may create, own in whole or in part, or otherwise
38 acquire or dispose of any entity organized for a purpose related to or in
39 support of the mission of the authority.

40 (c) The authority may participate in joint ventures and collaborate
41 with any taxpayer, governmental body or agency, insurer, university and
42 college of the state, or any other entity to facilitate any activities or pro-
43 grams consistent with the purpose and intent of this act.

1 (d) The authority may create a nonprofit entity or entities for the
2 purpose of soliciting, accepting and administering grants, outright gifts
3 and bequests, endowment gifts and bequests, and gifts and bequests in
4 trust, which entity or entities shall not engage in trust business, but the
5 authority may not create any political action committee or contribute to
6 any political action committee.

7 (e) In carrying out any activities authorized by this act, the authority
8 may provide appropriate assistance, including the making of loans and
9 providing time of employees, to any taxpayer, governmental body or
10 agency, insurer, university and college of the state, or any other entity,
11 whether or not any such taxpayer, governmental body or agency, insurer,
12 university and college of the state, or any other entity is owned or con-
13 trolled in whole or in part, directly or indirectly, by the authority.

14 (f) Notwithstanding any provision of law to the contrary, the authority
15 may, on an independent basis for itself or from time-to-time through a
16 contractual relationship with KTEC, invest the funds received from gifts,
17 grants, donations and other operations of the authority in such invest-
18 ments as would be lawful for a private corporation having purposes similar
19 to the authority including preseed, seed capital and venture capital funds
20 whose purpose is to commercialize bioscience intellectual property, and
21 in any obligations or securities as authorized by the board. Prior to making
22 any investments, the board shall adopt written investment guidelines.

23 (g) Except as provided in this act, all moneys earned or received by
24 the authority, including all funds derived from the commercialization of
25 bioscience products by the authority, or any affiliate or subsidiary thereof,
26 or from the Kansas bioscience development and investment fund, shall
27 belong exclusively to the authority.

28 (h) In accordance with subsection (i) below, the authority shall over-
29 see the commercialization of bioscience intellectual property created by
30 eminent scholars and rising star scholars who are employed by state uni-
31 versities or the authority, or both. In the event of bioscience discoveries
32 by such eminent scholars or rising star scholars for which the state uni-
33 versity desires to explore the potential commercialization opportunities
34 and technology transfer, the state university must notify the authority in
35 writing of such plans. The authority shall have a reasonable period of time
36 to evaluate whether it desires to participate in such commercialization
37 opportunities or technology transfer. The authority must notify the state
38 university in writing within a reasonable period of time if it desires to so
39 participate in such commercialization opportunities and technology trans-
40 fer. The authority and state university shall then negotiate and enter into
41 a written agreement that sets forth the rights and responsibilities of each
42 party, including the financial terms and assumptions of risks. Notwith-
43 standing any provision of law or policy of any state university or the Kansas

1 board of regents to the contrary, the agreement between the authority
2 and the state university shall prevail and govern the terms of revenue
3 sharing, cost sharing, ownership and licensure of bioscience intellectual
4 property that is created by eminent scholars or rising star scholars who
5 are employed by the state universities or the authority, or both.

6 (i) During the first five years after the effective date of this act, the
7 authority may contract with KTEC, which will be able to subcontract with
8 appropriate third parties as it deems necessary and appropriate, including,
9 without limitation, NISTAC, for the initial commercialization efforts for
10 bioscience intellectual property, including, without limitation, corporate
11 patent donations. The contract between the authority and KTEC must
12 be negotiated between the authority and KTEC and will set forth the
13 rights and responsibilities of each party, including the financial terms,
14 payment of funds for personnel, assumptions of risks, technology transfer
15 and terms of ownership and licensure of such bioscience intellectual prop-
16 erty. The contract between the authority and KTEC must also set forth
17 the authority's right, if any, to sell, license, contribute or provide its con-
18 tractual share of bioscience intellectual property to any third party, or
19 provide services, facilities or assistance to any third party, for a fee, for
20 an ownership interest in the third party, or other consideration, so as to
21 commercialize bioscience technology. After the five-year period from the
22 effective date of this act, the authority may independently commercialize
23 or enter into contracts with third parties for the commercialization of
24 bioscience intellectual property and for technology transfer. The authority
25 will take steps to reasonably ensure that it does not duplicate existing
26 commercialization efforts already located in the state and recognizes the
27 important role KTEC plays in the state. After the five-year period from
28 the effective date of this act, the authority may sell, license, contribute
29 or provide bioscience intellectual property to any third party, or provide
30 services, facilities or assistance to any third party, for a fee, for an own-
31 ership interest in the third party, or other consideration, so as to com-
32 mercialize bioscience technology. The authority may take all such actions
33 necessary to commercialize any technology in which the authority has an
34 interest.

35 (j) For the five-year period following the effective date of this act,
36 the authority may transfer funds to KTEC for the operation and man-
37 agement of authority-owned facilities, including, without limitation, funds
38 for KTEC to employ the personnel necessary to assist the authority, the
39 exact amount of such transfer to be negotiated between the authority and
40 KTEC. After consulting with and in accordance with recommendations
41 by the board, KTEC may use such funds to identify, recruit and employ
42 personnel who will perform management and other services at such au-
43 thority-owned facilities.

1 (k) During the five-year period after the effective date of this act, the
2 authority shall contract with KTEC at least once a year for KTEC to
3 submit a report to the board identifying all patents secured, licenses
4 granted, the number of eminent scholars and rising star scholars in the
5 state, a complete accounting of interests in technology sold, transferred,
6 licensed or otherwise disposed of, including, without limitation, the
7 names of buyers, the buyers' location, the date the technology was trans-
8 ferred, revenue generated by the transfer of such technology, and any
9 other information that the board deems appropriate. After the five-year
10 period from the effective date of this act, on at least an annual basis, the
11 authority shall conduct, either independently or through a contract with
12 a third party, including KTEC if chosen by the authority, a report of the
13 foregoing information to be submitted to the board.

14 (l) The authority shall prepare an annual report to the legislature and
15 the governor on all distributions from the ~~emerging industry investment~~
16 **[bioscience development and investment]** fund pursuant to the pro-
17 visions of the emerging industry investment act and income, investment
18 and income tax credits and exemptions pursuant to the bioscience tax
19 investment incentive act. The authority with assistance from the depart-
20 ment of revenue shall prepare an annual report summarizing the growth
21 of bioscience research and industry in Kansas.

22 New Sec. 10. (a) The Kansas development finance authority is
23 hereby authorized to issue bonds pursuant to the Kansas development
24 finance authority act, K.S.A. 74-8901 *et seq.*, and amendments thereto,
25 to finance: (1) Facilities, as defined in the Kansas development finance
26 authority act; for the conduct of bioscience programs, activities and re-
27 search of the authority, a bioscience company or a bioscience research
28 institute; (2) bioscience programs, activities and research of the authority,
29 a bioscience company or a bioscience research institute; and (3) to provide
30 sufficient funds to the authority necessary or convenient to carry out the
31 authority's purposes and powers under this act. No bonds may be issued
32 pursuant to this section unless the Kansas development finance authority
33 has received a resolution of the board of the authority requesting the
34 issuance of such bonds. Bonds issued pursuant to this section shall not
35 be subject to the notice requirements of K.S.A. 74-8905(c), and amend-
36 ments thereto.

37 (b) Any resolution by the board of the authority requesting bonds to
38 be issued by the Kansas development finance authority may (1) contain
39 such requirements, parameters and provisions as deemed appropriate by
40 the board for the purpose of carrying out the authority's purposes under
41 this act and (2) authorize such contracts or obligations of the authority
42 deemed appropriate by the board to secure the payment of such bonds,
43 including a pledge of all or any part of the revenues and assets of the

1 authority, including without limitation moneys in the bioscience and de-
2 velopment investment fund.

3 (c) The state does hereby pledge to, and agree with, the holders of
4 any bonds issued under this act that the state will not limit or alter the
5 rights hereby vested in the authority to fulfill the terms of any agreements
6 made with the Kansas development finance authority or in any way impair
7 the rights and remedies of the Kansas development finance authority with
8 respect to such bonds, or any holders of such bonds until the payment of
9 principal and interest on such bonds and all costs and expenses in con-
10 nection with any action or proceeding by or on behalf of such holders is
11 fully paid and discharged. The authority is authorized to include this
12 pledge and agreement of the state in any agreement with the Kansas
13 development finance authority and the Kansas development finance au-
14 thority is authorized to include this pledge and agreement in an agree-
15 ment for the benefit of the holders of such bonds. Nothing in this section
16 shall be construed to limit the constitutional powers of the legislature.

17 New Sec. 11. (a) The authority may employ such employees as it may
18 require and upon such terms and conditions as it may establish. The
19 authority shall establish personnel, payroll, benefit and other such systems
20 as authorized by the board, such systems to be initially established or
21 contracted as designated by the board. The authority shall determine the
22 qualifications and duties of its employees. The board shall develop and
23 adopt policies and procedures that will afford its employees grievance
24 rights, ensure that employment decisions shall be based upon merit and
25 fitness of applicants and shall prohibit discrimination because of race,
26 religion, color, sex or national origin.

27 (b) Nothing in this act or any act of which it is amendatory shall be
28 construed as placing any officer or employee of the authority or member
29 of the board in the classified or the unclassified service under the Kansas
30 civil service act.

31 (c) The authority is authorized to establish a health insurance plan
32 for the benefit of its employees.

33 New Sec. 12. The authority shall be exempt from any real and per-
34 sonal property taxes upon any property of the authority acquired and used
35 for its public purposes, and from any taxes or assessments upon any pro-
36 jects or upon any operations of the authority or the income therefrom,
37 and from any taxes or assessments upon any project or any property or
38 local obligation acquired or used by the authority under the provisions of
39 this act or upon the income therefrom. Purchases by the authority to be
40 used for its public purposes shall not be subject to sales or use tax under
41 K.S.A. 79-3601 *et seq.*, K.S.A. 79-3701 *et seq.* and subsection (b) of K.S.A.
42 79-3606 *et seq.* and amendments thereto. The exemptions hereby granted
43 shall not extend to persons or entities conducting business on the au-

1 thority's property for which payment of state and local taxes would oth-
2 erwise be required.

