

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Karin Brownlee at 8:15 a.m. on March 17, 2004 in Room 526-S of the Capitol.

All members were present.

Committee staff present:

Susan Kanarr, Legislative Research
Helen Pedigo, Revisor of Statutes
Nikki Kraus, Committee Secretary

Conferees appearing before the committee:

Rebecca Floyd, KDFA General Counsel
Senator Jim Barnett

Others attending:

See Attached List.

Chairperson Brownlee opened the public hearing on:

HB 2539—An act relating to the Kansas development finance authority; concerning bonds for research facilities

Ms. Floyd provided an explanation of the bill's purpose and KDFA's analysis to the committee. (Attachment 1)

Following further discussion, the Chair closed the hearing on **HB 2539** and directed the committee's attention to **Sub HB 2647**. Ms. Pedigo, explained the balloon amendment to the committee. (Attachment 2)

Senator Kerr moved to adopt the technical amendments. Senator Emler seconded. The motion passed.

Chairperson Brownlee asked if the bioscience redevelopment area would be subject to the same marketing studies as STAR bond developments, and Ms. Pedigo confirmed that they were under the same language.

Senator Jordan provided the committee with proposed amendment language that would change the bill by omitting language specifying the University of Kansas. (Attachment 3)

Senator Jordan moved to amend the bill to strike language on p.7, line 22 starting with word university to end of line, and the same on p. 9 (Attachment 3) Senator Kerr seconded the motion. The motion passed.

Senator Barnett presented the committee with a potential amendment to the bill to allow the non-profit entity to grant funds to schools to encourage young people to go into scientific fields. (Attachment 4)

Senator Emler moved to amend the bill; Senator Barone seconded the motion.

The committee discussed the limitations and benefits of the amendment at length and decided to continue the discussion further the following day.

Following additional discussion, Senator Wagle referred to KU's testimony concerning the creation of a regional cancer center and expressed her support of this idea. She also stated that she would question if the Legislature should micro-manage the Bioscience Authority; although she supported the amendment, she said if the Legislature were going to direct this authority, then she would suggest they take KU's suggestion for a regional cancer center.

Senator Jordan said that the points from both Senator Kerr and Wagle were good, however, the goal of the bill was to build an infrastructure in Kansas to prepare students for whatever direction in which we choose to go. He said that this is a workforce development issue, and we need Kansas young people who are trained

CONTINUATION SHEET

MINUTES OF THE SENATE COMMERCE COMMITTEE at 8:30 a.m. on March 17, 2004 in Room 123-S of the Capitol.

and educated to fill positions.

Senator Emler withdrew motion; Senator Barone withdrew his second.

Senator Barone presented the committee with another proposed amendment. (Attachment 5)

Senator Barone moved to amend the bill on p. 5, line 14; Senator Emler seconded.

Senator Brungardt stated that he was envisioning the grid needed to put these restrictions on the Board's membership, and he thought that they would be unnecessarily restrictive. The committee discussed the role of non-voting members.

Following further discussion, Senator Barone withdraw his motion; Emler withdrew his second.

Chairperson Brownlee pointed out that at the top of p.5, the other two members shall be non-voting members appointed by the Board of Regents. Senator Barone stated that he has a problem with "research universities" and would prefer to say a representative of a university with expertise to avoid limiting the scope of this. Senator Jordan agreed.

Chairperson Brownlee moved that the other two members of the board shall be non-voting members with research expertise representing Kansas universities appointed by the Kansas Board of Regents; Senator Wagle seconded. The motion passed.

Senator Barone moved p. 7, line 30 to insert the word voting; Senator Kerr seconded. The motion passed.

Senator Barone stated that on p.14, line 14, there has been some concern expressed about controls and if we are doing what we are supposed to do. Senator Kerr stated that it will give Kansas, Inc. the ability to do economic development reviews; as good as Legislative Post Audit is, they start out cold each time, and this would turn over reviewing authority to Kansas, Inc. to determine success or not.

Senator Barone moved a conceptual motion of Senator Kerr's words regarding those projects that would be subject to Kansas, Inc. Review; Senator Emler seconded. The motion passed.

Chairperson Brownlee stated that the STAR bond authority was subjected to Kansas, Inc. review also.

Senator Jordan provided the committee with proposed amendment language regarding bioscience development districts. (Attachment 6)

Senator Jordan moved to amend p.26, to allow county eligibility for bioscience districts; Senator Wagle seconded. The motion passed.

Senator Jordan provided the committee with a proposed amendment to delete language restricting vouchers to small or medium-sized businesses only. (Attachment 7)

Senator Jordan moved to amend p.39 regarding the Research and Development voucher program to strike language that restricts them only to small or medium-sized businesses to make them available for any size company; Senator Emler seconded. The motion carries.

Senator Jordan moved to amend p.4, line 43 to change the number of Kansas resident board members from seven to five; Senator Kerr seconded.

Senator Emler noted that this would take the bill back to where it was to begin with. Mr. Taylor stated that it had been changed on the floor of the House.

