

MINUTES OF THE HOUSE ECONOMIC DEVELOPMENT COMMITTEE

The meeting was called to order by Chairperson Lana Gordon at 3:30 P.M. on March 16, 2006 in Room 526-S of the Capitol.

All members were present except:

Tom Burroughs- excused
Sydney Carlin- excused
Carl Krehbiel- excused
Valdenia Winn- excused

Committee staff present:

Kathie Sparks, Kansas Legislative Research Department
Rena Jefferies, Revisor of Statutes
Carlene Maag, Committee Secretary

Conferees appearing before the committee:

Clay Blair, Chairman of Kansas Bioscience Authority

Others attending:

See attached list.

Staff gave an overview of legislation that created The Bioscience Authority Act in the 2004 Senate Substitute for Substitute for **HB 2647**.

The Kansas Bioscience Authority is governed by an 11-member Board of Directors. Nine members are voting members while two non-voting members of the Board represent state research universities and have research expertise.

The Bioscience Authority is to be headquartered in the county with the highest number of bioscience employees associated with bioscience companies.

The powers of the Authority would include, overseeing the commercialization of bioscience intellectual property created by eminent and rising star scholars. Eminent domain would not be allowed to be used to secure agricultural land for a bioscience project. (Attachment 1)

The Authority shall prepared an annual report to the legislature and the governor on all distributions from the bioscience development and investment fund, and income, investment and income tax credits and exemptions attributed to bioscience authority activity.

Kansas, Inc. shall evaluate and report on the effectiveness of the activities of the bioscience authority (Attachment 2)

Committee was also provided a copy of biographies of the board members. (Attachment 3)

Chairperson Gordon welcomed Clay Blair, Chairman of the Kansas Bioscience Authority to the committee who gave an overview of the Bioscience Authority.

The Bioscience Authority recognizes that bioscience is an emerging economic driver. There are five operating principles:

- Partnerships
- leveraging money and resources
- Achieve a return on investment
- Reduce the bureaucracy
- Accountability

The primary focus of the Bioscience Authority is threefold:

- Working with small start-up companies
- Helping existing companies that exhibit valid ideas

CONTINUATION SHEET

MINUTES OF THE House Economic Development Committee at 3:30 P.M. on March 16, 2006 in Room 526-S of the Capitol.

- Attracting new business to the State

A new area of concern and initiative relates to having adequate wet lab spaces and facilities. A study is being formed with Kansas State University to formalize guidelines for community and private involvement. The Bioscience Authority wants to partner with a community not be the sole owner.

Discussion followed the presentation. Chairperson Gordon thanked Mr. Blair for coming.

Committee was provided more information on **HB 2194**. (Attachment 4)

The meeting adjourned at 5:40 pm, with the next meeting scheduled for March 21, 2006.

HOUSE ECONOMIC DEVELOPMENT COMMITTEE GUEST LIST

DATE: 3-16-06

NAME	REPRESENTING
Kenie J. Bacon	KDC
Jim Snyder	SHL
Joni Shellman	SHL & AARP Kansas

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

545N-Statehouse, 300 SW 10th Ave.
Topeka, Kansas 66612-1504
(785) 296-3181 ♦ FAX (785) 296-3824

kslegres@klrd.state.ks.us

<http://www.kslegislature.org/klrd>

March 8, 2006

To: House Committee on Economic Development

From: Kathie Sparks, Principal Analyst

Re: Kansas Economic Growth Act

2004 Senate Substitute for Substitute for HB 2647 creates the Kansas Economic Growth Act. The bill also creates or amends ten additional acts as outlined below.

Bioscience Authority Act creates the Kansas Bioscience Authority, governed by an 11-member Board of Directors.

- Nine members would be voting members representing the general public who demonstrate leadership in finance, business, bioscience research, plant biotechnology, basic research, health care, legal affairs, bioscience manufacturing or product commercialization, education, or government. In addition, one member of the Board is to be an agricultural expert who is recognized for outstanding knowledge and leadership in the field of bioscience.
- The Governor, the Speaker of the House, and the President of the Senate will each appoint two Board members, and the House Minority Leader, Senate Minority Leader, and Kansas Technology Enterprise Corporation (KTEC) will each appoint one member.
- Two non-voting members of the Board are to be representing state research universities and have research expertise and represent Kansas universities.
- The voting members are subject to Senate confirmation and will serve four-year terms after conclusion of the initial term, with no more than three consecutive four-year terms.
- The Bioscience Authority is to be headquartered in the county with the highest number of bioscience employees associated with bioscience companies.
- The Authority, with state universities, would identify and recruit eminent and rising star scholars; jointly employ personnel to assist or complement eminent and rising star scholars; determine types of facilities and research; facilitate integrated bioscience research; and provide matching funds for federal grants.
- The powers of the Authority would include:
 - Oversee the commercialization of bioscience intellectual property created by eminent and rising star scholars.