3 New Sec. 13. Notwithstanding any other provision of law to the con-
4 trary, the authority, its officers, directors, employees and agents shall be
5 subject to and covered by the Kansas tort claims act K.S.A. 75-6101 *et*
6 *seq.* and amendments thereto.

7 New Sec. 14. This act shall be liberally construed. Nothing contained
8 herein is or shall be construed as a restriction or limitation upon any
9 powers that the authority might otherwise have under other law of this
10 state, and the provisions of this act are cumulative to such powers. The
11 provisions hereof do and shall be construed to provide a complete, ad-
12 ditional and alternative method for the doing of the things authorized and
13 shall be regarded as supplemental and additional to any other laws. In-
14 sofar as the provisions of this act are inconsistent with the provisions of
15 any other law, general, specific or local, the provisions of this act shall be
16 controlling.

17 New Sec. 15. Nothing in this act should be construed as allowing the
18 board to sell the authority or substantially all of the assets of the authority,
19 or to merge the authority with another institution, without prior legislative
20 authorization by statute.

21 New Sec. 16. (a) Notwithstanding any state laws or regulations to the
22 contrary, the authority shall not be subject to any further process or pro-
23 cedure that requires the submission, review or approval to any capital
24 project. The authority shall ensure that nationally recognized fire preven-
25 tion code and life safety inspections under K.S.A. 31-132 *et seq.* and
26 amendments thereto, of any capital project are conducted and that such
27 projects are inspected by the state fire marshal, or the state fire marshal's
28 designee, prior to certification for building occupancy.

29 (b) The authority shall not be subject to any county and local building
30 codes.

31 New Sec. 17. The authority is exempt from the provisions of K.S.A.
32 12-1675 through 12-1677, 45-401 through 45-413, 75-1250 through 75-
33 1270, 75-2925 through 75-2975, 75-3701 through 75- 37,119, 75-4363,
34 75-4701 through 75-4744, and 77-501 through 77-550 and K.S.A. 75-4362
35 and amendments thereto.

36 New Sec. 18. The authority may, at the election of the board, affiliate
37 with the Kansas public employees retirement system with respect to any
38 or all employees employed by the authority on or after the effective date
39 of this act, in accordance with the provisions of K.S.A. 74-4910 and
40 amendments thereto. The authority may, at the election of the board,
41 adopt, in accordance with requirements of the federal internal revenue
42 code, a retirement plan or plans sponsored by the authority with respect
43 to employees employed by the authority on or after the effective date of

1 this act. The authority may, at the discretion of the board, provide death
2 and disability benefits as provided in K.S.A. 74-4927a and 74-4927g and
3 amendments thereto.

4 New Sec. 19. Sections 19 to ~~22~~ **[23]**, inclusive, and amendments
5 thereto, shall be known and may be cited as the emerging industry in-
6 vestment act.

7 New Sec. 20. The purpose of the emerging industry investment act
8 is to foster the growth of the bioscience in Kansas, to make Kansas a
9 national leader in bioscience, and to make Kansas a desirable location for
10 bioscience entities to locate and grow. In so doing, the emerging industry
11 investment act will foster employment, encourage research and devel-
12 opment, investment in real property and improvements, investment in
13 equipment and supplies, the employment of eminent scholars and rising
14 star scholars by the state universities and the Kansas bioscience authority,
15 or both, and will lead to bioscience discoveries and products.

16 New Sec. 21. As used in sections 19 to ~~22~~ **[23]**, inclusive, and amend-
17 ments thereto, the following words and phrases have the following mean-
18 ings unless a different meaning clearly appears from the content:

19 (a) “Authority” means the Kansas bioscience authority as created by
20 section 4, and amendments thereto.

21 (b) “Base year taxation” means the 2003 taxes payable by all biosci-
22 ence companies and bioscience research institutions currently located in
23 or operating in the state, and for bioscience companies which locate in
24 the state or commence operating in the state after the effective date of
25 this act, the taxes payable in the year immediately preceding their location
26 in the state or their commencement of operations in the state.

27 (c) “Bioscience” means the use of compositions, methods and organ-
28 isms in cellular and molecular research, development and manufacturing
29 processes for such diverse areas as pharmaceuticals, medical therapeutics,
30 medical diagnostics, medical devices, medical instruments, biochemistry,
31 microbiology, veterinary medicine, plant biology, agriculture, industrial,
32 environmental, and homeland security applications of bioscience and fu-
33 ture developments in the biosciences. Bioscience includes biotechnology
34 and life sciences.

35 (d) “Bioscience company” or “bioscience companies” means a cor-
36 poration, limited liability company, S corporation, partnership, registered
37 limited liability partnership, foundation, association, nonprofit entity, sole
38 proprietorship, business trust, person, group or other entity that is en-
39 gaged in the business of bioscience in the state and has business opera-
40 tions in the state, including, without limitation, research, development or
41 production directed towards developing or providing bioscience products
42 or processes for specific commercial or public purposes and are identified
43 by the following NAICS codes: 325411, 325412, 325413, 325414, 325193,

- 1 325199, 325311, 32532, 334516, 339111, 339112, 339113, 334510,
2 334517, 339115, 621511, 621512, 54171, 54138, 54194.
- 3 [(e) “Bioscience development and investment fund” means the fund
4 created by section 22, and amendments thereto.]
- 5 ~~(e)~~ [(f)] “Bioscience employee” means any employee, officer or di-
6 rector of a bioscience company who is employed after the effective date
7 of this act and who is also a state taxpayer and any employee of state
8 universities who is associated with bioscience research after the effective
9 date of this act and who is also a state taxpayer.
- 10 ~~(f)~~ [(g)] “Bioscience research” means any original investigation for
11 the advancement of scientific or technological knowledge of bioscience
12 and any activity that seeks to utilize, synthesize, or apply existing knowl-
13 edge, information or resources to the resolution of a specific problem,
14 question or issue of bioscience.
- 15 ~~(g)~~ [(h)] “Bioscience research institutions” means all universities and
16 colleges ~~and private universities and colleges~~ located in the state [of Kan-
17 sas] conducting bioscience research.
- 18 ~~(h)~~ [(i)] “Biotechnology” means those fields focusing on technological
19 developments in such areas as molecular biology, genetic engineering,
20 genomics, proteomics, physiomics, nanotechnology, biodefense, biocom-
21 puting and bioinformatics and future developments associated with
22 biotechnology.
- 23 ~~(i) “Emerging industry investment act investment fund” means the~~
24 ~~fund created by section 22, and amendments thereto.~~
- 25 (j) “Board” means the board of directors of the authority.
- 26 (k) “Eminent scholar” means world-class, distinguished and estab-
27 lished investigators recognized nationally for their research, achievements
28 and ability to garner significant federal funding on an annual basis. Em-
29 inent scholars are recognized for their scientific knowledge and entre-
30 preneurial spirit to enhance the innovative research that leads to eco-
31 nomic gains. Eminent scholars are either members of or likely candidates
32 for the national academy of sciences or other prominent national aca-
33 demic science organizations.
- 34 (l) “Life sciences” means, without limitation, the areas of medical
35 sciences, pharmaceutical sciences, biological sciences, zoology, botany,
36 horticulture, ecology, toxicology, organic chemistry, physical chemistry
37 and physiology and any future advances associated with the life sciences.
- 38 (m) “NAICS” means the north American industry classification
39 system.
- 40 (n) “Rising star scholar” means up-and-coming distinguished inves-
41 tigators growing in their national reputations in their fields, who are active
42 and demonstrate leadership in their associated professional societies, and
43 who attract significant federal research grant support. Rising star scholars

1 would be likely candidates for the national academy of science or other
2 prominent national academic science organizations in the future.

3 (o) “State” means the state of Kansas.

4 (p) “State income taxes” means all of the taxes levied pursuant to
5 K.S.A 79-3201 *et seq.* and amendments thereto.

6 (q) “State taxes” means all taxes on property, sales and use, license,
7 individual income tax and corporate net income tax pursuant to law except
8 for property taxes levied for schools.

9 (r) “Taxpayer” means a person, corporation, limited liability com-
10 pany, S corporation, partnership, registered limited liability partnership,
11 foundation, association, nonprofit entity, sole proprietorship, business
12 trust, group or other entity that is subject to the Kansas income tax act,
13 K.S.A. 79-3201 *et seq.* and amendments thereto.

14 (s) “This act” means the emerging industry investment act.

15 New Sec. 22. (a) The bioscience development and investment fund
16 is hereby created. The bioscience development and investment fund shall
17 not be a part of the state treasury and the funds in the bioscience devel-
18 opment and investment fund shall belong exclusively to the authority.

19 (b) Distributions from the bioscience development and investment
20 fund shall be for the exclusive benefit of the authority, under the control
21 of the board and used to fulfill the purpose, powers and duties of the
22 authority pursuant to the provisions of section 1 *et seq.*, and amendments
23 thereto.

24 (c) The secretary of revenue and the authority shall establish the base
25 year taxation for all bioscience companies and state universities associated
26 with bioscience research in the state. The secretary of revenue, the au-
27 thority and the board of regents shall establish the number of bioscience
28 employees associated with state universities and report annually and de-
29 termine the taxation base annually.

30 (d) For a period of 15 years from the effective date of this act, the
31 state treasurer shall pay to the bioscience development and investment
32 fund the state taxes in excess of the base year taxation from all bioscience
33 companies as certified by the secretary of revenue.

34 (e) In addition, the state treasurer shall pay annually, 95% of with-
35 holding above the base, as certified by the secretary of revenue upon
36 Kansas wages paid by bioscience employees to the bioscience develop-
37 ment and investment fund. On or before the 10th day of each month, the
38 director of accounts and reports shall transfer from the state general fund
39 to the bioscience development and investment fund interest earnings
40 based on:

41 (1) The average daily balance of moneys in the bioscience develop-
42 ment and investment fund for the preceding month; and

43 (2) the net earnings rate of the pooled money investment portfolio

1 for the preceding month.

2 (f) The division of post audit is hereby authorized to conduct a post
3 audit in accordance with the provisions of the state post audit act to K.S.A.
4 46-1106 *et seq.* and amendments thereto.

5 (g) At the direction of the authority, the fund may be held in the
6 custody of and invested by the state treasurer, provided that the biosci-
7 ence development and investment fund shall at all times be accounted
8 for in a separate report from all other funds of the authority and the state.