The motion passed.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMERCE COMMITTEE at 8:30 a.m. on March 17, 2004 in Room 123-S of the Capitol.

Senator Barone spoke about addressing the architects' concerns, stating that the language in the bill is that which was passed for the Hospital Authority. He stated that he was concerned about doing nothing. Senator Barone suggested the committee make a conceptual amendment to use the language in the University Research Bill from two years ago. Senator Kerr stated that he was not quite sure what this amendment does, and he was hesitant to head in the direction of more bureaucracy. Senator Barone stated that this was not the amendment's intent, and suggested that the committee look at the issue more the following day.

Sam Campbell, Manager, New Oread Group, L.C., and owner, West Lawrence Laboratories, provided written testimony in favor of the bill. (Attachment 8)

Chairperson Brownlee adjourned the meeting at 9:35 a.m. The next meeting will be at 8:30 a.m. on March 18, 2004 in Room 123-S of the Capitol.

ANALYSIS OF HOUSE BILL No. 2539
SENATE COMMERCE COMMITTEE
MARCH 17, 2003

Submitted by Rebecca Floyd, General Counsel
Kansas Development Finance Authority

Bill Purpose:

House Bill No. 2539 amends the KDFA Act, K.S.A. 74-8901 *et seq.*, in three places to authorize KDFA to issue bonds to finance "Research facilities".

Analysis:

The Bill amends the definitions section of the KDFA Act, by defining "Research facilities" in K.S.A. 2003 Supp. 74-8902 (q)¹ to mean "facilities for use in research and development activities, whether conducted for profit or not for profit, of an agricultural business enterprise, industrial enterprise or any other commercial enterprise or educational institution or health care institution."

The Bill also amends K.S.A. 74-8905 (c)² to clearly authorize the Authority to issue bonds to finance research facilities in addition to the other types of facilities the authority is authorized to finance which include, for example, industrial enterprises, agricultural enterprises and health care facilities. This section of the KDFA Act generally authorizes KDFA to finance projects for private activity borrowers. Typically, bonds issued solely pursuant to the provisions of this section, are issued on behalf of a private borrower as special limited obligations of the Authority which are payable solely from revenues of the private borrower, e.g., system revenues of a hospital might be pledged for debt service on the bonds. Private Activity Bonds are never obligations of the State and are always issued with the proviso that the bonds are absolutely no recourse to the State of Kansas.

Finally, the Bill amends K.S.A. 74-8905 (b)³ to make clear that KDFA, per current practice, is only authorized to issue bonds for state activities or projects, including any bonds issued for research facilities of state educational institutions, as may be further authorized by an appropriation or other act of the legislature, and as requested by the Secretary of Administration.

¹ HB 2539: p 2 line 37

² HB 2539: p. 4 line 7

³ HB 2539: p 3 line 32

Senate Commerce

03/17/04

Attach # 1

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 74-8005
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 support-
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

Senate Commerce
03/17/04
Attach #2

Senate
03/17
Attach #2
price

2-2

1 (d) "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) "State" means the state of Kansas.

43 (t) "State employee" means a person employed by the state of

(q) "Principal operation" means the operation of the authority requiring at least 75% of the total number of employees at all times.

2

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 ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ "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 ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ "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 ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ "This act" means the bioscience authority act.

15 ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ 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~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~ ~~[(m)]~~ ~~[(n)]~~ ~~[(o)]~~ ~~[(p)]~~ ~~[(q)]~~ ~~[(r)]~~ ~~[(s)]~~ ~~[(t)]~~ ~~[(u)]~~ ~~[(v)]~~ ~~[(w)]~~ ~~[(x)]~~ ~~[(y)]~~ ~~[(z)]~~ ~~[(a)]~~ ~~[(b)]~~ ~~[(c)]~~ ~~[(d)]~~ ~~[(e)]~~ ~~[(f)]~~ ~~[(g)]~~ ~~[(h)]~~ ~~[(i)]~~ ~~[(j)]~~ ~~[(k)]~~ ~~[(l)]~~

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.

nonvoting

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.

a nonvoting

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

5

1 (k) During the five-year period after the effective date of this act, the
 2 authority shall contract with KTEEC at least once a year for KTEEC 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 KTEEC 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.

attributed to bioscience authority activity

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

2-7

1 The provisions of K.S.A. 32-967, 32-968, 32-970 through 32-973 and 32-
2 974 through 32-974k, and amendments thereto, shall apply to resorts
3 and bonds issued pursuant to this subsection.

4 ~~—(d) 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 there-with, paying expenses of authorizing and
10 issuing the bonds, paying interest on the bonds until revenues there-of 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 ~~—(e) Any time the authority is required to publish a notification pur-
20 suant to the tax equity and fiscal responsibility act of 1992, the authority
21 shall further publish such notification in the Kansas register.~~

22 ~~—(f) 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, encourages 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

4-7

- 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 ~~for~~
- 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

project's,

project costs

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 (c) "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.