- Own and possess patents, proprietary technology, and enter into contracts for commercialization of the research.
- Incur indebtedness and enter into contracts with the Kansas Development Finance Authority (KOFA) for bonding to construct state-of-the art facilities owned by the Authority.
- Neither the State of Kansas nor K DFA would be liable for the bonds of the Authority.
- Purchase, lease, trade, and transfer property. Architecture and construction requirements similar to those affecting the research universities research facilities would also apply.
- Solicit and study business plans and proposals.
- Establish a contractual relationship with KTEC and the National Institute for Strategic Technology Acquisition and Commercialization (NISTAC) for the first five years of operation.
- A repayment agreement would be required for any bioscience company that receives grants, awards, tax credits or any other financial assistance, including financing for any bioscience development project, if the company relocates operations associated with the funding outside Kansas within 10 years after receiving such financial assistance. The Authority would be required to specify the terms of the repayment obligation and the amount to be repaid.
- Eminent domain would not be allowed to be used to secure agricultural land for a bioscience project.

Emerging Industry Investment Act creates the Bioscience Development Investment Fund which will not be a part of the state treasury.

- Funds in the Bioscience Development Investment Fund would belong exclusively to the Authority. The Secretary of Revenue and the Authority would establish the base year of taxation for all bioscience companies and all state universities conducting bioscience research in the state. During the 2005 Session, Substitute for HB 2003 amended the Act to change the definition of "base year taxation." Prior law defined "base year taxation" as 2003 state taxes payable by biosciences companies and state universities and withholding taxes paid by their employees. Under the provisions of the bill, the definition was amended to comprise 95 percent of 2003 state withholding taxes paid by the entities' employees. Additional language allowed for base year taxation to be adjusted in future years to account for the addition of new companies and those that may have been inadvertently omitted from the original determination.
- The Secretary of Revenue, the Authority, and the Board of Regents would establish the number of bioscience employees associated with state universities and report annually and determine the incremental increase from the base annually for the following 15 years from the effective date of the Act.

- All of the incremental state taxes generated by the growth of bioscience companies and research institutions over and above the base taxation year would go into the Fund. The baseline amount of state taxes would go to the State General Fund each year. The Bioscience Development Investment Fund would be used to fund programs and repay bonds.

Bioscience Development Financing Act would allow creation of tax increment financing districts for bioscience development.

- One or more bioscience development projects could occur within an established bioscience development district.
- The process for establishing the district would follow the tax increment financing statutes. However, no bioscience development district can be established without the approval of the Authority.
- The bill allows counties to establish bioscience development districts in unincorporated areas.
- KDFA may issue special obligation bonds to finance a bioscience development project. The bonds would be paid with ad valorem tax increments, private sources, contributions, or other financial assistance from the state and federal government.
- The bill creates the Bioscience Development Bond Fund which will be managed by the Authority and not be part of the state treasury. A separate account will be created for each bioscience development district (BDD) and distributions will pay for the bioscience development project costs in a BDD.

Bioscience Tax Investment Incentive Act will make additional cash resources available to start-up companies.

- The bill would create the Net Operating Loss (NOL) Transfer Program. The Program will allow the Bioscience Authority to pay up to 50 percent of a bioscience company's Kansas NOL during the claimed taxable year.
- The Program would be managed by the Kansas Department of Revenue and would be capped at \$1.0 million for any one fiscal year.

Bioscience R & D Voucher Program Act establishes the Bioscience R & D Fund in the state treasury.

- The Fund could receive state appropriations, gifts, grants, federal funds, revolving funds, and any other public or private funds.
- The Program would require that any Kansas companies conducting bioscience research and development apply to the Authority for a research voucher. After receiving a voucher, the company would then locate a researcher at a Kansas university or college to conduct a directed research project.

- At least 51 percent of voucher award funds would be expended with the university in the state under contract and could not exceed 50 percent of the research cost.
- The maximum voucher funds awarded could not exceed \$1.0 million, each year for two years, and not to exceed 50 percent of the research costs. The company would be required to provide a one-to-one dollar match of the project award for each year of the project.

Bioscience Research Matching Funds Act establishes the Bioscience Research Matching Fund to be administered by the Authority.

- Recipients must be a bioscience research institution and are encouraged to jointly apply for funds. The funds would be used to promote bioscience research and to recruit, employ, fund, and endow bioscience faculty, research positions, and scientists at universities in Kansas.
- Application for the matching funds would be made to the Authority.

Kansas Center for Entrepreneurship is established within the Department of Commerce.

- The Secretary of Commerce will enter into a contract for the operations of the Center.
- An 11-member Board of Directors will be appointed by the Secretary of Commerce and specific qualifications for Board membership are outlined in the bill.
- The purpose of the Center would be to increase seed capital for entrepreneurs, especially those in distressed and rural communities; work with the Kansas Board of Regents and the Kansas Board of Education to create training and course work in entrepreneurship; and provide a resource center clearinghouse and referral source which would include a website and a toll-free telephone number.
- The bill also creates the Kansas Community Entrepreneurship Fund (KCEF), which can receive state funds, donations, and gifts from any source. The Center would administer the fund under guidelines established by the Secretary of Commerce and the funds would be used for awards to regional and community organizations that provide seed capital to qualified entrepreneurs, especially those located in distressed and rural communities in Kansas.
- The Fund will not be subject to appropriation. A maximum of 10 percent of the fund each year could be used for the operation of the Center.
- A new tax credit for entrepreneurship in distressed and rural communities is also established in the bill. Taxpayers that donate to the KCEF could claim a 50 percent tax credit of the amount donated. The first year that a tax credit could be claimed is 2006 and would be limited to a total amount of \$2.0 million for any one fiscal year. In addition, the minimum amount of investment would be \$250 to receive the credit. The Center and the Department of Commerce would control the distribution of the credits to investors.