9 Sec. 23. K.S.A. 2003 Supp. 74-8017 is hereby amended to read as
10 follows: 74-8017. On and after January 1, ~~2003~~ 2006, it shall be the duty
11 ~~of Kansas, Inc. of the department of revenue~~ to prepare an annual report
12 evaluating the cost effectiveness of the various income tax credits and
13 sales tax exemptions enacted to encourage economic development within
14 this state and submit the same to the standing committees on taxation
15 and economic development of the house and assessment and taxation and
16 commerce of the senate at the beginning of each regular session of the
17 legislature. ~~The secretary of revenue, in consultation with the president~~
18 ~~of Kansas, Inc., shall develop a questionnaire on the utilization of state~~
19 ~~income tax credits and sales tax exemptions that shall be completed by~~
20 ~~all corporate taxpayers that: (1) Are subject to state income tax and (2)~~
21 ~~utilize any of the state income tax credits and exemptions described in~~
22 ~~subsections (a) through (i) below that shall be submitted to the depart-~~
23 ~~ment of revenue concurrently with the filing of an annual corporate in-~~
24 ~~come tax return. The secretary shall provide the completed question-~~
25 ~~naires to Kansas, Inc. for use in the preparation of such annual report.~~
26 ~~The questionnaire shall require respondents to indicate utilization of the~~
27 ~~following credits and exemptions:~~

28 — (a) ~~Income tax credits authorized under the provisions of the job ex-~~
29 ~~ansion and investment credit act of 1976 and acts amendatory thereof~~
30 ~~and supplemental thereto;~~

31 — (b) ~~income tax credits for expenditures in research and development~~
32 ~~activities authorized by K.S.A. 79-32,182, and amendments thereto;~~

33 — (c) ~~income and financial institutions privilege tax credits for cash in-~~
34 ~~vestment in stock of Kansas Venture Capital, Inc. authorized by K.S.A.~~
35 ~~74-8205 and 74-8206, and amendments thereto;~~

36 — (d) ~~income tax credits for cash investment in certified Kansas venture~~
37 ~~capital companies authorized by K.S.A. 74-8304, and amendments~~
38 ~~thereto;~~

39 — (e) ~~income tax credits for cash investment in certified local seed cap-~~
40 ~~ital pools authorized by K.S.A. 74-8401, and amendments thereto;~~

41 — (f) ~~income tax credits for investment in the training and education of~~
42 ~~qualified firms' employees authorized by K.S.A. 74-50,132, and amend-~~
43 ~~ments thereto;~~

1 ~~—(g) sales tax exemptions for property or services purchased for the~~
2 ~~purpose of and in conjunction with constructing, reconstructing, enlarg-~~
3 ~~ing or remodeling a business, or retail business meeting the requirements~~
4 ~~of K.S.A. 74-50,115, and amendments thereto, and machinery and equip-~~
5 ~~ment for installation at such business or retail business authorized by~~
6 ~~subsection (cc) of K.S.A. 79-3606, and amendments thereto;~~

7 ~~—(h) sales tax exemptions for machinery and equipment used directly~~
8 ~~and primarily for the purposes of manufacturing, assembling, processing,~~
9 ~~finishing, storing, warehousing or distributing articles of tangible personal~~
10 ~~property in this state intended for resale by a manufacturing or processing~~
11 ~~plant or facility or a storage, warehousing or distribution facility. The~~
12 ~~secretary of revenue shall provide the completed questionnaires and cop-~~
13 ~~ies of sales tax exemption certificates to Kansas, Inc. for the preparation~~
14 ~~of such report, and~~

15 ~~—(i) distribution from the special economic revitalization fund pursuant~~
16 ~~to the provisions of the economic revitalization reinvestment act, K.S.A.~~
17 ~~2003 Supp. 74-50,136, and amendments thereto:~~

18 ~~—Sec. 24. K.S.A. 2003 Supp. 74-8905 is hereby amended to read as~~
19 ~~follows: 74-8905. (a) The authority may issue bonds, either for a specific~~
20 ~~activity or on a pooled basis for a series of related or unrelated activities~~
21 ~~or projects duly authorized by a political subdivision or group of political~~
22 ~~subdivisions of the state in amounts determined by the authority for the~~
23 ~~purpose of financing projects of statewide as well as local importance as~~
24 ~~defined pursuant to K.S.A. 12-1744, and amendments thereto, capital~~
25 ~~improvement facilities, educational facilities, health care facilities and~~
26 ~~housing developments. Nothing in this act shall be construed to authorize~~
27 ~~the authority to issue bonds or use the proceeds thereof to:~~

28 ~~—(1) Purchase, condemn or otherwise acquire a utility plant or distri-~~
29 ~~bution system owned or operated by a regulated public utility;~~

30 ~~—(2) finance any capital improvement facilities, educational facilities or~~
31 ~~health care facilities which may be financed by the issuance of general~~
32 ~~obligation or utility revenue bonds of a political subdivision, except that~~
33 ~~the acquisition by the authority of general obligation or utility revenue~~
34 ~~bonds issued by political subdivisions with the proceeds of pooled bonds~~
35 ~~shall not violate the provisions of the foregoing; or~~

36 ~~—(3) purchase, acquire, construct, reconstruct, improve, equip, fur-~~
37 ~~nish, repair, enlarge or remodel property for any swine production facility~~
38 ~~on agricultural land which is owned, acquired, obtained or leased by a~~
39 ~~corporation, limited liability company, limited partnership, corporate~~
40 ~~partnership or trust.~~

41 ~~—Nothing in this subsection (a) shall prohibit the issuance of bonds by~~
42 ~~the authority when any statute specifically authorizes the issuance of~~
43 ~~bonds by the authority or approves any activity or project of a state agency~~

1 for purposes of authorizing any such issuance of bonds in accordance with
2 this section and provides an exemption from the provisions of this sub-
3 section (a):

4 — (b) — The authority may issue bonds for activities and projects of state
5 agencies as requested by the secretary of administration. No bonds may
6 be issued pursuant to this act for any activity or project of a state agency
7 unless the activity or project either has been approved by an appropriation
8 or other act of the legislature or has been approved by the state finance
9 council acting on this matter which is hereby characterized as a matter
10 of legislative delegation and subject to the guidelines prescribed in sub-
11 section (c) of K.S.A. 75-3711c, and amendments thereto. When requested
12 to do so by the secretary of administration, the authority may issue bonds
13 for the purpose of refunding, whether at maturity or in advance of ma-
14 turity, any outstanding bonded indebtedness of any state agency. The
15 revenues of any state agency which are pledged as security for any bonds
16 of such state agency which are refunded by refunding bonds of the au-
17 thority may be pledged to the authority as security for the refunding
18 bonds:

19 — (c) — The authority may issue bonds for the purpose of financing in-
20 dustrial enterprises, agricultural business enterprises, educational facili-
21 ties, health care facilities and housing developments, or any combination
22 of such facilities, or any interest in facilities, including without limitation
23 leasehold interests in and mortgages on such facilities. No less than 30
24 days prior to the issuance of any bonds authorized under this act with
25 respect to any project or activity which is to be undertaken for the direct
26 benefit of any person or entity which is not a state agency or a political
27 subdivision, written notice of the intention of the authority to provide
28 financing and issue bonds therefor shall be given by the president of the
29 authority to the governing body of the city in which the project or activity
30 is to be located. If the project or activity is not proposed to be located
31 within a city, such notice shall be given to the governing body of the
32 county. No bonds for the financing of the project or activity shall be issued
33 by the authority for a one-year period if, within 15 days after the giving
34 of such notice, the governing body of the political subdivision in which
35 the project or activity is proposed to be located shall have adopted an
36 ordinance or resolution stating express disapproval of the project or ac-
37 tivity and shall have notified the president of the authority of such
38 disapproval:

39 — (d) — The authority may issue bonds for the purpose of establishing and
40 funding one or more series of venture capital funds in such principal
41 amounts, at such interest rates, in such maturities, with such security, and
42 upon such other terms and in such manner as is approved by resolution
43 of the authority. The proceeds of such bonds not placed in a venture

1 capital fund or used to pay or reimburse organizational, offering and ad-
2 ministrative expenses and fees necessary to the issuance and sale of such
3 bonds shall be invested and reinvested in such securities and other in-
4 struments as shall be provided in the resolution under which such bonds
5 are issued. Moneys in a venture capital fund shall be used to make venture
6 capital investments in new, expanding or developing businesses, includ-
7 ing, but not limited to, equity and debt securities, warrants, options and
8 other rights to acquire such securities, subject to the provisions of the
9 resolution of the authority. The authority shall establish an investment
10 policy with respect to the investment of the funds in a venture capital
11 fund not inconsistent with the purposes of this act. The authority shall
12 enter into an agreement with a management company experienced in
13 venture capital investments to manage and administer each venture cap-
14 ital fund upon terms not inconsistent with the purposes of this act and
15 such investment policy. The authority may establish an advisory board to
16 provide advice and consulting assistance to the authority and the man-
17 agement company with respect to the management and administration of
18 each venture capital fund and the establishment of its investment policy.
19 All fees and expenses incurred in the management and administration of
20 a venture capital fund not paid or reimbursed out of the proceeds of the
21 bonds issued by the authority shall be paid or reimbursed out of such
22 venture capital fund.

23 —(e) The authority may issue bonds in one or more series for the pur-
24 pose of financing a redevelopment plan project that is approved by the
25 authority in accordance with K.S.A. 74-8921 and 74-8922, and amend-
26 ments thereto, or by Johnson or Labette county in accordance with the
27 provisions of this act.

28 —(f) After receiving and approving the feasibility study required pur-
29 suant to K.S.A. 74-8936, and amendments thereto, the authority may
30 issue bonds in one or more series for the purpose of financing a multi-
31 sport athletic project in accordance with K.S.A. 74-8936 through 74-8938,
32 and amendments thereto. If the project is to be constructed in phases, a
33 similar feasibility study shall be performed prior to issuing bonds for the
34 purpose of financing each subsequent phase.

