

**Kansas Department of Commerce**  
**Written testimony in support of SB 474**  
**From Antonio J. Soave, Secretary**

**Prepared for the Senate Ways and Means Committee**  
**Room 548-S, The Statehouse**  
**March 2, 2016**

The Kansas Bioscience Authority (KBA) was established as part of the Economic Growth Act of 2004 to help the bioscience industry gain a foothold in Kansas. The organization was successful in fulfilling its mission of helping new and existing bioscience companies create jobs and invest in Kansas.

On Dec. 18, 2015 the KBA Board voted to make KBA a private entity. K.S.A. 2015 Supp. 74-99b15 requires the Kansas Legislature to approve the sale of KBA and its assets. SB 474 authorizes the state finance council to approve the sale of the KBA and its assets as a designee of the Kansas Legislature.

The Department of Commerce supports SB 474 and believes that the state finance council is the appropriate designee of the Kansas Legislature to approve the sale of the KBA. The Department of Commerce is committed to working towards a Kansas solution to the ownership of the KBA. Furthermore, the Department of Commerce will work with KBA to ensure that the state receives a fair return from the sale of assets. Many macroeconomic factors at a state, national and global level will help determine the exact value of that return.

The KBA was created in 2004 as a venture capital investment entity in part to invest state taxpayer dollars. While KBA was successful in some aspects of its mission, the Department of Commerce has concerns with utilizing taxpayer dollars for private equity investment. The sale of KBA will allow for a more efficient allocation of taxpayer resources.

The Kansas Department of Commerce supports passage of SB 474.

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