

## SENATE BILL No. 488

By Joint Committee on Economic Development

1-28

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9 AN ACT concerning housing; concerning the Kansas development fi-  
10 nance authority and the Kansas housing resources corporation; au-  
11 thORIZING the issuance of mortgage revenue bonds; amending K.S.A.  
12 2007 Supp. 74-8902, 74-8904, 74-8905 and 75-37,125 and repealing  
13 the existing sections.

14  
15 *Be it enacted by the Legislature of the State of Kansas:*

16 Section 1. K.S.A. 2007 Supp. 74-8902 is hereby amended to read as  
17 follows: 74-8902. The following words or terms used in this act shall have  
18 the following meanings unless a different meaning clearly appears from  
19 the context:

- 20 (a) "Act" means the Kansas development finance authority act.  
21 (b) ~~"Authority" means the Kansas development finance authority cre-~~  
22 ~~ated by K.S.A. 74-8903, and amendments thereto.~~  
23 ~~(c)~~ "Agricultural business enterprises" means facilities supporting or  
24 utilized in the operation of farms, ranches and other agricultural, aqua-  
25 cultural or silvicultural commodity producers and services provided in  
26 conjunction with the foregoing. "Agricultural business enterprise" shall  
27 not include a swine production facility on agricultural land which is  
28 owned, acquired, obtained or leased by a corporation, limited liability  
29 company, limited partnership, corporate partnership or trust.  
30 ~~(c)~~ (c) "Agricultural land," "corporation," "corporate partnership,"  
31 "limited liability company," "limited partnership," "swine production fa-  
32 cility" and "trust" have the meanings ascribed pursuant to K.S.A. 17-5903,  
33 and amendments thereto.  
34 (d) "Authority" means the Kansas development finance authority cre-  
35 ated by K.S.A. 74-8903, and amendments thereto.  
36 (e) "Board of directors" means the board of directors of the authority  
37 created by K.S.A. 74-8903, and amendments thereto.  
38 (f) "Bonds" means any bonds, notes, debentures, interim certificates,  
39 grant and revenue anticipation notes, interest in a lease, lease certificate  
40 of participation or other evidences of indebtedness, whether or not the  
41 interest on which is subject to federal income taxation, issued by the  
42 authority pursuant to this act.  
43 (g) "Capital improvements" means any physical public betterment or

- 1 improvement or any preliminary plans, studies or surveys relative thereto;  
2 land or rights in land, including, without limitations, leases, air rights,  
3 easements, rights-of-way or licenses; and any furnishings, machinery, ve-  
4 hicles, apparatus or equipment for any public betterment or  
5 improvement.
- 6 (h) “Construct” means to acquire or build, in whole or in part, in  
7 such manner and by such method as the authority shall determine to be  
8 in the public interest and necessary to accomplish the purposes of and  
9 authority set forth in this act.
- 10 (i) *“Educational facilities” means real, personal and mixed property*  
11 *of any and every kind intended by an educational institution in further-*  
12 *ance of its educational program.*
- 13 (j) *“Facilities” means any real property, personal property or mixed*  
14 *property of any and every kind.*
- 15 (k) *“Federal entity” means the government of the United States of*  
16 *America or any bureau, department, instrumentality or other agency of*  
17 *the federal government.*
- 18 (l) *“Health care facilities” means facilities for furnishing physical or*  
19 *mental health care.*
- 20 (m) *“Home” means (1)(A) a one to four family residence;*  
21 *(B) a condominium, as defined in K.S.A. 58-3102, and amendments*  
22 *thereto;*  
23 *(C) a manufactured home, as defined in K.S.A. 58-4202, and amend-*  
24 *ments thereto;*  
25 *(D) a mobile or modular home, as defined in K.S.A. 58-4202, and*  
26 *amendments thereto, having a permanent foundation which may not be*  
27 *removed intact from the land; and*  
28 *(2) the land and improvements thereon, which is either owned and*  
29 *occupied or is owned and is to be occupied by the mortgagor, and in the*  
30 *case of a two to four family residence, one unit of the residence shall be*  
31 *either owned and occupied or is owned and is to be occupied by the*  
32 *mortgagor.*
- 33 (n) *“Home mortgage loan” means a loan to a mortgagor evidenced by*  
34 *a promissory note and secured by a mortgage, purchased by the housing*  
35 *corporation and made for the purpose of acquiring, constructing or im-*  
36 *proving a home.*
- 37 (o) *“Housing corporation” means the Kansas housing resources*  
38 *corporation.*
- 39 (p) *“Housing development” means any work or undertaking, whether*  
40 *new construction or rehabilitation, which is designed and financed pur-*  
41 *suant to the provisions of this act for the primary purpose of providing*  
42 *dwelling accommodations for elderly persons and families of low income*  
43 *in need of housing.*