35 —(g) The authority may issue bonds for the purpose of financing resort
36 facilities, as defined in subsection (a) of K.S.A. 32-867, and amendments
37 thereto, in an amount or amounts not to exceed \$30,000,000 for any one
38 resort. The bonds and the interest thereon shall be payable solely from
39 revenues of the resort and shall not be deemed to be an obligation or
40 indebtedness of the state within the meaning of section 6 of article 11 of
41 the constitution of the state of Kansas. The authority may contract with
42 a subsidiary corporation formed pursuant to subsection (v) of K.S.A. 74-
43 8904, and amendments thereto, or others to lease or operate such resort.

1 The provisions of K.S.A. 32-867, 32-868, 32-870 through 32-873 and 32-
2 874a through 32-874d, and amendments thereto, shall apply to resorts
3 and bonds issued pursuant to this subsection.

4 — (h) The authority may use the proceeds of any bond issues herein
5 authorized, together with any other available funds, for venture capital
6 investments or for purchasing, leasing, constructing, restoring, renovat-
7 ing, altering or repairing facilities as herein authorized, for making loans,
8 purchasing mortgages or security interests in loan participations and pay-
9 ing all incidental expenses therewith, paying expenses of authorizing and
10 issuing the bonds, paying interest on the bonds until revenues thereof are
11 available in sufficient amounts, purchasing bond insurance or other credit
12 enhancements on the bonds, and funding such reserves as the authority
13 deems necessary and desirable. All moneys received by the authority,
14 other than moneys received by virtue of an appropriation, are hereby
15 specifically declared to be cash funds, restricted in their use and to be
16 used solely as provided herein. No moneys of the authority other than
17 moneys received by appropriation shall be deposited with the state
18 treasurer.

19 — (i) Any time the authority is required to publish a notification pur-
20 suant to the tax equity and fiscal responsibility act of 1982, the authority
21 shall further publish such notification in the Kansas register.

22 — (j) Any time the authority issues bonds pursuant to this section, the
23 authority shall publish notification of such issuance at least 14 days prior
24 to any bond hearing in the official county newspaper of the county in
25 which the project or activity financed by such bonds are located and in
26 the Kansas register.

27 New Sec. 24. Sections 24 to 32, inclusive, and amendments thereto,
28 shall be known and may be cited as the bioscience development financing
29 act.

30 New Sec. 25. The purpose of the bioscience development financing
31 act is to foster the growth of bioscience in Kansas, to make Kansas a
32 national leader in bioscience, and to make Kansas a desirable location for
33 bioscience entities to locate and grow. In so doing, the Kansas bioscience
34 development financing act will foster employment, encourage research
35 and development, investment in real property and improvements, in-
36 vestment in equipment and supplies and lead to bioscience discoveries
37 and products.

38 Sec. 26. K.S.A. 2003 Supp. 12-1770a is hereby amended to read as
39 follows: 12-1770a. As used in this act, unless the context clearly shows
40 otherwise:

41 (a) “Auto race track facility” means: (1) An auto race track facility and
42 facilities directly related and necessary to the operation of an auto race
43 track facility, including, but not limited to, grandstands, suites and viewing

1 areas, concessions, souvenir facilities, catering facilities, visitor and retail
2 centers, signage and temporary hospitality facilities, but excluding (2) ho-
3 tels, motels, restaurants and retail facilities, not directly related to or nec-
4 essary to the operation of such facility.

5 (b) “Base year assessed valuation” means the assessed valuation of all
6 real property within the boundaries of a redevelopment district on the
7 date the redevelopment district was established.

8 (c) “Blighted area” means an area which:

9 (1) Because of the presence of a majority of the following factors,
10 substantially impairs or arrests the development and growth of the mu-
11 nicipality or constitutes an economic or social liability or is a menace to
12 the public health, safety, morals or welfare in its present condition and
13 use:

14 (A) A substantial number of deteriorated or deteriorating structures;

15 (B) predominance of defective or inadequate street layout;

16 (C) unsanitary or unsafe conditions;

17 (D) deterioration of site improvements;

18 (E) tax or special assessment delinquency exceeding the fair market
19 value of the real property;

20 (F) defective or unusual conditions of title including but not limited
21 to cloudy or defective titles, multiple or unknown ownership interests to
22 the property;

23 (G) improper subdivision or obsolete platting or land uses;

24 (H) the existence of conditions which endanger life or property by
25 fire or other causes; or

26 (I) conditions which create economic obsolescence; or

27 (2) has been identified by any state or federal environmental agency
28 as being environmentally contaminated to an extent that requires a re-
29 medial investigation; feasibility study and remediation or other similar
30 state or federal action; or

31 (3) previously was found by resolution of the governing body to be a
32 slum or a blighted area under K.S.A. 17-4742 *et seq.*, and amendments
33 thereto.

34 (d) “Conservation area” means any improved area comprising 15%
35 or less of the land area within the corporate limits of a city in which 50%
36 or more of the structures in the area have an age of 35 years or more,
37 which area is not yet blighted, but may become a blighted area due to
38 the existence of a combination of two or more of the following factors:

39 (1) Dilapidation, obsolescence or deterioration of the structures;

40 (2) illegal use of individual structures;

41 (3) the presence of structures below minimum code standards;

42 (4) building abandonment;

43 (5) excessive vacancies;

- 1 (6) overcrowding of structures and community facilities; or
2 (7) inadequate utilities and infrastructure.
- 3 (e) “De minimus” means an amount less than 15% of the land area
4 within a redevelopment district.
- 5 (f) “Developer” means any person, firm, corporation, partnership or
6 limited liability company, other than a city.
- 7 (g) “Eligible area” means a blighted area, conservation area, enter-
8 prise zone, historic theater, major tourism area or a major commercial
9 entertainment and tourism area *or bioscience development area* as deter-
10 mined by the secretary.
- 11 (h) “Enterprise zone” means an area within a city that was designated
12 as an enterprise zone prior to July 1, 1992, pursuant to K.S.A. 12-17,107
13 through 12-17,113, and amendments thereto, prior to its repeal and the
14 conservation, development or redevelopment of the area is necessary to
15 promote the general and economic welfare of such city.
- 16 (i) “Environmental increment” means the increment determined
17 pursuant to subsection (b) of K.S.A. 12-1771a, and amendments thereto.
- 18 (j) “Environmentally contaminated area” means an area of land hav-
19 ing contaminated groundwater or soil which is deemed environmentally
20 contaminated by the department of health and environment or the United
21 States environmental protection agency.
- 22 (k) “Feasibility study” means a study which shows whether a rede-
23 velopment or special bond project’s *or bioscience development project’s*
24 benefits and tax increment revenue and other available revenues under
25 K.S.A. 12-1774 (a)(1), and amendments thereto, are expected to exceed
26 or be sufficient to pay for the redevelopment or special bond *or bioscience*
27 *development* project costs and the effect, if any, the redevelopment or
28 special bond project will have on any outstanding special obligation bonds
29 as authorized pursuant to subsection (a)(1)(D) of K.S.A. 12-1774, and
30 amendments thereto.
- 31 (l) “Historic theater” means a building constructed prior to 1940
32 which was constructed for the purpose of staging entertainment, includ-
33 ing motion pictures, vaudeville shows or operas, that is operated by a
34 nonprofit corporation and is designated by the state historic preservation
35 officer as eligible to be on the Kansas register of historic places or is a
36 member of the Kansas historic theatre association.
- 37 (m) “Historic theater sales tax increment” means the amount of state
38 and local sales tax revenue imposed pursuant to K.S.A. 12-187 *et seq.*, 79-
39 3601 *et seq.* and 79-3701 *et seq.*, and amendments thereto, collected from
40 taxpayers doing business within the historic theater that is in excess of
41 the amount of such taxes collected prior to the designation of the building
42 as a historic theater for purposes of this act.
- 43 (n) “Major tourism area” means an area for which the secretary has

1 made a finding the capital improvements costing not less than
2 \$100,000,000 will be built in the state to construct an auto race track
3 facility.

4 (o) “Real property taxes” means all taxes levied on an ad valorem basis
5 upon land and improvements thereon *except for property taxes levied for*
6 *schools*.

7 (p) “Redevelopment project area” or “project area” means an area
8 designated by a city within a redevelopment district.

9 (q) “Redevelopment project costs” means those costs necessary to
10 implement a redevelopment plan, including, but not limited to costs in-
11 curred for:

- 12 (1) Acquisition of property within the redevelopment project area;
- 13 (2) payment of relocation assistance;
- 14 (3) site preparation including utility relocations;
- 15 (4) sanitary and storm sewers and lift stations;
- 16 (5) drainage conduits, channels, levees and river walk canal facilities;
- 17 (6) street grading, paving, graveling, macadamizing, curbing, gutter-
18 ing and surfacing;
- 19 (7) street light fixtures, connection and facilities;
- 20 (8) underground gas, water, heating and electrical services and con-
21 nections located within the public right-of-way;
- 22 (9) sidewalks and pedestrian underpasses or overpasses;
- 23 (10) drives and driveway approaches located within the public right-
24 of-way;
- 25 (11) water mains and extensions;
- 26 (12) plazas and arcades;
- 27 (13) parking facilities;
- 28 (14) landscaping and plantings, fountains, shelters, benches, sculp-
29 tures, lighting, decorations and similar amenities; and
- 30 (15) all related expenses to redevelop and finance the redevelopment
31 project.

32 Redevelopment project costs shall not include costs incurred in con-
33 nection with the construction of buildings or other structures to be owned
34 by or leased to a developer, however, the “redevelopment project costs”
35 shall include costs incurred in connection with the construction of build-
36 ings or other structures to be owned or leased to a developer which in-
37 cludes an auto race track facility or is in a redevelopment district including
38 some or all of the land and buildings comprising a state mental institution
39 closed pursuant to section 2 of chapter 219 of the 1995 Session Laws of
40 Kansas.

41 (r) “Redevelopment district” means the specific area declared to be
42 an eligible area in which the city may develop one or more redevelopment
43 projects.