The Kansas Investments in Major Projects and Comprehensive Training Act is amended to allow the Secretary of the Department of Commerce to make direct investments in educational and related workforce development institutions. The bill also increases the Secretary's ability to invest in capital requirements of major facility expansions from 10.0 percent to 20.0 percent of IMPACT funds.

The Rural Business Development Tax Credit is established in the bill.

- State income tax credits would be awarded to seven designated regional organizations to use to encourage individuals, businesses, financial institutions, and insurance companies to donate to regional foundations. The bill defines a "regional foundation" as an organization that demonstrates capacity to provide economic development services to various regions of the state.
- The Secretary of Commerce with assistance of the Secretary of Revenue would designate an organization as a regional foundation.
- Over a three-year period, each region would receive \$1.0 million of tax credits, or a total of \$7.0 million statewide. A tax credit of 50 percent of the donation would be available under this program. The minimum donation would be \$250. Any credits not sold by a date to be specified by the Department of Commerce would be reclaimed by the Department and redistributed to other regions that had used all of their credits.

The Kansas Angel Investor Tax Credit Act is also established in the bill.

- An accredited investor would be allowed a 50 percent tax credit not to exceed \$50,000 of cash investment in a qualified Kansas business and limited to five such cash investments. The tax credit would be made available beginning January 1, 2005 with a cap of \$2.0 million per year. The last year to receive a tax credit under the provisions of the bill would be 2016. The cumulative aggregate amount of tax credits allowed for the ten-year period would be \$20.0 million.
- A qualified Kansas business would be certified by the Kansas Technology Enterprise Corporation. An accredited investor would be an accredited investor as defined by the U.S. Securities and Exchange Commission Rule 501 Regulation D and is incurring Kansas income tax.
- The tax credit could be sold if the investor is not subject to Kansas taxation and only the full credit for any one investment may be transferred.
- The bill requires repayment of state investments if the business no longer qualifies or moves out of the state within 10 years and would abolish the Kansas Certified Capital Formation Company Act.

The 2005 Legislature enacted HB 2448 which amended the Angel Investor Tax Credit Act to clarify that persons serving as executives, officers, employees, vendors, or independent contractors of the business in which an otherwise qualified cash investment is made could not be deemed to be an "angle investor" under the provisions of the act and could not, therefore, as individuals, qualify for the issuance of tax credits associated with the investment.

The Kansas Downtown Redevelopment Act is created in the bill. The Secretary of Commerce would approve applications from cities or counties for the designation of downtown redevelopment areas that will also receive a rebate of property tax collected on the properties which have undergone approved improvements. The criteria the Secretary would use when reviewing the applications includes:

- The proposed redevelopment area is located in a well-defined, core commercial district of the city;
- The structures located within the proposed redevelopment area have a vacancy rate that exceeds 15 percent; or
- The average appraised valuation of the properties located within the proposed area has not increased by more than 15 percent in the past 10 years.

The property owner would be required to submit a written application to the governing body of the city to request the rebates. The real property approved for the tax rebates would be assessed and taxed as if it had not been approved. A rebate for five years would be made available to the property owner of the incremental tax increase between the base year, prior to the improvements, and the new assessed valuation. During the sixth year, 80 percent of the tax increment would be subject to rebate. For the seventh, eighth, and ninth years, the percentage of the tax increment that would not be subject to rebate would be a 20 percent increase per year. Finally, in the tenth year, no rebate would be awarded.

The 2005 Legislature enacted HB 2265 which amended the Kansas Downtown Redevelopment Act so that the tax increment generated by the improvement would be credited to the Property Tax Rebate Fund for the purpose of returning all or part of the tax increment to the taxpayer. Prior language stated that all real property taxes assessed to the base year appraised value would be credited to the fund for the purpose of returning all or part of the tax increment to the taxpayer.

If you have any other questions, please do not hesitate to contact me at Kathies@klrd.state.ks.us or 785-296-4405.

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cil, to represent the various aspects of the issue being analyzed or studied, when analyzing criminal justice issues and performing criminal justice studies. Members of the legislature may be appointed ex officio members to such task groups. A member of the council shall serve as the chairperson of each task group appointed by the council. The council may appoint other members of the council to any task group formed by the council; and

(7) review reports submitted by each task group named by the council and shall submit the report with the council's recommendations pertaining thereto to the governor, the attorney general, the chief justice of the supreme court, the chief clerk of the house of representatives and the secretary of the senate.

History: L. 1994, ch. 315, § 1; L. 1996, ch. 229, § 127; L. 1997, ch. 156, § 87; L. 2004, ch. 160, § 6; May 27.

Article 98.—TRIBAL GAMING OVERSIGHT

74-9802.

Attorney General's Opinions:

Joint committee on State-Tribal Relations has authority to make recommendations on proposed gaming compact for class III gaming not within tribe reservations. 2004-29.

Article 99.—ADVISORY COMMISSION ON AFRICAN-AMERICAN AFFAIRS

74-9901. Advisory commission on African-American affairs established; advisory to governor. There is hereby established the advisory commission on African-American affairs hereinafter referred to as the advisory commission. The advisory commission shall be advisory to the governor and shall be within the office of the governor and a part thereof.