, except that when relating to a bioscience
development district, as defined in this section,
"real property taxes" does not include

2-9

2-9

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.

project

1 (dd) "Commence work" means the manifest commencement of actual
 2 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 recognize
 5 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 include,
 8 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 organisms
 14 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 future
 19 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 development
 34 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 designated
 40 by the authority within a bioscience development district.

41 (nn) "Biotechnology" means those fields focusing on technological developments
 42 in such area as molecular biology, genetic engineering, genomics,
 43 proteomics, physiomics, nanotechnology, biodefense, biocomput-

K.S.A. 12-1771

K.S.A. 12-1772

117

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, pharmaceuti-
6 cal 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: (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~~

district

2-12

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

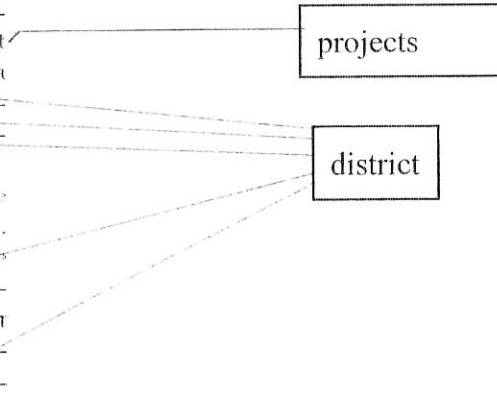
(2) An ordinance for a bioscience development district shall make findings that the area satisfies the definition of a bioscience area and the creation of a bioscience district will contribute to the development of bioscience in the state and promote the general and economic welfare of the city. Such ordinance shall also contain the district plan as approved and contain the legal description of the bioscience development district. Such ordinance shall contain a development district plan that identifies all of the proposed bioscience development project areas and identifies in a general manner all of the buildings and facilities that are proposed to be constructed or improved in each bioscience development project area. The boundaries of such district shall not include any area not designated in the notice required by subsection (a). No bioscience development district shall be established without the approval of the bioscience authority. In creating a bioscience development district, eminent domain shall not be used to acquire agricultural land.

(c) The governing body of a city may establish a redevelopment district within that city, and, with the bioscience authority's approval, may establish a bioscience development district within that city. Such city may establish a district inclusive of land outside the boundaries of the city upon written consent of the board of county commissioners. Prior to providing written consent, the board of county commissioners shall be subject to the same procedure for public notice and hearing as is required of a city pursuant to subsection (a) for the establishment of a redevelopment ~~or bioscience development~~ district. One or more redevelopment ~~or bioscience development~~ projects may be undertaken by a city within a redevelopment ~~or bioscience development~~ district after such redevelopment ~~or bioscience development~~ district has been established in the manner provided by this section.

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

projects

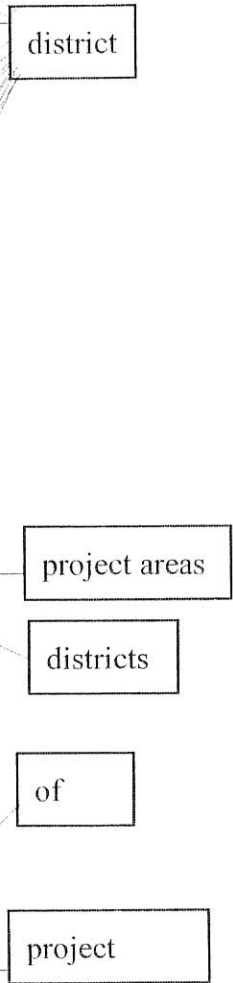
district



2-13

2-14

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 redevelop-
 26 *ment 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 redevelop-
 29 *ment 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 or bioscience development* district. Any division of real prop-
 36 erty within a redevelopment *or bioscience development* district into more
 37 than one redevelopment *or bioscience development* district shall be sub-
 38 ject to the same procedure *of* public notice and hearing as is required for
 39 the establishment of the redevelopment *or bioscience development*
 40 district.
 41 district.
 42 (i) If a city has undertaken a redevelopment *or bioscience develop-*
 43 *ment project* within a redevelopment *or bioscience development* district,



h/

1 and either the city wishes to subsequently remove more than a de
 2 minims 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 *or*
 8 *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;

