

SENATE BILL No. 688

By Committee on Ways and Means

3-18

9 AN ACT concerning the issuance of certain bonds; relating to the
10 national bio and agro defense facility; providing for the powers, duties
11 and functions of the Kansas development finance authority, the Kansas
12 bioscience authority and the department of administration.
13

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

15 Section 1. (a) For the purpose of financing a capital improvement
16 project of the Kansas bioscience authority, the Kansas development fi-
17 nance authority is hereby authorized to issue one or more series of rev-
18 enue bonds pursuant to the Kansas development finance authority act,
19 K.S.A. 74-8901 et seq., and amendments thereto, in an amount necessary
20 to provide a deposit or deposits to the bioscience development and in-
21 vestment fund, established by K.S.A. 74-99b34, and amendments thereto,
22 in a total amount not to exceed \$105,000,000, plus all amounts required
23 for costs of bond issuance, costs of interest on the bonds issued for such
24 capital improvement project during the construction of such project, cost
25 of bond insurance or other credit enhancement for the bonds and any
26 required reserves for the payment of principal and interest on the bonds,
27 for a capital improvement project relating to a national bio and agro de-
28 fense facility, including, but not limited to, land acquisition, site prepa-
29 ration, fencing, central utility plant facility construction and improve-
30 ments, including electric, water and sewer utility infrastructure
31 construction and equipment, lift stations, street grading, paving, gravel-
32 ing, macadamizing, curbing, guttering and surfacing, street light fixture
33 connections and facilities, underground gas, water, heating and electrical
34 services and connections, sidewalks and parking facilities, drives and
35 driveway approaches, landscaping and plantings and related facilities and
36 amenities to develop and finance the project.

37 (b) Prior to the issuance of any bonds pursuant to this section, the
38 capital improvement project described in subsection (a) shall be approved
39 for the Kansas bioscience authority for the purposes of subsection (c) of
40 K.S.A. 74-8905, and amendments thereto, and for the purposes of K.S.A.
41 74-99b10, and amendments thereto, and the authorization of the issuance
42 of bonds by the Kansas development finance authority shall be approved
43 by the Kansas development finance authority in accordance with K.S.A.

1 74-8901 et seq., and amendments thereto.

2 (c) The Kansas bioscience authority may only make expenditures
3 from the moneys received from the issuance of any bonds pursuant to
4 this section for those purposes set forth in subsection (a) for the capital
5 improvement project.

6 (d) The debt service for any such bonds issued pursuant to this sec-
7 tion shall be financed by appropriations from the state general fund or
8 any appropriate special revenue fund or funds.

9 (e) The date of maturity on bonds issued pursuant to this section shall
10 not be fixed for a period of time which exceeds 20 years from the date
11 of issuance.

12 (f) The proceeds from the sale of any bonds, other than refunding
13 bonds, issued pursuant to this section, after payment of any costs related
14 to the issuance of such bonds, shall be paid by the Kansas development
15 finance authority to the Kansas bioscience authority to be applied to the
16 payment of the costs of the capital improvement project authorized by
17 resolution of the Kansas bioscience authority and by resolution of the
18 Kansas development finance authority.

19 Sec. 2. The state hereby pledges and covenants with the holders of
20 any bonds issued pursuant to section 1, and amendments thereto, that it
21 will not limit or alter the rights or powers vested in the Kansas develop-
22 ment finance authority by section 1, and amendments thereto, nor limit
23 or alter the rights or powers of the Kansas development finance authority,
24 the department of administration or the Kansas bioscience authority in
25 any manner which would jeopardize the interest of the holders or any
26 trustee of such holders or inhibit or prevent performance or fulfillment
27 by the Kansas development finance authority, the department of admin-
28 istration or the Kansas bioscience authority with respect to the terms of
29 any agreement made with the holders of the bonds or agreements made
30 pursuant to this section, except that the failure of the legislature to ap-
31 propriate moneys for debt service on any bonds issued pursuant to section
32 1, and amendments thereto, shall not be deemed a violation of this pledge
33 and covenant. The department of administration is hereby specifically
34 authorized to include this pledge and covenant in any agreement with the
35 Kansas development finance authority. The Kansas development finance
36 authority is hereby specifically authorized to include this pledge and cov-
37 enant in any bond resolution, trust indenture or agreement for the benefit
38 of the holders of the bonds.

39 Sec. 3. Neither the state nor the department of administration shall
40 have the power to pledge the full faith and credit or taxing power of the
41 state for debt service on any bonds issued pursuant to section 1, and
42 amendments thereto, and any payment by the department for such pur-
43 pose shall be subject to and dependent on appropriations by the legisla-

1 ture. Any obligation of the state or the department for payment of debt
2 service on bonds issued pursuant to section 1, and amendments thereto,
3 shall not be considered a debt or obligation of the state for the purpose
4 of section 6 of article 11 of the Kansas constitution.

5 Sec. 4. Subject to the provisions of appropriations acts, the secretary
6 of administration shall enter into pledge agreements with the Kansas de-
7 velopment finance authority to pledge moneys for the payment of bonds
8 issued pursuant to section 1, and amendments thereto, which pledge shall
9 be subject to the appropriation of moneys therefore.

10 Sec. 5. No payment of principal and interest on bonds issued pur-
11 suant to section 1, and amendments thereto, shall be made prior to July
12 1, 2009.

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