History: L. 1997, ch. 44, § 1; L. 2004, ch. 42, § 11; July 1.

74-9904. Executive director; appointment; duties. (a) The advisory commission may appoint, subject to the approval of the governor, an executive director who shall be qualified by education and experience to assume the responsibilities of such office.

(b) The executive director shall be the administrative officer of the advisory commission and shall serve the advisory commission by gathering information, disseminating findings of fact and other information, forwarding proposals and eval-

uations to the governor, the legislature and various state agencies, carrying out public education programs, conducting hearings and conferences and performing other duties necessary for the proper operation of the advisory commission.

History: L. 1997, ch. 44, § 4; L. 2004, ch. 42, § 12; July 1.

74-9906. Appointment of technical advisors and assistants. The executive director of the advisory commission may appoint, subject to the approval of the advisory commission and the governor, technical advisors and assistants to develop, assist and cooperate with local organizations and associations on African-American concerns.

History: L. 1997, ch. 44, § 6; L. 2004, ch. 42, § 13; July 1.

Article 99a.—CENTRAL PAYMENT CENTER OVERSIGHT COMMISSION

74-99a01.

History: L. 2001, ch. 195, § 10; Repealed, L. 2003, ch. 111, § 2; July 1.

Article 99b.—BIOSCIENCE AUTHORITY

BIOSCIENCE AUTHORITY ACT

74-99b01. Citation of act. K.S.A. 2005 Supp. 74-99b01 to 74-99b20, inclusive, and amendments thereto, shall be known and may be cited as the bioscience authority act.

History: L. 2004, ch. 112, § 1; July 1.

74-99b02. Findings and declarations; exercise of powers permitted by act deemed essential governmental function. (a) The legislature of the state of Kansas hereby finds and declares that:

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

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

(3) the universities, colleges, nonprofit institutions and private enterprises in the state of Kansas will be able to further educate and train scientists, health care professionals and technicians

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to provide a supportive environment for biosci-
ence research, development, testing and product
commercialization activities through increased
targeted investments;

(4) manufacturing, licensing and commercial-
ization of products derived from the biosciences
will benefit the state's economy and will facilitate
the development of the bioscience industry and
associated educational institutions in the state of
Kansas;

(5) the mission of the Kansas bioscience au-
thority is to make Kansas the most desirable state
in which to conduct, facilitate, support, fund and
perform bioscience research, development and
commercialization, to make Kansas a national
leader in bioscience, to create new jobs, foster ec-
onomic growth, advance scientific knowledge and
improve the quality of life for the citizens of the
state of Kansas;

(6) the needs of the citizens of the state of
Kansas and the public and private entities en-
gaged in the biosciences will be best served by an
independent public authority charged with the
mission of facilitating, supporting, funding and
performing bioscience projects for the benefit of
its citizens to promote the state's research, devel-
opment and commercialization objectives.

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

History: L. 2004, ch. 112, § 2; July 1.

74-99b03. Definitions. As used in the bi-
oscience authority act, and amendments thereto,
the following words and phrases shall have the
following meanings unless a different meaning
clearly appears from the content:

(a) "Authority" means the Kansas bioscience
authority created by this act.

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

(c) "Bioscience" means the use of composi-
tions, methods and organisms in cellular and mo-
lecular research, development and manufacturing
processes for such diverse areas as pharmaceuti-
cals, medical therapeutics, medical diagnostics,

medical devices, medical instruments, biochem-
istry, microbiology, veterinary medicine, plant bi-
ology, agriculture and industrial, environmental,
and homeland security applications of bioscience,
and future developments in the biosciences. Bio-
science includes biotechnology and life sciences.

(d) "Bioscience company" means a corpora-
tion, limited liability company, S corporation,
partnership, registered limited liability partner-
ship, foundation, association, nonprofit entity, sole
proprietorship, business trust, person, group, or
other entity that is engaged in the business of bi-
oscience in the state and has business operations
in the state, including, without limitation, re-
search, development, or production directed to-
wards developing or providing bioscience prod-
ucts or processes for specific commercial or public
purposes and are identified by the following
NAICS codes: 325411, 325412, 325413, 325414,
325193, 325199, 325311, 32532, 334516, 339111,
339112, 339113, 334510, 334517, 339115,
621511, 621512, 54171, 54138, 54194.

(e) "Bioscience development project" means
an approved project to implement a project plan
in a bioscience development district.

(f) "Bioscience research" means any investi-
gation for the advancement of scientific or tech-
nological knowledge of bioscience and any activity
that seeks to utilize, synthesize, or apply existing
knowledge, information or resources to the reso-
lution of a specific problem, question or issue of
bioscience.

(g) "Bioscience research institutions" means
all universities and colleges located in the state of
Kansas conducting bioscience research.

(h) "Biotechnology" means those fields focus-
ing on technological developments in such areas
as molecular biology, genetic engineering, gen-
omics, proteomics, physiomics, nanotechnology,
biodefense, biocomputing and bioinformatics.

(i) "Board" means the board of directors of
the authority created by this act.

(j) "Bonds" has the same meaning as in K.S.A.
74-8902, and amendments thereto.

(k) "Bioscience development and investment
fund" means the fund created by K.S.A. 2005
Supp. 74-99b34, and amendments thereto.