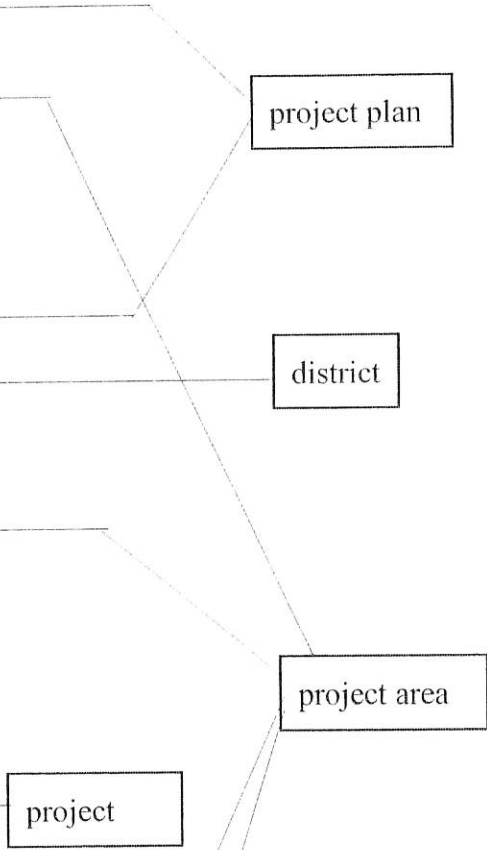
project costs

district

projects

project

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/*bioscience*
 6 *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/*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 devel-*
 18 *opment* project will be located and the date of establishment of such
 19 district;
 20 (3) describe the boundaries of the area proposed to be included
 21 within the redevelopment/*bioscience development* project area, and
 22 (4) state that the project plan, including a summary of the feasibility
 23 study, relocation assistance plan and financial guarantees of the prospec-
 24 tive developer and a description and map of the area to be redeveloped
 25 *or developed* are available for inspection during regular office hours in
 26 the office of the city clerk.
 27 Except as provided in paragraph (3) of subsection (b) of K.S.A. 12-
 28 1774, and amendments thereto, if the governing body determines that it
 29 may issue full faith and credit tax increment bonds to finance the rede-
 30 velopment/*bioscience development* project, in whole or in part, the
 31 resolution also shall include notice thereof.
 32 (c) (1) *Hearing.* The date fixed for the public hearing shall be not
 33 less than 30 nor more than 70 days following the date of the adoption of
 34 the resolution fixing the date of the hearing.
 35 (2) A copy of the resolution providing for the public hearing shall be
 36 by certified mail, return receipt requested sent to the board of county
 37 commissioners of the county, the *Kansas development finance authority*
 38 and the board of education of any school district levying taxes on property
 39 within the proposed redevelopment/*bioscience development district*
 40 project area. Copies also shall be sent by certified mail, return receipt
 41 requested to each owner and occupant of land within the proposed re-
 42 development/*or bioscience development* project area not more than 10
 43



011-2

2-17

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 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-

. If

, a representative of the Kansas bioscience authority shall assist in presenting the proposed bioscience project plan

2-17

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. 2234(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. 2235~~ Sections ~~23~~³⁵ to ~~30~~⁴¹, 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. 2430~~ 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. 2631~~ As used in sections ~~23~~³⁵ to ~~30~~⁴¹, 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

New Sec. 32. Sections 32 to 34, inclusive, and amendments thereto, shall be known and may be cited as the bioscience tax investment incentive act.

New Sec. 33. The purpose of the bioscience tax investment incentive act is to make Kansas the most desirable state in which to conduct the business of bioscience. The bioscience tax investment incentive act will incentivize individuals and organizations engaged in the business of bioscience to locate and grow in the state in order to make Kansas a national leader in bioscience, create new jobs, foster economic growth, advance scientific knowledge and improve the quality of life for the citizens of the state. The bioscience tax investment incentive act promotes private research and development, investment in real property and improvements, and investment in equipment and supplies to enhance bioscience research and commercialization of bioscience products and technologies in the state.

And renumber sections accordingly

2-18

81-18

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~~⁴⁶ (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 ~~30.507~~⁴⁶ 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~~⁴⁷ (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~~⁴⁸ (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:

(a)

33 (A) The national science foundation;

(1)

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

(b)

AND RELABEL LETTERS TO CONSECUTIVE NUMBERS

b1-

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. ~~47.47~~ 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. ~~48.50~~ 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. ~~49.57~~ 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. ~~50.52~~ (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. ~~51.53~~ (a) Each bioscience company receiving grants,
41 awards, tax credits or any other financial assistance, including fi-
42 nancing for any bioscience development project, under the pro-
43 visions of the bioscience authority act, the emerging industry in-

(c)

(d)

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 ~~23~~ and amendments thereto, and "authority"
14 means the Kansas bioscience authority as created by section 4, and
15 amendments thereto.]

26

16 Sec. ~~54~~ ~~52~~ ⁵⁴ K.S.A. 12-1771 and 12-1772 and K.S.A. 2003 Supp. 12-
17 1771a and ~~74-8017 and 74-8005~~ are hereby repealed.

18 Sec. ~~52~~ ~~53~~ ⁵⁵ This act shall take effect and be in force from and after
19 its publication in the statute book.