- 1 (s) “Redevelopment district plan” or “district plan” means the pre-
2 liminary plan that identifies all of the proposed redevelopment project
3 areas and identifies in a general manner all of the buildings, facilities and
4 improvements in each that are proposed to be constructed or improved
5 in each redevelopment project area.
- 6 (t) “Redevelopment project” means the approved project to imple-
7 ment a project plan for the development of the established redevelop-
8 ment district.
- 9 (u) “Redevelopment project plan” or “project plan” means the plan
10 adopted by a municipality for the development of a redevelopment pro-
11 ject or projects which conforms with K.S.A. 12-1772, and amendments
12 thereto, in a redevelopment district.
- 13 (v) “Secretary” means the secretary of commerce.
- 14 (w) “Substantial change” means, as applicable, a change wherein the
15 proposed plan or plans differ substantially from the intended purpose for
16 which the district plan or project plan was approved.
- 17 (x) “Tax increment” means that amount of real property taxes col-
18 lected from real property located within the redevelopment district that
19 is in excess of the amount of real property taxes which is collected from
20 the base year assessed valuation.
- 21 (y) “Taxing subdivision” means the county, city, unified school district
22 and any other taxing subdivision levying real property taxes, the territory
23 or jurisdiction of which includes any currently existing or subsequently
24 created redevelopment district *including a bioscience development*
25 *district*.
- 26 (z) “Special bond project” means a redevelopment project with at
27 least a \$50,000,000 capital investment and \$50,000,000 in projected gross
28 annual sales revenues or for areas outside of metropolitan statistical areas,
29 as defined by the federal office of management and budget the secretary
30 finds the project meets the requirements of subsection (g) and would be
31 of regional or statewide importance, but a “special bond project” shall
32 not include a project for a gambling casino.
- 33 (aa) “Marketing study” means a study conducted to examine the im-
34 pact of the redevelopment or special bond project upon similar businesses
35 in the projected market area.
- 36 (bb) “Projected market area” means any area within the state in
37 which the redevelopment or special bond project is projected to have a
38 substantial fiscal or market impact upon businesses in such area.
- 39 (cc) “River walk canal facilities” means a canal and related water fea-
40 tures located adjacent to a river which flows through a major commercial
41 entertainment and tourism area and facilities related or contiguous
42 thereto, including, but not limited to pedestrian walkways and prome-
43 nades, landscaping and parking facilities.

1 (dd) “Commence work” means the manifest commencement of ac-
2 tual operations on the development site, such as, erecting a building,
3 excavating the ground to lay a foundation or a basement or work of like
4 description which a person with reasonable diligence can see and rec-
5 ognize as being done with the intention and purpose to continue work
6 until the project is completed.

7 (ee) “Major commercial entertainment and tourism area” may in-
8 clude, but not be limited to, a major multi-sport athletic complex.

9 (ff) “Major multi-sport athletic complex” means an athletic complex
10 that is utilized for the training of athletes, the practice of athletic teams,
11 the playing of athletic games or the hosting of events. Such project may
12 include playing fields, parking lots and other developments.

13 (gg) *“Bioscience” means the use of compositions, methods and organ-*
14 *isms in cellular and molecular research, development and manufacturing*
15 *processes for such diverse areas as pharmaceuticals, medical therapeutics,*
16 *medical diagnostics, medical devices, medical instruments, biochemistry,*
17 *microbiology, veterinary medicine, plant biology, agriculture, industrial*
18 *environmental and homeland security applications of bioscience and fu-*
19 *ture developments in the biosciences. Bioscience includes biotechnology*
20 *and life sciences.*

21 (hh) *“Bioscience development area” means an area that:*

22 (1) *Is or shall be owned, operated, or leased by, or otherwise under*
23 *the control of the Kansas bioscience authority;*

24 (2) *is or shall be used and maintained by a bioscience company; or*

25 (3) *includes a bioscience facility.*

26 (ii) *“Bioscience development district” means the specific area, created*
27 *under section 27, and amendments thereto, where one or more bioscience*
28 *development projects may be undertaken.*

29 (jj) *“Bioscience development project” means an approved project to*
30 *implement a project plan in a bioscience development district.*

31 (kk) *“Bioscience development project plan” or “project plan” means*
32 *the plan adopted by the authority for a bioscience development project*
33 *pursuant to section 28, and amendments thereto, in a bioscience devel-*
34 *opment district.*

35 (ll) *“Bioscience facility” means real property and all improvements*
36 *thereof used to conduct bioscience research, including, without limitation,*
37 *laboratory space, incubator space, office space and any and all facilities*
38 *directly related and necessary to the operation of a bioscience facility.*

39 (mm) *“Bioscience project area” or “project area” means an area des-*
40 *ignated by the authority within a bioscience development district.*

41 (nn) *“Biotechnology” means those fields focusing on technological de-*
42 *velopments in such area as molecular biology, genetic engineering, gen-*
43 *omics, proteomics, physiomics, nanotechnology, biodefense, biocomput-*

1 *ing, bioinformatics and future developments associated with*
2 *biotechnology.*

3 (oo) “Board” means the board of directors of the Kansas bioscience
4 authority.

5 (pp) “Life sciences” means the areas of medical sciences, pharmaceu-
6 tical sciences, biological sciences, zoology, botany, horticulture, ecology,
7 toxicology, organic chemistry, physical chemistry, physiology and any fu-
8 ture advances associated with life sciences.

9 (qq) “Revenue increase” means that amount of real property taxes
10 collected from real property located within the bioscience development
11 district that is in excess of the amount of real property taxes which is
12 collected from the base year assessed valuation.

13 (rr) “Taxpayer” means a person, corporation, limited liability com-
14 pany, S corporation, partnership, registered limited liability partnership,
15 foundation, association, nonprofit entity, sole proprietorship, business
16 trust, group or other entity that is subject to the Kansas income tax act,
17 K.S.A. 79-3201 *et seq.*, and amendments thereto.

18 Sec. 27. K.S.A. 12-1771 is hereby amended to read as follows: 12-
19 1771. (a) *Resolution procedure for a redevelopment district.* Any city
20 proposing to establish a redevelopment district within an eligible area
21 shall adopt a resolution stating that the city is considering the establish-
22 ment of a redevelopment district *or when the Kansas bioscience authority*
23 *proposes to establish a bioscience development district.* Such resolution
24 shall:

25 (1) Give notice that a public hearing will be held to consider the
26 establishment of a redevelopment *or bioscience development* district and
27 fix the date, hour and place of such public hearing;

28 (2) describe the proposed boundaries of the redevelopment *or bio-*
29 *science development* district;

30 (3) describe the district plan;

31 (4) state that a description and map of the proposed redevelopment
32 *or bioscience development* district are available for inspection at a time
33 and place designated;

34 (5) state that the governing body will consider findings necessary for
35 the establishment of a redevelopment *or bioscience development* district.

36 Notice shall be given as provided in subsection (b) of K.S.A. 12-1772,
37 and amendments thereto.

38 (b) *Posthearing procedure.* Upon the conclusion of the public hear-
39 ing, the governing body may pass an ordinance. ~~Such~~ (1) An ordinance
40 *for a redevelopment district* shall: ~~(1)~~ (A) Make a ~~finding~~ findings that:
41 ~~(A)~~ the redevelopment district proposed to be developed is an eligible
42 area; and ~~(B)~~ the conservation, development or redevelopment of such
43 area is necessary to promote the general and economic welfare of the

1 city; ~~(2)~~ (B) contain the district plan as approved; and ~~(3)~~ (C) contain the
2 legal description of the redevelopment district and may establish the re-
3 development district. Such ordinance shall contain a district plan that
4 identifies all of the proposed redevelopment project areas and identifies
5 in a general manner all of the buildings and facilities that are proposed
6 to be constructed or improved in each redevelopment project area. The
7 boundaries of such district shall not include any area not designated in
8 the notice required by subsection (a).

9 (2) *An ordinance for a bioscience development district shall make*
10 *findings that the area satisfies the definition of a bioscience area and the*
11 *creation of a bioscience district will contribute to the development of bi-*
12 *oscience in the state and promote the general and economic welfare of the*
13 *city. Such ordinance shall also contain the district plan as approved and*
14 *contain the legal description of the bioscience development district. Such*
15 *ordinance shall contain a development district plan that identifies all of*
16 *the proposed bioscience development project areas and identifies in a gen-*
17 *eral manner all of the buildings and facilities that are proposed to be*
18 *constructed or improved in each bioscience development project area. The*
19 *boundaries of such district shall not include any area not designated in*
20 *the notice required by subsection (a). No bioscience development district*
21 *shall be established without the approval of the bioscience authority. In*
22 *creating a bioscience development district, eminent domain shall not be*
23 *used to acquire agricultural land.*

24 (c) The governing body of a city may establish a redevelopment dis-
25 trict within that city, *and, with the bioscience authority's approval, may*
26 *establish a bioscience development district within that city.* Such city may
27 establish a district inclusive of land outside the boundaries of the city
28 upon written consent of the board of county commissioners. Prior to
29 providing written consent, the board of county commissioners shall be
30 subject to the same procedure for public notice and hearing as is required
31 of a city pursuant to subsection (a) for the establishment of a redevel-
32 opment *or bioscience development* district. One or more redevelopment
33 *or bioscience development* projects may be undertaken by a city within a
34 redevelopment *or bioscience development* district after such redevel-
35 opment *or bioscience development* district has been established in the man-
36 ner provided by this section.

37 (d) No privately owned property subject to ad valorem taxes shall be
38 acquired and redeveloped under the provisions of K.S.A. 12-1770 *et seq.*,
39 and amendments thereto, if the board of county commissioners or the
40 board of education levying taxes on such property determines by reso-
41 lution adopted within 30 days following the conclusion of the hearing for
42 the establishment of the redevelopment *or bioscience development* dis-
43 trict required by subsection (b) that the proposed redevelopment *or bi-*

1 *oscience development* district will have an adverse effect on such county
2 or school district. The board of county commissioners or board of edu-
3 cation shall deliver a copy of such resolution to the city. The city shall
4 within 30 days of receipt of such resolution pass an ordinance terminating
5 the redevelopment *or bioscience development* district.

6 (e) *Addition to area; substantial change.* Any addition of area to the
7 redevelopment *or bioscience development* district or any substantial
8 change as defined in K.S.A. 12-1770a, and amendments thereto, to the
9 district plan shall be subject to the same procedure for public notice and
10 hearing as is required for the establishment of the district.