- 1     (q) “Industrial enterprise” means facilities for manufacturing, pro-  
2     ducing, processing, assembling, repairing, extracting, warehousing, dis-  
3     tributing, communications, computer services, transportation, corporate  
4     and management offices and services provided in connection with any of  
5     the foregoing, in isolation or in any combination, that involve the creation  
6     of new or additional employment or the retention of existing employment.
- 7     (r) “Lending institution” means any bank, bank holding company,  
8     credit union, trust company, savings bank, national banking association,  
9     savings and loan association, building and loan association, mortgage  
10    banker or other financial institution which customarily provides service  
11    or otherwise aids in the financing of home mortgage loans, or any holding  
12    company for any of the foregoing entities.
- 13    ~~(i)~~ (s) “Loans” means loans made for the purposes of financing any  
14    of the activities authorized within this act, including loans made to finan-  
15    cial institutions for funding or as security for loans made for accomplishing  
16    any of the purposes of this act and reserves and expenses appropriate or  
17    incidental thereto.
- 18    ~~(j)~~ “Educational facilities” means real, personal and mixed property  
19    of any and every kind intended by an educational institution in further-  
20    ance of its educational program.
- 21    ~~(k)~~ “Facilities” means any real property, personal property or mixed  
22    property of any and every kind.
- 23    ~~(l)~~ “Health care facilities” means facilities for furnishing physical or  
24    mental health care.
- 25    ~~(m)~~ “Housing development” means any work or undertaking,  
26    whether new construction or rehabilitation, which is designed and fi-  
27    nanced pursuant to the provisions of this act for the primary purpose of  
28    providing dwelling accommodations for elderly persons and families of  
29    low income in need of housing.
- 30    ~~(n)~~ “Industrial enterprise” means facilities for manufacturing, pro-  
31    ducing, processing, assembling, repairing, extracting, warehousing, dis-  
32    tributing, communications, computer services, transportation, corporate  
33    and management offices and services provided in connection with any of  
34    the foregoing, in isolation or in any combination, that involve the creation  
35    of new or additional employment or the retention of existing employment.
- 36    (t) “Mortgagor” means any person of low or moderate income who  
37    has received or qualifies to receive a home mortgage loan.
- 38    (u) “Persons of low or moderate income” means a person or family  
39    consisting of one or more persons all of whom occupy or will occupy the  
40    home, whose aggregate gross income shall not exceed a maximum amount  
41    to be established by the housing corporation determined in accordance  
42    with appropriate criteria, rules and regulations and approved by the  
43    housing corporation.