(l) "Eminent scholar" means world-class, dis-
tinguished and established investigators recog-
nized nationally for their research, achievements
and ability to garner significant federal funding on
an annual basis. Eminent scholars are recognized
for their scientific knowledge and entrepreneurial

spirit to enhance the innovative research that leads to economic gains. Eminent scholars are either members of or likely candidates for the national academy of sciences or other prominent national academic science organizations.

(m) "Kansas technology enterprise corporation" or "KTEC" means the Kansas technology enterprise corporation created under K.S.A. 74-8101, and amendments thereto.

(n) "Life sciences" means the areas of medical sciences, pharmaceutical sciences, biological sciences, zoology, botany, horticulture, ecology, toxicology, organic chemistry, physical chemistry, physiology and any future advances associated with life sciences.

(o) "NAICS" means the north American industry classification system.

(p) "NISTAC" means the national institute for strategic technology acquisition and commercialization.

(q) "President" means the chief executive officer of the authority.

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

(s) "Qualified company" means a Kansas company conducting bioscience research and development that may be granted a funding voucher.

(t) "Rising star scholar" means up-and-coming distinguished investigators growing in their national reputations in their fields, who are active and demonstrate leadership in their associated professional societies, and who attract significant federal research grant support. Rising star scholars would be likely candidates for the national academy of sciences or other prominent national academic science organizations in the future.

(u) "State" means the state of Kansas.

(v) "State employee" means a person employed by the state of Kansas whether or not a classified or unclassified employee in the state personnel system. Authority employees shall not be considered state employees, as such term is defined in this act or in any other statute or rule and regulation.

(w) "State universities" includes state educational institutions as defined in K.S.A. 76-711, and amendments thereto, and the municipal university as defined in K.S.A. 74-3201b, and amendments thereto.

(x) "Taxpayer" means a person, corporation, limited liability company, S corporation, partner-

ship, registered limited liability partnership, foundation, association, nonprofit entity, sole proprietorship, business trust, group or other entity that is subject to the Kansas income tax act K.S.A. 79-3201 et seq., and amendments thereto.

(y) "Technology transfer" means, without limitation, assisting with filing patent applications, executing licenses, paying maintenance fees and managing the finance, production, sales and marketing of bioscience intellectual property.

(z) "This act" means the bioscience authority act.

(aa) Notwithstanding any other provision of this act, the terms "bioscience," "biotechnology" and "life sciences" shall not be construed to include:

(1) Induced abortion in humans, performed after the date of enactment of this act, or the use of cells or tissues derived therefrom; or

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

History: L. 2004, ch. 112, § 3; July 1.

74-99b04. Kansas bioscience authority; establishment; headquarters; membership; terms of office; vacancies; confirmation; compensation; meetings; powers; quorum; dissolution. (a) There is hereby established a body politic and corporate, with corporate succession, to be known as the Kansas bioscience authority. The authority shall be an independent instrumentality of the state. Its exercise of the rights, powers and privileges conferred by this act shall be deemed and held to be the performance of an essential governmental function.

(b) In order to accelerate any and all synergy and opportunities for the growth of the authority, the authority shall be headquartered and establish its principal operation in the county in the state with the highest number of bioscience employees associated with bioscience companies as of the effective date of this act. The exact location of the authority's headquarters and principal operations in such county shall be at the discretion of the authority's board.

(c) The authority shall be governed by an eleven-member board. One member of the board shall be an agricultural expert who is recognized for outstanding knowledge and leadership in the field of bioscience. Eight of the members of the board shall be representatives of the general public who are recognized for outstanding knowledge

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and leadership in the fields of finance, business, bioscience research, plant biotechnology, basic research, health care, legal affairs, bioscience manufacturing or product commercialization, education or government. Of the nine voting members, five must be residents of the state. The other two members of the board shall be nonvoting members with research expertise representing state universities and shall be appointed by the Kansas board of regents. Nonvoting members shall serve at the pleasure of the board of regents.

(d) Of the nine voting members who will be appointed to the authority's first board, two shall be appointed by the governor for a term of office of four years, two shall be appointed by the speaker of the house of representatives, one of which shall be the agricultural expert as authorized in subsection (c), for a term of office of three years, two shall be appointed by the president of the senate for a term of office of three years, one shall be appointed by the minority leader of the house of representatives for a term of office of two years, one shall be appointed by the minority leader of the senate for a term of office of two years, and one shall be appointed by the Kansas technology enterprise corporation for a term of office of one year. Members of the first board shall be appointed by August 1, 2004. No more than three voting members shall be appointed from any one congressional district. All voting members of the board shall be subject to senate confirmation as provided in K.S.A. 75-4315b and amendments thereto. Any member of the board whose nomination is subject to confirmation during a regular session of the legislature shall be deemed terminated when the senate rejects the nomination. No such termination shall affect the validity of any action taken by such member of the board before such termination.

(e) Terms of voting members appointed pursuant to this section shall expire on March 15.

(f) After the expiration of the terms of the authority's first board, or whenever a vacancy occurs or is announced regarding a voting member or members of the board, such voting member or members shall be appointed as described in subsections (c) and (d), except that such members shall be appointed for terms of four years each. In the event of a vacancy the appointment shall be for the remainder of the unexpired portion of the term. Each member of the board shall hold office for the term of appointment and until a successor has been confirmed. Any member of the

board is eligible for reappointment, but members of the board shall not be eligible to serve more than three consecutive four-year terms.