11 (f) Any addition of any area to the redevelopment *or bioscience de-*
12 *velopment* district shall be subject to the same procedure for public notice
13 and hearing as is required for the establishment of the redevelopment *or*
14 *bioscience development* district. The base year assessed valuation of the
15 redevelopment *or bioscience development* district following the addition
16 of area shall be revised to reflect the base year assessed valuation of the
17 original area and the added area as of the date of the original establish-
18 ment of the redevelopment *or bioscience development* district.

19 (g) A city may remove real property from a redevelopment *or bio-*
20 *science development* district by an ordinance of the governing body. If
21 more than a de minimus amount of real property is removed from a
22 redevelopment *or bioscience development* district, the base year assessed
23 valuation of the redevelopment *or bioscience development* district shall
24 be revised to reflect the base year assessed valuation of the remaining
25 real property as of the date of the original establishment of the redevel-
26 opment *or bioscience development* district.

27 (h) A city may divide the real property in a redevelopment *or biosci-*
28 *ence development* district, including real property in different redevel-
29 opment *or bioscience development* project areas within a redevelopment
30 *or bioscience development* district, into separate redevelopment *or bio-*
31 *science development* districts. The base year assessed valuation of each
32 resulting redevelopment *or bioscience development* district following such
33 division of real property shall be revised to reflect the base year assessed
34 valuation of the area of each resulting redevelopment *or bioscience de-*
35 *velopment* district as of the date of the original establishment of the re-
36 development *or bioscience development* district. Any division of real prop-
37 erty within a redevelopment *or bioscience development* district into more
38 than one redevelopment *or bioscience development* district shall be sub-
39 ject to the same procedure or public notice and hearing as is required for
40 the establishment of the redevelopment *or bioscience development*
41 district.

42 (i) If a city has undertaken a redevelopment *or bioscience develop-*
43 *ment* project within a redevelopment *or bioscience development* district,

1 and either the city wishes to subsequently remove more than a de mini-
2 mus amount of real property from the redevelopment *or bioscience de-*
3 *velopment* district or the city wishes to subsequently divide the real prop-
4 erty in the redevelopment *or bioscience development* district into more
5 than one redevelopment *or bioscience development* district, then prior to
6 any such removal or division the city must provide a feasibility study which
7 shows that the tax increment revenue from the resulting redevelopment
8 *or bioscience development* district within which the redevelopment *or*
9 *bioscience development* project is located is expected to be sufficient to
10 pay the redevelopment *or bioscience development* project costs.

11 (j) Removal of real property from one redevelopment *or bioscience*
12 *development* district and addition of all or a portion of that real property
13 to another redevelopment *or bioscience development* district may be ac-
14 complished by the adoption of an ordinance and in such event the de-
15 termination of the existence or nonexistence of an adverse effect on the
16 county or school district under subsection (d) shall apply to both such
17 removal and such addition of real property to a redevelopment *or bio-*
18 *science development* district.

19 (k) *Any addition to, removal from or division of real property or a*
20 *substantial change as defined in K.S.A. 12-1770a, and amendments*
21 *thereto, to a bioscience development district may be made only with the*
22 *approval of the bioscience authority.*

23 Sec. 28. K.S.A. 12-1772 is hereby amended to read as follows: 12-
24 1772. (a) *Redevelopment projects.* One or more redevelopment *or bio-*
25 *science development* projects may be undertaken by a city within an es-
26 tablished redevelopment *or bioscience development* district. Any such
27 project plan may be implemented in separate development stages. Any
28 city proposing to undertake a redevelopment *or bioscience development*
29 project within a redevelopment *or bioscience development* district estab-
30 lished pursuant to K.S.A. 12-1771, and amendments thereto, shall pre-
31 pare a project plan in consultation with the planning commission of the
32 city [**and, in the case of a bioscience development district, with the**
33 **approval of the bioscience authority**]. The project plan shall include:

34 (1) A summary of the feasibility study done as defined in K.S.A. 12-
35 1770a, and amendments thereto, which will be an open record;

36 (2) a reference to the district plan established under K.S.A. 12-1771,
37 and amendments thereto, that identifies the redevelopment *or bioscience*
38 *development* project area that is set forth in the project plan that is being
39 considered;

40 (3) a description and map of the redevelopment *or bioscience devel-*
41 *opment* project area to be redeveloped;

42 (4) the relocation assistance plan required by K.S.A. 12-1777, and
43 amendments thereto;

1 (5) a detailed description of the buildings and facilities proposed to
2 be constructed or improved in such area; and

3 (6) any other information the governing body deems necessary to
4 advise the public of the intent of the project plan.

5 (b) *Resolution requirements.* A copy of the redevelopment *or biosci-*
6 *ence development* project plan shall be delivered to the board of county
7 commissioners of the county and the board of education of any school
8 district levying taxes on property within the proposed redevelopment *or*
9 *bioscience development* project area. Upon a finding by the planning com-
10 mission that the project plan is consistent with the intent of the compre-
11 hensive plan for the development of the city, the governing body of the
12 city shall adopt a resolution stating that the city is considering the adop-
13 tion of the project plan. Such resolution shall:

14 (1) Give notice that a public hearing will be held to consider the
15 adoption of the redevelopment *or bioscience development* project plan
16 and fix the date, hour and place of such public hearing;

17 (2) describe the boundaries of the redevelopment *or bioscience de-*
18 *velopment* district within which the redevelopment *or bioscience devel-*
19 *opment* project will be located and the date of establishment of such
20 district;

21 (3) describe the boundaries of the area proposed to be included
22 within the redevelopment *or bioscience development* project area; and

23 (4) state that the project plan, including a summary of the feasibility
24 study, relocation assistance plan and financial guarantees of the prospec-
25 tive developer and a description and map of the area to be redeveloped
26 *or developed* are available for inspection during regular office hours in
27 the office of the city clerk.

28 Except as provided in paragraph (3) of subsection (b) of K.S.A. 12-
29 1774, and amendments thereto, if the governing body determines that it
30 may issue full faith and credit tax increment bonds to finance the rede-
31 velopment *or bioscience development* project, in whole or in part, the
32 resolution also shall include notice thereof.

33 (c) (1) *Hearing.* The date fixed for the public hearing shall be not
34 less than 30 nor more than 70 days following the date of the adoption of
35 the resolution fixing the date of the hearing.

36 (2) A copy of the resolution providing for the public hearing shall be
37 by certified mail, return receipt requested sent to the board of county
38 commissioners of the county, *the Kansas development finance authority*
39 and the board of education of any school district levying taxes on property
40 within the proposed redevelopment *or bioscience development district*
41 project area. Copies also shall be sent by certified mail, return receipt
42 requested to each owner and occupant of land within the proposed re-
43 velopment *or bioscience development* project area not more than 10

1 days following the date of the adoption of the resolution. The resolution
2 shall be published once in the official city newspaper not less than one
3 week nor more than two weeks preceding the date fixed for the public
4 hearing. A sketch clearly delineating the area in sufficient detail to advise
5 the reader of the particular land proposed to be included within the pro-
6 ject area shall be published with the resolution.

7 (3) At the public hearing, a representative of the city shall present the
8 city's proposed project plan *and a representative of the Kansas bioscience*
9 *authority if the hearing is for a proposed bioscience development project.*
10 Following the presentation of the project plan, all interested persons shall
11 be given an opportunity to be heard. The governing body for good cause
12 shown may recess such hearing to a time and date certain, which shall be
13 fixed in the presence of persons in attendance at the hearing.

14 (d) The public hearing records and feasibility study shall be subject
15 to the open records act, K.S.A. 45-215, and amendments thereto.

16 (e) *Posthearing procedure.* Following the public hearing, the govern-
17 ing body may adopt the project plan by ordinance passed upon a $\frac{2}{3}$ vote
18 *and, in the case of a bioscience project plan, with the approval of the*
19 *bioscience authority.*

20 (f) Any substantial changes as defined in K.S.A. 12-1770a, and
21 amendments thereto, to the project plan as adopted shall be subject to a
22 public hearing following publication of notice thereof at least twice in the
23 official city newspaper.

24 (g) Any project shall be completed within 20 years from the date of
25 the approval of the project plan.

26 New Sec. 29. (a) The Kansas development finance authority is
27 hereby authorized to issue special obligation bonds pursuant to K.S.A.
28 74-8901 *et seq.*, and amendments thereto, in one or more series to finance
29 the undertaking of any bioscience development project in accordance
30 with the provisions of this act. No special obligation bonds may be issued
31 pursuant to this section unless the Kansas development finance authority
32 has received a resolution of the board of the authority requesting the
33 issuance of such bonds. Such special obligation bonds shall be made pay-
34 able, both as to principal and interest from one or more of the following,
35 as directed by the authority:

36 (1) From ad valorem tax increments allocated to, and paid into the
37 bioscience development bond fund for the payment of the bioscience
38 development project costs under the provisions of this section;

39 (2) from any private sources, contributions or other financial assis-
40 tance from the state or federal government;

41 (3) from a pledge of a portion or all of the revenue received from
42 transient guest, sales and use taxes collected pursuant to K.S.A. 12-1696
43 *et seq.*, 79-3601 *et seq.*, 79-3701 *et seq.* and 12-187 *et seq.*, and amend-

1 ments thereto, and which are collected from taxpayers doing business
2 within that portion of the bioscience development district and paid into
3 the bioscience development bond fund;

4 (4) from a pledge of a portion or all increased revenue received by
5 any city from franchise fees collected from utilities and other businesses
6 using public right-of-way within the bioscience development district; or

7 (5) by any combination of these methods.

8 (b) All tangible taxable property located within a bioscience devel-
9 opment district shall be assessed and taxed for ad valorem tax purposes
10 pursuant to law in the same manner that such property would be assessed
11 and taxed if located outside such district, and all ad valorem taxes levied
12 on such property shall be paid to and collected by the county treasurer
13 in the same manner as other taxes are paid and collected. Except as
14 otherwise provided in this section, the county treasurer shall distribute
15 such taxes as may be collected in the same manner as if such property
16 were located outside a bioscience development district. Each bioscience
17 development district established under the provisions of this act shall
18 constitute a separate taxing unit for the purpose of the computation and
19 levy of taxes.