- 1     ~~(v)~~ (v) “Political subdivision” means political or taxing subdivisions of  
2 the state, including municipal and quasi-municipal corporations, boards,  
3 commissions, authorities, councils, committees, subcommittees and other  
4 subordinate groups or administrative units thereof, receiving or expend-  
5 ing and supported, in whole or in part, by public funds and any munici-  
6 pality as defined in K.S.A. 75-1117, and amendments thereto.
- 7     ~~(w)~~ (w) “Pooled bonds” means bonds of the authority, the interest on  
8 which is subject to federal income taxation, which are issued for the pur-  
9 pose of acquiring bonds issued by two or more political subdivisions.
- 10    ~~(x)~~ (x) “Research facilities” means facilities for use in research and  
11 development activities, whether conducted for profit or not for profit, of  
12 an agricultural business enterprise, industrial enterprise or any other com-  
13 mercial enterprise or educational institution or health care institution.
- 14    ~~(y)~~ (y) “State” means the state of Kansas.
- 15    ~~(z)~~ (z) “State agency” means any office, department, board, commis-  
16 sion, bureau, division, public corporation, agency or instrumentality of  
17 this state.
- 18    ~~(t) “Federal entity” means the government of the United States of~~  
19 ~~America or any bureau, department, instrumentality or other agency of~~  
20 ~~the federal government.~~
- 21    Sec. 2. K.S.A. 2007 Supp. 74-8904 is hereby amended to read as  
22 follows: 74-8904. Except as otherwise limited by this act, the authority  
23 shall have the following powers to:
- 24    (a) Sue and be sued;
- 25    (b) have a seal and alter such seal;
- 26    (c) make and alter bylaws for its organization and internal  
27 management;
- 28    (d) adopt such rules and regulations as may be necessary to carry out  
29 the purposes of this act;
- 30    (e) acquire, hold and dispose of real and personal property for its  
31 corporate purposes;
- 32    (f) appoint officers, agents and employees, prescribe their duties and  
33 qualifications and fix their compensation;
- 34    (g) borrow money and to issue notes, bonds and other obligations  
35 pursuant to K.S.A. 74-8905, and amendments thereto, whether or not the  
36 interest on which is subject to federal income taxation, and to provide for  
37 the rights of the lenders or holders thereof;
- 38    (h) purchase notes or participations in notes evidencing loans which  
39 are secured by mortgages or security interests and to enter into contracts  
40 in that regard;
- 41    (i) make secured or unsecured loans for any of the purposes for which  
42 bonds of the authority may be issued under this act or to low and mod-  
43 erate income multifamily rental housing projects participating in pro-

1 grams established in section 42 of the federal internal revenue code, and  
2 provide financing for housing projects and programs in participation with  
3 programs established by the United States department of housing and  
4 urban development or the division of housing in the Kansas development  
5 finance authority; except as otherwise provided in this subsection, nothing  
6 in this act shall be construed to authorize the authority to make loans  
7 directly to individuals to finance housing developments *or home mortgage*  
8 *loans*;

9 (j) sell mortgages and security interests at public or private sale, to  
10 negotiate modifications or alterations in mortgage and security interests,  
11 to foreclose on any mortgage or security interest in default or commence  
12 any action to protect or enforce any right conferred upon it by any law,  
13 mortgage, security agreement, contract or other agreement, and to bid  
14 for and purchase property which was the subject of such mortgage or  
15 security interest at any foreclosure or at any other sale, to acquire or take  
16 possession of any such property, and to exercise any and all rights as  
17 provided by law for the benefit or protection of the authority or mortgage  
18 holders;

19 (k) collect fees and charges in connection with its loans, bond guar-  
20 antees, commitments and servicing, including, but not limited to, reim-  
21 bursement of costs of financing as the authority shall determine to be  
22 reasonable and as shall be approved by the authority;

23 (l) make and execute contracts for the servicing of mortgages ac-  
24 quired by the authority pursuant to this act, and to pay the reasonable  
25 value of services rendered to the authority pursuant to those contracts;

26 (m) enter into agreements with and accept gifts, grants, loans and  
27 other aid from the federal government, the state, any state agency, any  
28 political subdivision of the state, or any person or corporation, foundation  
29 or legal entity, and to agree to and comply with any conditions attached  
30 to federal and state financial assistance not inconsistent with the provi-  
31 sions of this act;