Substitute for HOUSE BILL No. 2647

By Committee on Economic Development

2-23

PROPOSED AMENDMENT
SENATOR JORDAN
March 16, 2004

Senate Committee
03/17/04
Attach # 3

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 74-8005
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

Senate
03/17/04
Attach # 3
page

#3

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. (d) 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 (e) 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 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

Substitute for HOUSE BILL No. 2647

By Committee on Economic Development

2-23

PROPOSED AMENDMENT
SENATOR BARNETT
March 15, 2004

Sen. Commerce
03/17/04
Attach # 4

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 74-8005
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 der-
34 ived 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

Senators
03/11
Attach # 4
mace

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

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

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

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

(h) In accordance with subsection (i) below, the authority shall oversee the commercialization of bioscience intellectual property created by eminent scholars and rising star scholars who are employed by state universities or the authority, or both. In the event of bioscience discoveries by such eminent scholars or rising star scholars for which the state university desires to explore the potential commercialization opportunities and technology transfer, the state university must notify the authority in writing of such plans. The authority shall have a reasonable period of time to evaluate whether it desires to participate in such commercialization opportunities or technology transfer. The authority must notify the state university in writing within a reasonable period of time if it desires to so participate in such commercialization opportunities and technology transfer. The authority and state university shall then negotiate and enter into a written agreement that sets forth the rights and responsibilities of each party, including the financial terms and assumptions of risks. Notwithstanding any provision of law or policy of any state university or the Kansas

(1)

(2) The authority may direct a nonprofit entity created in subsection (d)(1) to issue grants to high schools, that create biotechnology academies. The authority shall set requirements for curricula, teaching credentials and any other items and procedures incidental to establishing the grant program.

(3) The authority may direct a nonprofit entity created in subsection (d)(1) to issue grants to Kansas universities for the purpose of increasing the number of students majoring in bioscience, science education and math education. The authority shall set requirements for curricula, teaching credentials and any other items and procedures incidental to establishing the grant program.

Substitute for HOUSE BILL No. 2647

By Committee on Economic Development

2-23

PROPOSED AMENDMENT
SENATOR BARONE
March 17, 2004

Sen. Commerce
03/17/04
Attach # 5

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 74-8005
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

Senat
03/11/04
Attach # 5
Commerce

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

No more than one nonvoting member shall be
appointed from any university represented.

5-3

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

, Pittsburg State University

5-4

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.

Pittsburg state university,

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

h

Substitute for HOUSE BILL No. 2647

By Committee on Economic Development

2-23

PROPOSED AMENDMENT
SENATOR JORDAN
COUNTY BIOSCIENCE DEVELOPMENT DISTRICTS
March 17, 2004

Sen. Commerce
03/17/04
Attach # 6

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] 74-5017 and 74-8005
14 and repealing the existing sections.

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

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

19 Now 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

Sen
O
Attach # 6
March
104

6-2

- 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)(D), 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
- 2 as a historic theater for purposes of this act.
- 43 (n) "Major tourism area" means an area for which the secretary has

, except that in a bioscience development district, the term "developer" may include a bioscience facility, agency, political subdivision or instrumentality of the state or county

6-2

6-3

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;

(l) A bioscience development district may be established in the unincorporated area of a county by resolution of the board of county commissioners governing the area if:
(1) The Kansas bioscience authority has proposed to establish a bioscience development district there; and
(2) the board of county commissioners follows the notice, hearing, and approval procedures required of a city to establish a bioscience development district.
(m) When establishing a bioscience development district as described in subsection (l), any references to “city” contained in this section shall mean “county”.

6-3

6-4

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 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 12-157 *et seq.*, and amend-

(h) a bioscience development project may be undertaken in a bioscience development district in the unincorporated area of a county by resolution of the board of county commissioners governing the area if:
(1) The bioscience development project is approved by the Kansas bioscience authority; and
(2) the board of county commissioners follow the notice, hearing and approval procedures required of a city to establish a bioscience development project.
(i) When establishing a bioscience development project as described in subsection (h), any references to "city" contained in this section shall mean "county".

project costs of a bioscience development project

M

Substitute for HOUSE BILL No. 2647

By Committee on Economic Development

2-23

PROPOSED AMENDMENT
SENATOR JORDAN - KTEC
March 15, 2004

Sen. Commerce
03/17/04
Attach #7

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 74-8005
14 and repealing the existing sections.

15
16 *Be it enacted by the Legislature of the State of Kansas:*
17 Now Section 1. Sections 1 to 18, inclusive, and amendments thereto,
18 shall be known and may be cited as the bioscience authority act.

19 Now 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 deri-
34 ved 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

Senat
03/17/04
Attach #7

7-2

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, physionics, 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. 74-5101 *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) "State" means the state of Kansas.

38 (n) "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

2

7-3

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

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

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

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

12 New Sec. 37. (a) There is created and established under the authority
13 a bioscience research and development voucher program to provide
14 vouchers to [small bioscience companies and medium-size] bioscience
15 companies to undertake bioscience research and development work in
16 partnership with universities and colleges in the state.

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

19 (1) Accelerate the transfer of bioscience knowledge and technological
20 innovation, improve economic competitiveness and stimulate economic
21 growth in [small bioscience companies and medium-size] bioscience
22 companies;

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

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

26 (4) encourage partnerships and collaborative bioscience projects between private enterprises, bioscience companies and universities in the
27 state.

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

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

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

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

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

38 (4) stimulate economic growth; or

39 (5) enhance employment opportunities within the state.