(g) Except for appointments of nonvoting members, each appointment shall be forwarded to the senate for confirmation as provided in K.S.A. 75-4315b and amendments thereto. Except as provided by K.S.A. 2005 Supp. 46-2601 and amendments thereto, no person appointed to the board shall exercise any power, duty or function as a member of the board until confirmed by the senate. In case of a vacancy when the senate is not in session, the appointing entity may make a temporary appointment to the board until the next meeting of the senate. Any person who is temporarily appointed by the appointing entity to the board shall have all of the powers, duties and functions as a member of the board during such temporary appointment.

(h) The board annually shall elect a voting member as chairperson and at least one other as vice-chairperson. The board also shall elect a secretary and treasurer for terms to be determined by the board. The board may elect the same person to serve as both secretary and treasurer. The board shall establish an executive committee, nominating committee and other standing or special committees, and prescribe their duties and powers. Any executive committee of the board may exercise all such powers and duties of the board as the board may delegate.

(i) Members of the board are entitled to compensation and expenses as provided in K.S.A. 75-3223, and amendments thereto. Members of the board attending board meetings or subcommittee meetings authorized by the board, shall be paid mileage and all other applicable expenses, provided such expenses are consistent with policies established from time-to-time by the board and as required by subsection (k).

(j) No part of the funds of the authority shall inure to the benefit of, or be distributed to, its employees, officers or members of the board, except that the authority may make reasonable payments for expenses incurred on its behalf relating to any of its lawful purposes and the authority shall be authorized and empowered to pay reasonable compensation for services rendered to or for its benefit relating to any of its lawful purposes, including to pay its employees reasonable compensation.

(k) Any member of the board other than a nonvoting member may be removed by an affir-

mative vote by six members of the board for malfeasance or misfeasance in office, regularly failing to attend meetings, or for any cause which renders the member incapable of or unfit to discharge the duties of director.

(l) The board shall meet at least four times per year and at such other times as it deems appropriate, or upon call by the president or the chairperson, or upon written request of a majority of the directors of the board. The board may adopt, repeal and amend such rules, procedures and bylaws, not contrary to law or inconsistent with this act, as it deems expedient for its own governance and for the governance and management of the authority. A majority of the total voting membership of the board shall constitute a quorum for meetings. The board may act by a majority of those at any meeting where a quorum is present, except upon such issues as the board may determine shall require a vote of six members of the board for approval. The board shall meet for the initial meeting upon call by the member of the board appointed by the Kansas technology enterprise corporation, who shall act as temporary chairperson until officers of the board are elected pursuant to subsection (i).

(m) The board shall appoint a president who shall serve at the pleasure of the board. The president shall serve as the chief executive officer of the authority. The president's salary shall be set by the board. The board may negotiate and enter into an employment agreement with the individual selected as president of the authority, which may provide for compensation allowances, benefits and expenses as may be included in such agreement. The president shall direct and supervise administrative affairs and the general management of the authority.

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

(o) The authority shall continue until terminated by law, except that no such law shall take effect so long as the authority has debts or obligations outstanding, unless adequate provision has been made for the payment or retirement of such debts or obligations. Upon any such dissolution of the authority, all property, funds and assets thereof shall be vested in the state, bioscience research institutions or both as designated by the board, or any other public institute or private enterprise engaged in the business of bioscience, or

any combination thereof, as designated by the board and approved by act of the legislature.

History: L. 2004, ch. 112, § 4; July 1.

74-99b05. Executive committee established; duties. (a) The board shall establish an executive committee of the authority, to be composed of the chairperson, the vice-chairperson, the secretary and two additional members of the board to be chosen by the chairperson from the remaining voting directors.

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

History: L. 2004, ch. 112, § 5; July 1.

74-99b06. Records of the board; public records; exemptions from open records act.

(a) All resolutions and orders of the board shall be recorded and authenticated by the signature of the secretary or any assistant secretary of the board. The book of resolutions, orders, minutes of open meetings, annual reports and annual financial statements of the authority shall be public records as defined by K.S.A. 45-215 et seq., and amendments thereto. All public records shall be subject to regular audit as provided in K.S.A. 46-1106 and amendments thereto.

(b) (1) Notwithstanding any provision of K.S.A. 45-215 et seq., and amendments thereto to the contrary, the following records of the authority shall not be subject to the provisions of the Kansas open records act, when in the opinion of the board, the disclosure of the information in the records would be harmful to the competitive position of the authority:

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

(B) contract cost estimates prepared for confidential use in awarding contracts for research development, construction, renovation, commercialization or the purchase of goods or services; and

(C) data, records or information of a proprietary nature produced or collected by or for the authority, its employees, officers or members of its board; financial statements not publicly available that may be filed with the authority from third parties; the identity, accounts or account status of any customer of the authority; consulting or other reports paid for by the authority to assist the authority in connection with its strategic plan-

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authority; consulting
the authority to assist
with its strategic plan-

ning and goals; and the determination of market-
ing and operational strategies where disclosure of
such strategies would be harmful to the compet-
itive position of the authority.

(2) The provisions of this subsection shall expire
on July 1, 2009. Prior to such date the legis-
lature shall review the provisions of this subsec-
tion.