32 (n) invest moneys of the authority not required for immediate use,  
33 including proceeds from the sale of any bonds, in such manner as the  
34 board shall determine, subject to any agreement with bondholders stated  
35 in the authorizing resolution providing for the issuance of bonds;

36 (o) procure insurance against any loss in connection with its pro-  
37 grams, property and other assets;

38 (p) provide technical assistance and advice to the state or political  
39 subdivisions of the state and to enter into contracts with the state or  
40 political subdivisions of the state to provide such services. The state or  
41 political subdivisions of the state are hereby authorized to enter into con-  
42 tracts with the authority for such services and to pay for such services as  
43 may be provided them;

- 1 (q) establish accounts in one or more depositories;
- 2 (r) lease, acquire, construct, sell and otherwise deal in and contract  
3 concerning any facilities;
- 4 (s) have and exercise all of the powers granted to the public housing  
5 authorities by the state, except that the authority shall not have the power  
6 of eminent domain;
- 7 (t) do any and all things necessary or convenient to carry out purposes  
8 of the authority and exercise the powers given and granted in this act;
- 9 (u) assist minority businesses in obtaining loans or other means of  
10 financial assistance. The terms and conditions of such loans or financial  
11 assistance, including the charges for interest and other services, will be  
12 consistent with the provisions of this act. In order to comply with this  
13 requirement, efforts must be made to solicit for review and analysis pro-  
14 posed minority business ventures. Basic loan underwriting standards will  
15 not be waived to inconsistently favor minority persons or businesses from  
16 the intent of the authority's lending practices;
- 17 (v) form one or more subsidiary corporations under K.S.A. 17-6001  
18 et seq., and amendments thereto, in accordance with the procedures  
19 therein contained. Each subsidiary corporation shall be subject to the  
20 same restrictions and limitations as to the powers and purposes to which  
21 the authority is subject. The authority may delegate any of its powers,  
22 obligations and duties to any subsidiary corporation by inclusion of such  
23 powers, obligations and duties in the articles of incorporation of the sub-  
24 subsidiary corporation. Subsidiary corporations so formed shall constitute  
25 legal entities separate and distinct from each other, the authority and the  
26 state except that for purposes of K.S.A. 58-4217 to 58-4226, inclusive,  
27 and amendments thereto, the Kansas housing resources corporation shall  
28 constitute an instrumentality of the state. The authority shall not be liable  
29 for the debts or obligations or for any actions or inactions of its subsidiary  
30 corporations unless the authority expressly agrees otherwise in writing.  
31 The authority may make loans or grants to a subsidiary corporation from  
32 time to time to enable the subsidiary corporation to carry out its purposes.  
33 The members of the authority shall constitute all of the directors of each  
34 subsidiary corporation.
- 35 The state, any municipality or any state commission, public authority,  
36 agency, officer, department, board or division authorized and empowered  
37 to enter into agreements with, to grant, convey, lease or otherwise transfer  
38 any property to, or to otherwise transact business with the authority, shall  
39 have the same authorization and power to engage in these activities with  
40 each subsidiary corporation of the authority.
- 41 One or more such subsidiary corporation may be formed for purposes  
42 of establishing state tax credit equity funds to assist in the development  
43 of low-income and middle-income housing and obtain financing through

1 participation in the program established in section 42 of the federal in-  
2 ternal revenue code.

3 Actions of the authority or any subsidiary corporation relating to hous-  
4 ing pursuant to this subsection (v) shall be carried out in accordance with  
5 any terms, conditions and limitations relating to policy issues regarding  
6 housing, as established by the director of housing in the Kansas devel-  
7 opment finance authority.