20 (c) Beginning with the first payment of taxes which are levied follow-
21 ing the date of the establishment of the bioscience development district
22 real property taxes received by the county treasurer resulting from taxes
23 which are levied subject to the provisions of this act by and for the benefit
24 of a taxing subdivision, as defined in section ~~27~~ [26], and amendments
25 thereto, on property located within such bioscience development district
26 constituting a separate taxing unit under the provisions of this section,
27 shall be divided as follows:

28 (1) From the taxes levied each year subject to the provisions of this
29 act by or for each of the taxing subdivisions upon property located within
30 a bioscience development district constituting a separate taxing unit under
31 the provisions of this act, the county treasurer first shall allocate and pay
32 to each such taxing subdivision all of the real property taxes collected
33 which are produced from the base year assessed valuation.

34 (2) Any real property taxes, except for property taxes levied for
35 schools, produced from that portion of the current assessed valuation of
36 real property within the bioscience development district constituting a
37 separate taxing unit under the provisions of this section in excess of the
38 base year assessed valuation shall be allocated and paid by the county
39 treasurer to the bioscience development bond fund to pay the bioscience
40 development project costs including the payment of principal and interest
41 on any special obligation bonds to finance, in whole or in part, such bi-
42 oscience development projects.

43 (d) The authority may pledge the bioscience development bond fund

1 or other available revenue to the repayment of such special obligation
2 bonds prior to, simultaneously with, or subsequent to the issuance of such
3 special obligation bonds.

4 (e) Any bonds issued under the provisions of this act and the interest
5 paid thereon, unless specifically declared to be taxable in the authorizing
6 resolution of the Kansas development finance authority, shall be exempt
7 from all state, county and municipal taxes, and the exemption shall include
8 income, estate and property taxes.

9 New Sec. 30. (a) The bioscience development bond fund is hereby
10 created. The bioscience development bond fund shall not be a part of
11 the state treasury and the funds in the bioscience development bond fund
12 shall belong exclusively to the authority. A separate account within the
13 bioscience development bond fund will be created for each bioscience
14 development district created pursuant to this act and subaccounts may
15 be created for each bioscience development project or portion thereof.

16 (b) Distributions from a bioscience development bond fund shall be
17 used to pay the bioscience development project costs undertaken in a
18 bioscience development district, including principal and interest on spe-
19 cial obligation bonds or other obligations issued by the Kansas develop-
20 ment finance authority to finance, in whole or in part, a bioscience
21 development.

22 (c) The state treasurer shall credit all revenue collected or received
23 from a bioscience development district as certified by the secretary of
24 revenue to that bioscience development district's account in the biosci-
25 ence development bond fund. On or before the 10th day of each month,
26 the director of accounts and reports shall transfer from the state general
27 fund to the bioscience development bond fund interest earnings based
28 on:

29 (1) The average daily balance of moneys in the bioscience develop-
30 ment bond fund for the preceding month; and

31 (2) the net earnings rate of the pooled money investment portfolio
32 for the preceding month.

33 (d) At the direction of the authority, the fund may be held in the
34 custody of and invested by the department of administration or the state
35 treasurer provided that the bioscience development bond fund shall at all
36 times be accounted for separate and apart from all other funds of the
37 authority and the state.

38 New Sec. 31. Notwithstanding any other provision of law, it is hereby
39 stated that it is an object of all ad valorem taxes levied by or for the benefit
40 of any city or county on taxable tangible real property located within any
41 bioscience development district created pursuant to this act, that such
42 taxes may be applied and allocated to and when collected paid into the
43 bioscience development bond fund pursuant to the procedures and lim-

1 itations of this act to pay the cost of a bioscience development project,
2 including principal and interest on special obligation bonds issued to fi-
3 nance, in whole or in part, such bioscience development project.

4 New Sec. 32. (a) For taxable years commencing after December 31,
5 2004, any bioscience company as defined in subsection (d) of section 21,
6 and amendments thereto, may be allowed a payment from the bioscience
7 authority not to exceed 50% of such bioscience company's Kansas net
8 operating loss incurred during the claimed taxable year.

9 (b) In no event shall the total amount of payments authorized and
10 made by the bioscience authority pursuant to subsection (a) exceed
11 \$1,000,000 for any one fiscal year.

12 (c) The department of revenue shall annually certify to the bioscience
13 authority any bioscience company claiming the payment, the amount of
14 Kansas net operating loss claimed and the payment due to the bioscience
15 company. The bioscience authority may thereafter make the payment to
16 the bioscience company.

17 (d) The secretary of revenue shall adopt rules and regulations to im-
18 plement the provisions of this section.

19 New Sec. 33. Sections 33 to 39, inclusive, and amendments thereto,
20 shall be known and may be cited as the bioscience research and devel-
21 opment voucher program act.

22 New Sec. 34. The bioscience research and development voucher
23 program act will incentivize individuals and organizations engaged in the
24 business of bioscience to locate and grow in the state in order to make
25 Kansas a national leader in bioscience, advance scientific knowledge, pro-
26 mote research and development, and improve the quality of life for the
27 citizens of the state.

28 New Sec. 35. As used in sections 33 to 39, inclusive, and amend-
29 ments thereto, the following words and phrases have the following mean-
30 ings unless a different meaning clearly appears from the content:

31 (a) "Authority" means the Kansas bioscience authority as created by
32 section 4 and amendments thereto.

33 (b) "Bioscience" means, without limitation, the use of compositions,
34 methods and organisms in cellular and molecular research, development
35 and manufacturing processes for such diverse areas as pharmaceuticals,
36 medical therapeutics, medical diagnostics, medical devices, medical in-
37 struments, biochemistry, microbiology, veterinary medicine, plant biol-
38 ogy, agriculture, industrial, environmental and homeland security appli-
39 cations of bioscience and future developments in the biosciences.
40 Bioscience includes biotechnology and life sciences.

41 (c) "Bioscience company" means a corporation, limited liability com-
42 pany, S corporation, partnership, registered limited liability partnership,
43 foundation, association, nonprofit entity, sole proprietorship, business

1 trust, person, group or other entity that is engaged in the business of
2 bioscience in the state and has business operations in the state, including,
3 without limitation, research, development, or production directed to-
4 wards developing or providing bioscience products or processes for spe-
5 cific commercial or public purposes and are identified by the following
6 NAICS codes: 325411, 325412, 325413, 325414, 325193, 325199, 325311,
7 32532, 334516, 339111, 339112, 339113, 334510, 334517, 339115,
8 621511, 621512, 54171, 54138, 54194.

9 (d) “Bioscience research” means any original investigation for the ad-
10 vancement of scientific or technological knowledge of bioscience and any
11 activity that seeks to utilize, synthesize, or apply existing knowledge, in-
12 formation or resources to the resolution of a specific problem, question
13 or issue of bioscience.

14 (e) “Biotechnology” means, without limitation, those fields focusing
15 on technological developments in such areas as molecular biology, genetic
16 engineering, genomics, proteomics, physiomics, nanotechnology, biode-
17 fense, biocomputing, bioinformatics and future developments associated
18 with biotechnology.

19 (f) “KTEC” means the Kansas technology enterprise corporation cre-
20 ated by K.S.A. 74-8101 *et seq.*, and amendments thereto.

21 (g) “Life sciences” means the areas of medical sciences, pharmaceu-
22 tical sciences, biological sciences, zoology, botany, horticulture, ecology,
23 toxicology, organic chemistry, physical chemistry, physiology and any fu-
24 ture advances associated with life sciences.

25 (h) “Medium-size bioscience company” means a bioscience company
26 with 51 to 150 employees.

27 (i) “NAICS” means the north American industry classification
28 system.

29 (j) “Qualified company” means a small bioscience company or me-
30 dium-size bioscience company that may be granted a funding voucher.

31 (k) “Small bioscience company” means a bioscience company with 50
32 or fewer employees.

33 ~~(l) “SIC industry groups” or “SIC codes” means the standard indus-~~
34 ~~trial classification system promulgated by the United States department~~
35 ~~of labor in the 1987 standard industrial classification manual, as may be~~
36 ~~amended or revised from time to time.~~

37 ~~(m)~~ [(l)] “State” means the state of Kansas.

38 ~~(n)~~ [(m)] “This act” means the bioscience research and development
39 voucher program act.

40 New Sec. 36. (a) There is established and created in the state treas-
41 ury a fund entitled the bioscience research and development voucher
42 fund for the purpose of enabling small bioscience companies and me-
43 dium-size bioscience companies to undertake bioscience research and

1 development work in the state in partnership with Kansas universities.

2 (b) The bioscience research and development voucher fund may re-
3 ceive state appropriations, gifts, grants, federal funds, revolving funds and
4 any other public or private funds.

5 (c) Moneys deposited in the bioscience research and development
6 voucher fund shall be disbursed by the state treasurer with the consent
7 of the chairperson of the authority.

8 (d) Any unallocated or unencumbered balances in the bioscience re-
9 search and development voucher fund shall not be subject to appropri-
10 ation and shall be invested in the bioscience authority, and any income
11 earned from the investments along with the unallotted or unencumbered
12 balances in the bioscience research and development voucher fund shall
13 not lapse, and shall be made available solely for the purposes and benefits
14 of the bioscience research and development voucher program act.

15 New Sec. 37. (a) There is created and established under the author-
16 ity a bioscience research and development voucher program to provide
17 vouchers to small bioscience companies and medium-size bioscience
18 companies to undertake bioscience research and development work in
19 partnership with universities and colleges in the state.

20 (b) The purpose of the bioscience research and development voucher
21 program is to:

22 (1) Accelerate the transfer of bioscience knowledge and technological
23 innovation, improve economic competitiveness and stimulate economic
24 growth in small bioscience companies and medium-size bioscience
25 companies;

26 (2) support bioscience research and development activities in order
27 to develop commercial products, processes or services;

28 (3) stimulate bioscience enterprises within the state; and

29 (4) encourage partnerships and collaborative bioscience projects be-
30 tween private enterprises, bioscience companies and universities in the
31 state.

32 New Sec. 38. (a) On terms mutually acceptable to the authority and
33 KTEC the authority may contract with KTEC, to review applications and
34 to certify whether an applicant is a qualified company.

35 (b) On terms mutually acceptable to the authority and KTEC, the
36 authority may contract with KTEC to develop application criteria and an
37 application process subject to the following limitations. The proposed
38 bioscience research and development project must be likely to:

39 (1) Produce a measurable result and be technically sound;

40 (2) lead to innovative technology or new knowledge;

41 (3) lead to commercially successful products, processes or services;

42 (4) stimulate economic growth; or

43 (5) enhance employment opportunities within the state.