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

History: L. 2004, ch. 112, § 6; July 1.

**74-99b07. Quorum required to transact
business; executive session, when used; open
meetings act exceptions.** (a) No business of the
board shall be transacted except at a regular or
special meeting at which a quorum consisting of
at least a majority of the total voting membership
of the board is present. Any action of the board
shall require the affirmative vote of a majority of
those at any meeting of the board at which a quor-
um is present.

(b) Notwithstanding any provision of K.S.A.
75-4317 et seq. and amendments thereto, in the
case of the authority, discussion and consideration
on any of the following may occur in executive
session, when in the opinion of the board, disclo-
sure of the items would be harmful to the com-
petitive position of the authority:

(1) Plans that could affect the value of prop-
erty, real or personal, owned or desirable for own-
ership by the authority;

(2) the condition, acquisition, use or disposi-
tion of real or personal property; or

(3) contracts for bioscience research, biosci-
ence product manufacturing or commercializa-
tion, construction and renovation of bioscience fa-
cilities and marketing or operational strategies.

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

History: L. 2004, ch. 112, § 7; July 1.

**74-99b08. Interest in authority contract
or action, disclosure required; prohibition on
voting; board and officers required to file
statements of substantial interest.** (a) Any
member of the board and any employee, other
agent or advisor of the authority, who has a direct

or indirect interest in any contract or transaction
with the authority, shall disclose this interest to
the authority in writing. This interest shall be set
forth in the minutes of the authority, and no di-
rector, officer, employee, other agent or advisor
having such interest shall participate on behalf of
the authority in the authorization of any such con-
tract or transaction; except that, the provisions of
this section shall not be construed to prohibit any
employee of bioscience research institutions, or
any public institute or private enterprise engaged
in the business of bioscience who is a member of
the board, who has no personal interest, from vot-
ing on the authorization of any such contract or
transaction between the authority and such em-
ployee's employer.

(b) All members of the board and all officers
of the authority shall file a written statement pur-
suant to K.S.A. 46-247 et seq. and amendments
thereto, regarding any substantial interests, within
the meaning of K.S.A. 46-229 and amendments
thereto, that each director may hold. Any em-
ployee, other agent or advisor of the authority who
has a substantial interest in any contract or trans-
action with the authority within the meaning of
K.S.A. 46-229 and amendments thereto, shall file
a written statement of substantial interest pursu-
ant to K.S.A. 46-247 et seq. and amendments
thereto.

History: L. 2004, ch. 112, § 8; July 1.

**74-99b09. Bioscience authority, powers
and duties; authority subject to review by
Kansas, Inc.** (a) The authority shall have all of
the powers necessary to carry out the purposes
and provisions of this act, including, without lim-
itation, the following powers to:

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

(2) have the duties, privileges, immunities,
rights, liabilities and disabilities of a body politic
and corporate and independent instrumentality of
the state;

(3) have perpetual existence and succession;

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

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

(6) work with bioscience research institutions
to identify and recruit eminent scholars and rising
star scholars who shall become employed by bio-
science research institutions or the authority, or
both, to perform bioscience research, develop-
ment and commercialization at bioscience re-

search institutions or at authority facilities, or both;

(7) transfer funds to bioscience research institutions in amounts to be determined by the board for the purpose of attracting and then supplementing the compensation of eminent scholars and rising star scholars;

(8) work with and collaborate with bioscience research institutions to determine the types of bioscience research that will be conducted by eminent scholars and rising star scholars;

(9) work with bioscience research institutions to determine the types of facilities that may be constructed at bioscience research institutions or at authority premises, or elsewhere, for eminent scholars and rising star scholars to perform bioscience research and development;

(10) employ personnel to assist or complement the research of eminent scholars and rising star scholars;

(11) establish policies and procedures to facilitate integrated bioscience research activities by the authority and bioscience research institutions;

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

(13) partner with the bioscience research institutions to provide matching funds for federal grants;

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

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

(16) own, acquire, construct, renovate, equip, improve, operate, maintain, sell or lease any land, buildings or facilities in the state that can be used

in researching, developing, sponsoring or commercializing bioscience in the state including, without limitation, a state-of-the-art facility, laboratory or commercial wet lab space incubator to be used by the authority, and also to be made available for use by bioscience research institutions or Kansas companies conducting bioscience research and development for bioscience research, commercialization and technology transfer of bioscience products, processes and other intellectual property in accordance with the provisions of this act;

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

(18) develop policies and procedures generally applicable to the procurement of goods, services and construction, based upon sound business practices;

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

(20) own and possess patents, copyrights, trademarks and proprietary technology and to enter into contracts for the purposes of commercializing and establishing charges for the use of such patents, copyrights, trademarks and proprietary technology involving bioscience;

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

(22) acquire space, equipment, services, supplies and insurance necessary to carry out the purposes of this act;

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

(24) procure such insurance, participate in such insurance plans or provide such self-insurance or both as it deems necessary or convenient to carry out the purposes and provisions of this act; the purchase of insurance, participation in an insurance plan or creation of a self-insurance fund by the authority shall not be deemed as a waiver or relinquishment of any sovereign immunity to

which the authority or its officers, directors, employees or agents are otherwise entitled;

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

(26) fix, revise, charge and collect rates, rentals, fees and other charges for the services or facilities furnished by or on behalf of the authority, and to establish policies and procedures regarding any such service rendered for the use, occupancy or operation of any such facility; such charges and policies and procedures not to be subject to supervision or regulation by any commission, board, bureau or agency of the state; and

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

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

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

(d) (1) 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. The nonprofit entity created in this subsection may expend such funds through grants or loans to further the purpose of bioscience authority activities including, but not limited to, issuing grants to high schools for the purpose of creating bioscience academies and to Kansas universities and colleges for the purpose of increasing the number of students majoring in bioscience, science education and math education. The authority may set requirements for curricula, teaching credentials and any other items and procedures incidental to establishing the grant programs.