3

h-t

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

h

TESTIMONY ON HB 2539

February 10, 2004

By: Sam Campbell

My thanks to the committee for allowing me to testify in support of HB2539. I believe that it is important to develop as many financing alternatives as possible for "research facilities" in order to provide support for the growing life science activity in our state. The significant cost associated with the construction or remodel of a research facility make them difficult to finance using conventional methods. I draw your attention to the attached article: "Next-Generation Lab Design", *Building Design and Construction Magazine*, 9/03. The results of a national survey on research laboratories shows the costs for a variety of laboratory types ranging from \$365.00 to \$810.00 per square foot. The specialized nature of the facility and operating systems, the enormous relative cost per square foot, the need for long term fixed rate financing, and the extensive on-going support and maintenance costs make it very difficult for a conventional lender to meet the needs of a smaller and/or growing life science company that requires this type of facility. With the inclusion of "research facilities" under the Kansas development finance authority act, it will enable these companies access to bond financing providing a realistic and potentially superior alternative to conventional financing.

Mr. Campbell is manager of New Oread Group, L.C., owner of West Lawrence Laboratories and the Lawrence, Life Sciences Center. He is Chairman and President of Critech, Inc. a nanoparticle pharmaceutical delivery and drug development company.

Senate Commerce
03/17/04
Attach # 8

NEXT-GENERATION LAB DESIGN

Building Teams are rethinking accepted lab design concepts of the past to meet new client demands

By Dave Barista, Associate Editor

Six trends in lab design

1. Work spaces moving out of the lab
2. Keeping costs down
3. Speed of delivery
4. Lab as a recruitment/retention tool
5. Multidisciplinary interaction and collaboration
6. Flexibility and adaptability

The constant scramble for blockbuster ethical drugs by pharmaceutical companies, endeavors like the Human Genome Project, and the growth of such fields as proteomics and bioinformatics have kept demand for new or renovated spaces rather steady. Despite this positive picture, it's not exactly business as usual for the Building Teams designing and constructing these complex facilities.

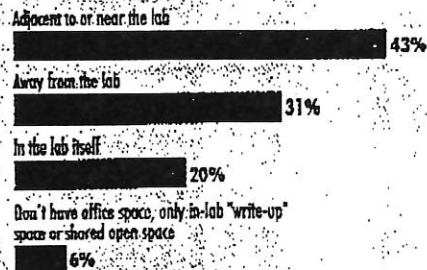
Private-sector and university clients are pushing Building Teams to create lab facilities that accommodate both current and future research needs, that encourage interaction among scientists from many disciplines, that help recruit and retain hard-to-get PhDs — and, did we mention, that do all this at the lowest possible cost, and at the speed of light? Well, that too.

Offices coming out of the lab

Pharma/bio scientists are spending less time in their labs doing traditional bench-style research and more time in their offices analyzing data, preparing reports, or doing e-mail. According to a recent study of 224 scientists conducted by BD&C and RICS, a nonprofit institute serving the real-estate industry, computer activities take up nearly 40% of a life-scientist's workday.

As a result, designers are moving lab workstations out of the lab. Just 20% of respondents to the BD&C/RICS survey said their office space is located in the lab itself. This approach not only saves on lab construction costs, which are significantly greater than office construction costs, but is also safer, says Kling's John LaProcido.