8 One or more such subsidiary corporations may be formed for purposes  
9 of acquiring or conveying on behalf of the state and pursuant to this act  
10 a project of statewide as well as local importance, issuing bonds on behalf  
11 of the state pursuant to this act to finance a project of statewide as well  
12 as local importance or otherwise financing on behalf of the state pursuant  
13 to this act a project of statewide as well as local importance. The Kansas  
14 statewide projects development corporation is hereby created in accord-  
15 ance with this section; ~~and~~

16 (w) assist, coordinate, administer and participate with out-of-state:  
17 Governmental authorities, bodies, issuers and other public and private  
18 entities; in connection with the issuance of bonds, notes or other evidence  
19 of indebtedness for the purpose of financing any facilities whether such  
20 facility is located within or outside of Kansas. In connection with such  
21 financings which include out-of-state issuers, the authority is designated  
22 as the only entity in Kansas which may conduct the public hearing of the  
23 applicable governmental unit required by section 147 (f) of the federal  
24 internal revenue code of 1986, as amended, and the governor of Kansas  
25 is designated as the only entity in Kansas who may be the applicable  
26 governmental unit pursuant to section 147 (f) of the federal internal rev-  
27 enue code of 1986, as amended. Following such hearing the authority  
28 shall determine whether such financing should proceed with respect to  
29 facilities located within Kansas by an out-of-state issuer. If the authority  
30 determines that the financing should not proceed, the financing shall not  
31 proceed relative to the Kansas facilities; *and*

32 (x) *with respect to home mortgage loans, in addition to other powers*  
33 *of the authority or housing corporation pursuant to this act:*

34 (1) *To acquire, and to contract and enter into advance commitments*  
35 *to acquire, home mortgage loans owned by lending institutions at such*  
36 *prices and upon such other terms and conditions determined by the au-*  
37 *thority, the housing corporation or such other person as may be desig-*  
38 *nated as an agent for either the authority or the housing corporation;*

39 (2) *to make and execute contracts with lending institutions for the*  
40 *origination and servicing of home mortgage loans on behalf of the au-*  
41 *thority or housing corporation and to pay the reasonable value of services*  
42 *rendered in accordance with such contracts;*

43 (3) *to establish, by rules and regulations, by resolution relating to any*

1 *issuance of bonds or in any financing documents relating to such issuance,*  
2 *such standards and requirements applicable to the purchase of home*  
3 *mortgage loans or the origination of home mortgage loans as the authority*  
4 *or the housing corporation deems necessary or desirable to effectuate the*  
5 *public purposes of this act;*

6 (4) *to authorize the sale or other disposition of any home mortgage*  
7 *loans, in whole or in part, upon such terms and at such prices and times*  
8 *as may be deemed appropriate and necessary;*

9 (5) *to pledge any revenues and receipts to be received from or in*  
10 *connection with any home mortgage loans to the punctual payment of*  
11 *bonds therefor, and the interest and redemption premiums, if any,*  
12 *thereon; and*

13 (6) *to pledge or grant security interests in any home mortgage loans,*  
14 *notes, revenues therefrom or other property in favor of the holder or*  
15 *holder of bonds issued therefor.*

16 Sec. 3. K.S.A. 2007 Supp. 74-8905 is hereby amended to read as  
17 follows: 74-8905. (a) The authority may issue bonds, either for a specific  
18 activity or on a pooled basis for a series of related or unrelated activities  
19 or projects duly authorized by a political subdivision or group of political  
20 subdivisions of the state in amounts determined by the authority for the  
21 purpose of financing projects of statewide as well as local importance,  
22 capital improvement facilities, educational facilities, health care facilities  
23 and housing developments. Nothing in this act shall be construed to au-  
24 thorize the authority to issue bonds or use the proceeds thereof to:

25 (1) Purchase, condemn or otherwise acquire a utility plant or distri-  
26 bution system owned or operated by a regulated public utility;

27 (2) finance any capital improvement facilities or educational facilities  
28 which are being financed by the issuance of general obligation or utility  
29 revenue bonds of a political subdivision, except that the acquisition by  
30 the authority of general obligation or utility revenue bonds issued by  
31 political subdivisions with the proceeds of pooled bonds shall not violate  
32 the provisions of the foregoing; or

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

38 Nothing in this subsection (a) shall prohibit the issuance of bonds by  
39 the authority when any statute specifically authorizes the issuance of  
40 bonds by the authority or approves any activity or project of a state agency  
41 for purposes of authorizing any such issuance of bonds in accordance with  
42 this section and provides an exemption from the provisions of this sub-  
43 section (a).