1 (c) As part of the application process, the applicant shall provide the
2 following information to the authority:

3 (1) Verification that the applicant is a small bioscience company or
4 medium-size bioscience company;

5 (2) a technical research plan that is sufficient for outside expert
6 review;

7 (3) a detailed financial analysis that includes the commitment of re-
8 sources by the applicant and others;

9 (4) sufficient detail concerning proposed project partners, type and
10 amount of work to be performed by each partner and expected product
11 or service with estimated costs to be reflected in the negotiated contract
12 or agreement; and

13 (5) a statement of the economic development potential of the project.

14 (d) Before providing the qualified company with a certificate author-
15 izing voucher funding from the authority through KTEC, the authority
16 may negotiate with the qualified company the ownership of patents, cop-
17 yrights, trademarks, proprietary technology and any other intellectual
18 property rights, royalties and equity relating to the bioscience research
19 and development project on behalf of the research and development
20 voucher fund for the purpose of reinvesting and sustaining a continuous
21 fund to carry out the provisions of this act.

22 New Sec. 39. (a) Project funding in the bioscience research and de-
23 velopment voucher program shall have the following limitations:

24 (1) At least 51% of any voucher award funds from the bioscience
25 research and development fund shall be expended with the university in
26 the state under contract and shall not exceed 50% of the cost of the
27 research;

28 (2) the maximum amount of voucher funds awarded to a qualified
29 company shall not exceed \$1,000,000, each year for two years, equal to a
30 maximum of \$2,000,000 and shall be up to and not exceed 50% cost of
31 the research; and

32 (3) at a minimum, the qualified company shall match the project
33 award by a one-to-one dollar ratio for each year of the project. The au-
34 thority has sole discretion to authorize an in-kind contribution in lieu of
35 part of the industry match if the authority determines that the financial
36 limitations of the qualified company warrant this authorization.

37 New Sec. 40. Sections 40 to 50, inclusive, and amendments thereto,
38 shall be known and may be cited as the bioscience research matching
39 funds act.

40 New Sec. 41. In order to be competitive in our economic and edu-
41 cational endeavors, it is critical that Kansas make bioscience research and
42 development a priority that is specifically targeted to improving our na-
43 tional ranking in bioscience research and development at state universities

1 and colleges. The commitment necessary to improve Kansas' perform-
2 ance requires significant investment in bioscience research and devel-
3 opment. Matching funds will be available to match research dollars from
4 federal, private and other sources of funding.

5 New Sec. 42. As used in sections 40 to 50, inclusive, and amend-
6 ments thereto, the following words and phrases have the following mean-
7 ings unless a different meaning clearly appears from the content:

8 (a) "Authority" means the Kansas bioscience authority as created by
9 section 4 and amendments thereto.

10 (b) "Board" means the board of directors of the authority.

11 (c) "Bioscience" means the use of compositions, methods and organ-
12 isms in cellular and molecular research, development and manufacturing
13 processes for such diverse areas as pharmaceuticals, medical therapeutics,
14 medical diagnostics, medical devices, medical instruments, biochemistry,
15 microbiology, veterinary medicine, plant biology, agriculture, industrial,
16 environmental and homeland security applications of bioscience and fu-
17 ture developments in the biosciences. Bioscience includes biotechnology
18 and life sciences.

19 (d) "Bioscience research" means any original investigation for the ad-
20 vancement of scientific or technological knowledge of bioscience and any
21 activity that seeks to utilize, synthesize, or apply existing knowledge, in-
22 formation or resources to the resolution of a specific problem, question
23 or issue of bioscience.

24 (e) "Biotechnology" means, without limitation, those fields focusing
25 on technological developments in such areas as molecular biology, genetic
26 engineering, genomics, proteomics, physiomics, nanotechnology, biode-
27 fense, biocomputing, bioinformatics and future developments associated
28 with biotechnology.

29 (f) "Life sciences" means, without limitation, the areas of medical
30 sciences, pharmaceutical sciences, biological sciences, zoology, botany,
31 horticulture, ecology, toxicology, organic chemistry, physical chemistry,
32 physiology and any future advances associated with life sciences.

33 (g) "State" means the state of Kansas.

34 (h) "This act" means the bioscience research matching funds act.

35 New Sec. 43. (a) There is hereby created the bioscience research
36 matching fund.

37 (b) The bioscience research matching fund shall be administered by
38 the authority and shall be for the benefit of universities in the state.

39 (c) In order to qualify for the bioscience research and development
40 moneys to be made available through the bioscience research matching
41 fund, recipients must be a university in the state. Universities in the state
42 are eligible and encouraged to jointly apply for funds from the bioscience
43 research matching fund. The bioscience research matching fund shall be

1 used to promote bioscience research and to recruit, employ, fund and
2 endow bioscience faculty, research positions and scientists at universities
3 in the state.

4 New Sec. 44. (a) In order to obtain moneys from the bioscience re-
5 search matching fund:

6 (1) A university in the state must provide the authority with the re-
7 search grant proposal for federal, state or private funds submitted with a
8 letter of intent to apply for a match to one of the funding agencies iden-
9 tified in section 50, and amendments thereto; and

10 (2) a university in the state shall apply to the authority for a match
11 from the bioscience research matching fund in writing within two weeks
12 of the notice of a grant award of federal, state or private funds, and include
13 an approved budget and an official notice of the grant award from the
14 funding agency.

15 (b) Upon receipt of an application to receive funds to match federal
16 funds from one of the funding agencies identified in section 46, and
17 amendments thereto, the authority shall determine the eligibility for
18 matching funds based on a finding that the bioscience research will have
19 economic or commercial value to the state.

20 (c) The authority shall promptly review applications for matching
21 funds for consistency with this act.

22 (d) The board shall ensure that no commitments for matching funds
23 shall be made in excess of funds available for any given year.

24 New Sec. 45. (a) The matching funds authorized by this act are to
25 be used to attract federal funds to the state for bioscience research and
26 to create endowment-funded positions for bioscience faculty, research
27 positions and scientists at universities in the state.

28 (b) The board may approve multi-year bioscience research grants.

29 New Sec. 46. (a) Funds used under the provisions of this act shall
30 adhere to the following criteria:

31 (1) Be used for the purposes of matching an approved grant from a
32 federal agency, including, without limitation, any of the following:

- 33 (A) The national science foundation;
- 34 (B) the national institutes of health;
- 35 (C) the department of agriculture;
- 36 (D) the environmental protection agency;
- 37 (E) the department of education;
- 38 (F) the national aeronautics and space administration;
- 39 (G) the department of energy;
- 40 (H) the department of defense;
- 41 (I) the department of transportation; and
- 42 (J) the department of commerce.

43 (2) Proposals for federal funds that contain a specific state or federal

1 match requirement, for the purposes of this act, shall not be matched at
2 a rate of more than 50%, except that any portion of the match over 50%
3 may be borne by the university;

4 (3) proposals for federal funds that do not contain a specific state or
5 federal match requirement, for the purposes of this article, shall not be
6 matched at a rate of more than 10%, provided that the state share is
7 matched dollar for dollar by the college or university for a combined
8 match of not more than 20%, except that any portion of the match over
9 20% may be borne by the university; and

10 (4) a state financial match requirement of at least \$20,000 for equip-
11 ment matching and at least \$50,000 for research project matching.

12 New Sec. 47. The authority shall present a report on the use of funds
13 from the bioscience research matching fund by April 1 of each even-
14 numbered year to the governor's office and the Kansas legislature.

15 New Sec. 48. The authority has the authority to establish guidelines
16 by which eligible institutions may receive funds from the bioscience re-
17 search matching fund.

18 New Sec. 49. If any provision of this act, or the acts contained in this
19 act, or the application thereof is held invalid, the invalidity shall not affect
20 other provisions or applications of the act, or the acts contained in this
21 act, which can be given effect without the invalid provision or application,
22 and to this end the provisions of this act, and the acts contained in this
23 act, are severable.

24 New Sec. 50. (a) There is hereby established in the state treasury the
25 bioscience research and development voucher — federal fund for the
26 purpose of providing matching federal moneys to enable bioscience com-
27 panies to undertake authority approved bioscience research and devel-
28 opment projects in partnership with Kansas universities.

29 (b) The bioscience research and development voucher — federal
30 fund shall receive all federal moneys obtained from federal sources for
31 bioscience research and development.

32 (c) Federal moneys deposited in the bioscience research and devel-
33 opment voucher — federal fund shall be disbursed by the state treasurer
34 with the consent of the chairperson of the authority.

35 (d) On or before the 10th day of each month, the director of accounts
36 and reports shall transfer from the state general fund to the bioscience
37 research and development voucher — federal fund interest earnings
38 based on the average daily balance of moneys in the bioscience research
39 and development voucher — federal fund for the preceding month.

40 **[New Sec. 51. (a) Each bioscience company receiving grants,**
41 **awards, tax credits or any other financial assistance, including fi-**
42 **ancing for any bioscience development project, under the pro-**
43 **visions of the bioscience authority act, the emerging industry in-**

1 **vestment act, the bioscience development financing act, the**
2 **bioscience research and development voucher program act, or the**
3 **bioscience research matching funds act, shall repay such financial**
4 **assistance to the authority, in the amount determined by the au-**
5 **thority, if such bioscience company relocates operations outside**
6 **Kansas within 10 years after receiving such financial assistance.**
7 **Each such bioscience company shall enter into a repayment agree-**
8 **ment with the authority specifying the terms of such repayment**
9 **obligation.**

10 [(b) As used in this section, “bioscience company” has the
11 meaning ascribed thereto by section 3, and amendments thereto,
12 “bioscience development project” has the meaning ascribed
13 thereto by section 25, and amendments thereto, and “authority”
14 means the Kansas bioscience authority as created by section 4, and
15 amendments thereto.]

16 Sec. ~~51~~ [52]. K.S.A. 12-1771 and 12-1772 and K.S.A. 2003 Supp. 12-
17 1770a; [and] 74-8017 and ~~74-8905~~ are hereby repealed.

18 Sec. ~~52~~ [53]. This act shall take effect and be in force from and after
19 its publication in the statute book.