Location of office space relative to lab



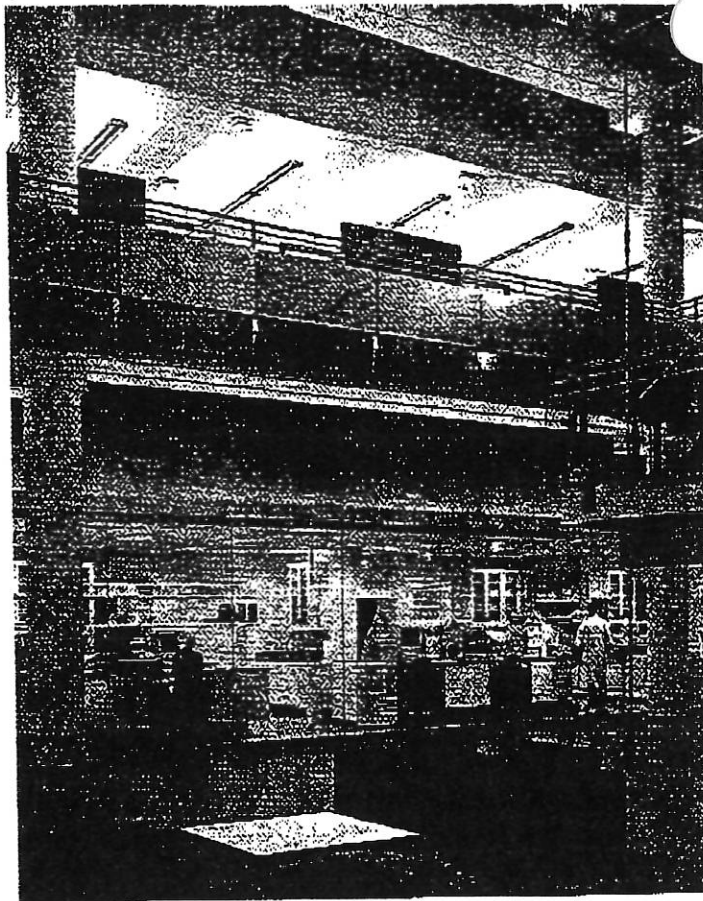
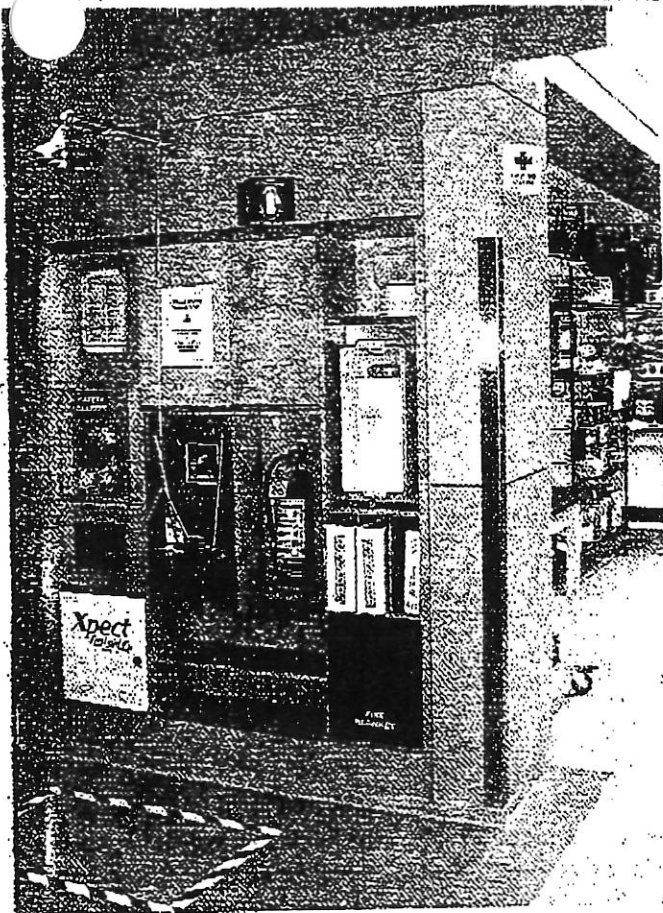
Source: BD&C/RICS Laboratory Users Survey, Sept. 2003

A survey of 224 research scientists by BD&C and RICS, a nonprofit institute serving the real estate industry, showed that only one in five (20%) has office space in the lab itself.

"From a safety standpoint, the trend is to get the people out of the lab and control the amount of flammable liquids in a lab," says Kling's director of progress. If a facility exceeds the amount of solvents allowed by NFPA code, then fire-rated solvent storage rooms are required. Just-in-time delivery of chemicals is also an option.

For structures like the seven-story Millennium Pharmaceuticals lab in Cambridge, Mass., NFPA code is even more stringent. "Fire departments don't want high hazards situated in a building where they can't get to [them]," says Steve Copenhagen, AHSC McLellan Copenhagen, Santa Clara, Calif., principal lab planner on the project.

The Millennium plan divides each floor into two fire areas, separated by a four-hour partition



and three-hour doors, thus permitting the maximum amount of chemicals on the upper floors. The lab also has easy-access "safety walls" situated at each lab entry point.

Keeping costs down

"In the '80s and '90s, there were so many blockbuster drugs on the market without competition," says Stephen Steelman, VP and GM with Dallas-based Turner Corp.'s pharmaceutical division. "Many pharmaceutical companies were spending the money to make a design statement. It was sort of an ego thing."

One such ego trip was the big, dramatic atrium, a visual signal of a company's prestige and prominence. In today's economy, such atria are being reconsidered by budget-conscious clients.

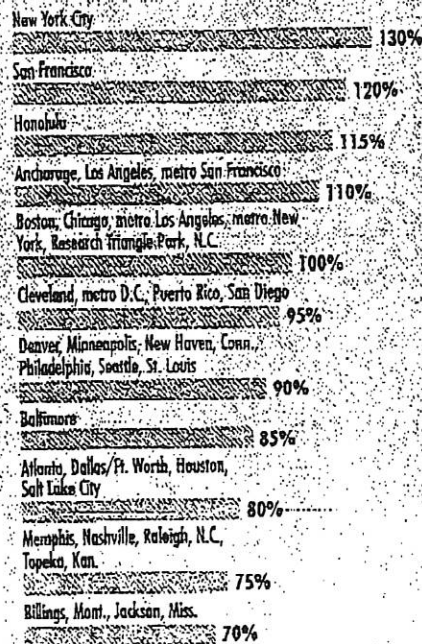
"The basic assertion that good facilities attract good scientists is still there," says Bill Brader, principal and director of projects with Kling, Philadelphia. "But the idea of having the grandiose atrium is gone."

Brader says many clients are asking for scaled-down atrium spaces that are also more functional. He describes a recently designed atrium for a 300,000-sq.-ft. lab facility that incorporates offices, program spaces, widened walkways, and pedestrian bridges that encourage interaction among various disciplines in the facility.