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

17 (c) The authority may issue bonds for the purpose of financing in-  
18 dustrial enterprises, transportation facilities, agricultural business enter-  
19 prises, educational facilities, health care facilities, housing developments,  
20 research facilities or any combination of such facilities, or any interest in  
21 facilities, including without limitation leasehold interests in and mort-  
22 gages on such facilities, whether located within or outside of Kansas. The  
23 authority may additionally issue bonds for the purpose of financing a hall  
24 of fame, museum or tourist destination of national significance, as deter-  
25 mined by the secretary of commerce. Such authority to issue bonds for a  
26 hall of fame, museum or tourist destination of national significance shall  
27 expire on December 31, 2007. No less than 30 days prior to the issuance  
28 of any bonds authorized under this act with respect to any project or  
29 activity within Kansas which is to be undertaken for the direct benefit of  
30 any person or entity which is not a state agency or a political subdivision,  
31 written notice of the intention of the authority to provide financing and  
32 issue bonds therefor shall be given by the president of the authority to  
33 the governing body of the city in which the project or activity is to be  
34 located. If the project or activity is not proposed to be located within a  
35 city, such notice shall be given to the governing body of the county. No  
36 bonds for the financing of the project or activity shall be issued by the  
37 authority for a one-year period if, within 15 days after the giving of such  
38 notice, the governing body of the political subdivision in which the project  
39 or activity within Kansas is proposed to be located shall have adopted an  
40 ordinance or resolution stating express disapproval of the project or ac-  
41 tivity and shall have notified the president of the authority of such dis-  
42 approval. The authority shall not issue bonds for the purpose of financing  
43 a project or activity outside Kansas unless the authority has determined

1 that the issuance of such bonds provides a benefit to Kansas or its people  
2 and that the owner or operator thereof or an affiliate has a presence or  
3 impact in Kansas.

4 (d) The authority may issue bonds for the purpose of establishing and  
5 funding one or more series of venture capital funds in such principal  
6 amounts, at such interest rates, in such maturities, with such security, and  
7 upon such other terms and in such manner as is approved by resolution  
8 of the authority. The proceeds of such bonds not placed in a venture  
9 capital fund or used to pay or reimburse organizational, offering and ad-  
10 ministrative expenses and fees necessary to the issuance and sale of such  
11 bonds shall be invested and reinvested in such securities and other in-  
12 struments as shall be provided in the resolution under which such bonds  
13 are issued. Moneys in a venture capital fund shall be used to make venture  
14 capital investments in new, expanding or developing businesses, includ-  
15 ing, but not limited to, equity and debt securities, warrants, options and  
16 other rights to acquire such securities, subject to the provisions of the  
17 resolution of the authority. The authority shall establish an investment  
18 policy with respect to the investment of the funds in a venture capital  
19 fund not inconsistent with the purposes of this act. The authority shall  
20 enter into an agreement with a management company experienced in  
21 venture capital investments to manage and administer each venture cap-  
22 ital fund upon terms not inconsistent with the purposes of this act and  
23 such investment policy. The authority may establish an advisory board to  
24 provide advice and consulting assistance to the authority and the man-  
25 agement company with respect to the management and administration of  
26 each venture capital fund and the establishment of its investment policy.  
27 All fees and expenses incurred in the management and administration of  
28 a venture capital fund not paid or reimbursed out of the proceeds of the  
29 bonds issued by the authority shall be paid or reimbursed out of such  
30 venture capital fund.