"This building joins lab, office, and develop-

U.S. lab construction costs by location

(Costs are benchmarked to the New York metro area)



Source: H.W. International and Acta-Cost

A laboratory in San Francisco would cost 20% more to build than one in the New York metropolitan area (outside New York City itself), according to H.W.'s Stanley Stark, who compiled the data.

A "safety wall" at Millennium Pharmaceuticals' lab (left) centralizes the location of eyewashes, lab coats, safety glasses, fire extinguishers, safety manuals, service cut-offs, safety showers, and fire-alarm pull stations. The Cambridge, Mass., facility was named 2003 "Lab of the Year" by R&D Magazine.

Photo: © Elkus/Mantfredi Architects

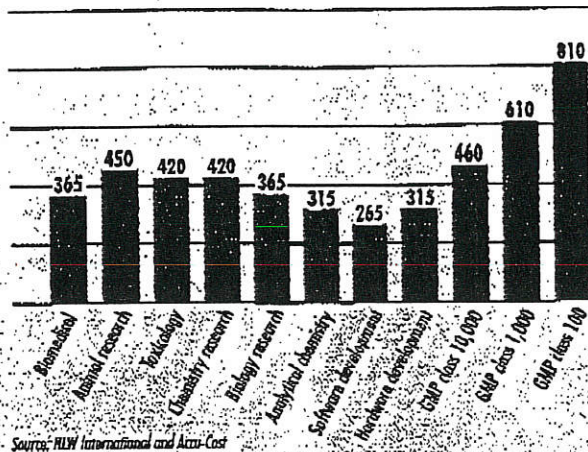
The more traditional multistory atrium for a new life-science research facility in St. Louis for Sigma-Aldrich Corp. (right) incorporates offices, labs, and a communicating stairway. Good facilities still attract good scientists, says one lab planner, but the day of the grandiose atrium may be ending. Design by Hellmuth Obata Kassarbaum, with McCarthy Construction Companies as CM (both of St. Louis), and the St. Louis office of Lockwood Greene, Spartanburg, S.C., as engineer of record.

Photo: © Hedrich Blessing

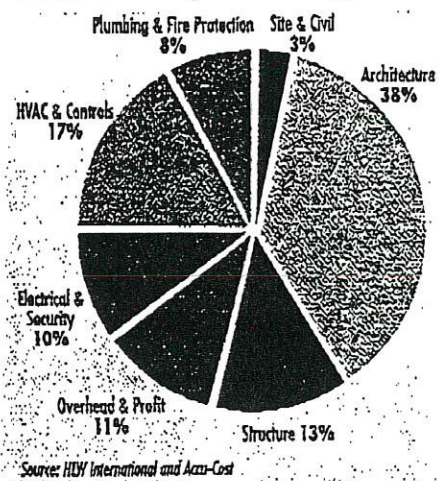
LIFE-SCIENCE LABORATORIES

2003 new R&D facility construction costs by type

Cost in dollars/sq. ft.



Distribution of costs by trade for biochemistry lab building



The HNW/Accu-Cost study shows (left) that a facility constructed to GMP (Good Manufacturing Practices) 100 level would run about \$810 a square foot, while a software development facility would cost significantly less to build — \$265 a square foot. In the division of labor by trade (right), “structure” includes foundations and superstructure, while “architecture” takes in roofing, windows, interiors, finishes, fume hoods, special equipment, casework, and elevators for a typical biochemistry lab facility.

ment spaces, so we used a smaller atrium to bring those different functions together in a community space, as well as to bring natural light into the interior,” says Brader.

Dave Hronek, a VP with Detroit-based SmithGroup, says clients are looking to integrate smaller atriums with a communicating stairway or gathering area. “One client called the atrium a place where they could have group meetings, fundraisers, and even small concerts — a space to blend art and science,” says Hronek.

It’s not as if large, dramatic atriums have fallen completely by the wayside. Genentech Hall at the University of California, San Francisco, features an expansive atrium that extends the full height of the five-story building.

“People using this grand stair can be seen from the atrium, open corridors, elevators, and interaction lounges,” says William L. Diefenbach, principal-in-charge with Detroit-based SmithGroup, design architect for the \$223 million project. “It really creates a sense of interac-

tivity at all levels of the structure.”

Where speed to market counts

Getting new facilities online faster is paramount in the pharmaceutical market, where even a few added months of construction time may mean the difference between being first to market with a new drug or being left in the dust by rivals — at a cost of billions in sales.

“We used to see occasional fast-track projects, now it’s routine,” says Walter “Bud” Guest, SVP with McCarthy Building Cos., St. Louis. He says fast-track construction starts with analysis of program and design concept alternatives. During the design phase, Building Teams should consider using phased bid packages, an aggressive design schedule, and design elements that speed the construction process.

During construction, Guest suggests purchasing long-lead equipment early, such as autoclaves, sterilizers, and air handlers. The Building Team may want to offer financial incentives to