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

36 (f) After receiving and approving the feasibility study required pur-  
37 suant to K.S.A. 74-8936, and amendments thereto, the authority may  
38 issue bonds in one or more series for the purpose of financing a multi-  
39 sport athletic project in accordance with K.S.A. 74-8936 through 74-8938,  
40 and amendments thereto. If the project is to be constructed in phases, a  
41 similar feasibility study shall be performed prior to issuing bonds for the  
42 purpose of financing each subsequent phase.

43 (g) The authority may issue bonds for the purpose of financing resort

1 facilities, as defined in subsection (a) of K.S.A. 32-867, and amendments  
2 thereto, in an amount or amounts not to exceed \$30,000,000 for any one  
3 resort. The bonds and the interest thereon shall be payable solely from  
4 revenues of the resort and shall not be deemed to be an obligation or  
5 indebtedness of the state within the meaning of section 6 of article 11 of  
6 the constitution of the state of Kansas. The authority may contract with  
7 a subsidiary corporation formed pursuant to subsection (v) of K.S.A. 74-  
8 8904, and amendments thereto, or others to lease or operate such resort.  
9 The provisions of K.S.A. 32-867, 32-868, 32-870 through 32-873 and 32-  
10 874a through 32-874d, and amendments thereto, shall apply to resorts  
11 and bonds issued pursuant to this subsection.

12 *(h) The authority may issue bonds for the purpose of financing the*  
13 *acquisition from lending institutions of home mortgage loans for homes*  
14 *to be occupied by mortgagors. Bonds issued under this subsection shall*  
15 *not be deemed to be issued to finance housing developments and shall not*  
16 *be subject to the provisions of subsection (c) of this section.*

17 ~~(i)~~ (i) The authority may use the proceeds of any bond issues herein  
18 authorized, together with any other available funds, for venture capital  
19 investments or for purchasing, leasing, constructing, restoring, renovat-  
20 ing, altering or repairing facilities as herein authorized, for making loans,  
21 purchasing mortgages or security interests in loan participations and pay-  
22 ing all incidental expenses therewith, paying expenses of authorizing and  
23 issuing the bonds, paying interest on the bonds until revenues thereof are  
24 available in sufficient amounts, purchasing bond insurance or other credit  
25 enhancements on the bonds, and funding such reserves as the authority  
26 deems necessary and desirable. All moneys received by the authority,  
27 other than moneys received by virtue of an appropriation, are hereby  
28 specifically declared to be cash funds, restricted in their use and to be  
29 used solely as provided herein. No moneys of the authority other than  
30 moneys received by appropriation shall be deposited with the state  
31 treasurer.

32 ~~(j)~~ (j) Any time the authority is required to publish a notification pur-  
33 suant to the tax equity and fiscal responsibility act of 1982, the authority  
34 shall further publish such notification in the Kansas register and on the  
35 Kansas development finance authority website.

36 ~~(k)~~ (k) Any time the authority issues private activity bonds, as defined  
37 in K.S.A. 74-5059, and amendments thereto, pursuant to this section,  
38 *other than bonds issued pursuant to subsection (h) of this section*, the  
39 authority shall publish notification of such issuance at least 14 days prior  
40 to any bond hearing in the official county newspaper of the county in  
41 which the project or activity financed by such bonds are located and in  
42 the Kansas register.

43 Sec. 4. K.S.A. 2007 Supp. 75-37,125 is hereby amended to read as

1 follows: 75-37,125. (a) As used in this act:

2 (1) "Federal entity" means the government of the United States of  
3 America or any bureau, department, instrumentality or other agency of  
4 the federal government.

5 (2) "Political subdivision" shall have the meaning ascribed thereto in  
6 ~~subsection (c) of K.S.A. 74-8902~~, and amendments thereto.

7 (3) "State agency" means any office, department, board, commission,  
8 bureau, division, public corporation, agency or instrumentality of this  
9 state.

10 (4) "Energy conservation measure" means an energy study, audit,  
11 improvement or equipment which is designed to provide energy and op-  
12 erational cost savings at least equivalent to the amount expended by a  
13 participating political subdivision or state agency for such energy study,  
14 audit, improvement or equipment over a period of not more than 30 years  
15 after the date such improvement or equipment is installed or becomes  
16 operational, as the case may be.

17 (b) Subject to the provisions of subsection (c), a political subdivision  
18 or state agency, which include the board of regents and a regent's insti-  
19 tution and a community or technical college, may enter into a contract or  
20 lease-purchase agreement for an energy conservation measure which  
21 meets the criteria of this section. In addition to any other authority pro-  
22 vided by law a political subdivision or state agency may solicit proposals  
23 to contract for an energy conservation measure by advertising for pro-  
24 posals and qualifications in a newspaper of general circulation or the Kan-  
25 sas register, and by sending requests for proposals to at least three vendors  
26 and negotiating a lease-purchase agreement with one or more vendors  
27 submitting a proposal thereto. Negotiations entered into pursuant to this  
28 section with individual vendors shall not be subject to the provisions of  
29 the open meetings act. After an agreement has been executed, the agree-  
30 ment and all proposals from vendors shall be open records available for  
31 public inspection in accordance with the open records act. A state agency  
32 may utilize the procedures prescribed in K.S.A. 75-37,102, and amend-  
33 ments thereto, by the procurement negotiating committee to negotiate  
34 and contract for energy conservation measures. Each state agency shall  
35 provide copies of plans of the proposed energy conservation measure to  
36 the state corporation commission for review. No state agency may enter  
37 into a contract for an energy conservation measure unless such measure  
38 has been approved by the state corporation commission. Plans submitted  
39 under this section shall be retained and maintained by the state corpo-  
40 ration commission.

41 (c) Before executing any contract or finance, pledge, loan or lease-  
42 purchase agreement under this section, the energy conservation contrac-  
43 tor shall provide the political subdivision or state agency with plans for

1 the proposed energy conservation measures prepared by an engineer li-  
2 censed to practice in Kansas. The energy conservation contractor shall  
3 also provide a report of the calculations showing the estimated energy  
4 and operational cost savings that would result from the proposed energy  
5 conservation measures. Notwithstanding any provision contained in  
6 K.S.A. 71-201 and 72-8225, and amendments thereto or other provisions  
7 of law, the board of education of any school district and the board of any  
8 community college or technical college may enter into a contract or fi-  
9 nance, pledge, loan or lease-purchase agreement for an energy conser-  
10 vation measure for a period exceeding 10 years. Political subdivisions and  
11 state agencies may include a provision in the contract with an entity pro-  
12 viding the energy conservation measure requiring such entity to guaran-  
13 tee that the actual amount of savings of energy and operational costs  
14 attributable to the energy conservation measure be not less than the cost  
15 of the energy conservation measure over the time specified including  
16 financing costs.

17 (d) Within the limits of appropriations available therefor, the state  
18 corporation commission is authorized to provide grants for engineering  
19 studies and energy conservation measures for political subdivisions and  
20 state agencies.

21 (e) The state corporation commission, or its designee, may provide  
22 administrative support and resources available under the facility conser-  
23 vation improvement program under this section or K.S.A. 75-37,111 et  
24 seq., and amendments thereto, as requested by school districts, private  
25 and public colleges in Kansas, political subdivisions, state agencies or fed-  
26 eral entities for purposes of this section. The state corporation commis-  
27 sion, or its designee, may fix, charge and collect reasonable fees for any  
28 administrative support and resources or other services provided by the  
29 state corporation commission, or its designee, under this subsection.

30 (f) The provisions of the cash basis law and K.S.A. 79-2925, and  
31 amendments thereto, shall not apply to any contract or lease-purchase  
32 agreement entered into pursuant to this section.

33 Sec. 5. K.S.A. 2007 Supp. 74-8902, 74-8904, 74-8905 and 75-37,125  
34 are hereby repealed.

35 Sec. 6. This act shall take effect and be in force from and after its  
36 publication in the statute book.