(2) Grants made pursuant to this subsection shall be based on requirements established by the nonprofit entity and may include, but not be limited to, requirements for eligibility, grant applications, organizational characteristics and standards for eligibility and accountability as are deemed advisable by the nonprofit entity.

(3) 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 direct and manage the commercialization of bioscience intellectual property created by eminent scholars and rising star scholars who are employed by bioscience research institutions or the authority or both. Prior to the authority providing any financial support or funding to the bioscience research institutions, the authority and the bioscience research institutions must enter into an agreement that will govern each party's respective duties and responsibilities with respect to technology transfer and commercialization of any such bioscience intellectual property. Such agreements between the authority and the bioscience research institutions shall address the sharing of revenue from any such bioscience intellectual property, the technology transfer of such bioscience intellectual property, patent application filing and maintenance fees, as-

sumption of risks and the terms of ownership of such bioscience intellectual property. The authority and the bioscience research institutions shall have authority to freely negotiate. If conflicts arise, all terms and provisions of such agreement shall prevail and govern over any policy of a bioscience research institution or the Kansas board of regents.

(i) During the first five years after the effective date of this act, the authority may contract with KTEC, which will be able to subcontract with appropriate third parties as it deems necessary and appropriate, including, without limitation, NISTAC, for the initial commercialization efforts for bioscience intellectual property, including, without limitation, corporate patent donations. The contract between the authority and KTEC must be negotiated between the authority and KTEC and will set forth the rights and responsibilities of each party, including the financial terms, payment of funds for personnel, assumptions of risks, technology transfer and terms of ownership and licensure of such bioscience intellectual property. The contract between the authority and KTEC must also set forth the authority's right, if any, to sell, license, contribute or provide its contractual share of bioscience intellectual property to any third party, or provide services, facilities or assistance to any third party, for a fee, for an ownership interest in the third party, or other consideration, so as to commercialize bioscience technology. After the five-year period from the effective date of this act, the authority may independently commercialize or enter into contracts with third parties for the commercialization of bioscience intellectual property and for technology transfer. The authority will take steps to reasonably ensure that it does not duplicate existing commercialization efforts already located in the state and recognizes the important role KTEC plays in the state. After the five-year period from the effective date of this act, the authority may sell, license, contribute or provide bioscience intellectual property to any third party, or provide services, facilities or assistance to any third party, for a fee, for an ownership interest in the third party, or other consideration, so as to commercialize bioscience technology. The authority may take all such actions necessary to commercialize any technology in which the authority has an interest.

(j) For the five-year period following the effective date of this act, the authority may transfer

funds to KTEC for the operation and management of authority-owned facilities, including, without limitation, funds for KTEC to employ the personnel necessary to assist the authority, the exact amount of such transfer to be negotiated between the authority and KTEC. After consulting with and in accordance with recommendations by the board, KTEC may use such funds to identify, recruit and employ personnel who will perform management and other services at such authority-owned facilities.

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

(l) The authority shall prepare an annual report to the legislature and the governor on all distributions from the bioscience development and investment fund, and income, investment and income tax credits and exemptions attributed to bioscience authority activity. The authority with assistance from the department of revenue shall prepare an annual report summarizing the growth of bioscience research and industry in Kansas.

(m) The authority shall be subject to review by Kansas, Inc. In the review, Kansas, Inc. shall evaluate and report on the effectiveness of the activities of the bioscience authority in the manner provided in K.S.A. 74-8010, and amendments thereto.

History: L. 2004, ch. 112, § 9; July 1.

74-99b10. Bonds for bioscience programs, activities, research, companies, institute and bioscience authority; request procedures; vesting of rights, remedies. (a) The Kansas development finance authority is hereby authorized to issue bonds pursuant to the Kansas

operation and managed facilities, including, or KTEC to employ the best the authority, the expenses to be negotiated with KTEC. After consulting with the recommendations by KTEC. After consulting with such funds to identify, personnel who will perform services at such authority-

year period after the effective date the authority shall contract with KTEC for one year for KTEC to submit identifying all patents and the number of eminent scholars in the state, a list of interests in technology and otherwise disposed information, the names of persons, the date the technology was generated by the authority, and any other information appropriate. After the effective date of this act, the authority shall identify or through a consulting KTEC if chosen by the board of the foregoing information to the board.

The board shall prepare an annual report to the governor on all disbursements for science development and investment, investment and innovations attributed to bioscience. The authority with assessment of revenue shall summarize the growth of the bioscience industry in Kansas. All disbursements shall be subject to review by the board, Kansas, Inc. shall ensure the effectiveness of the authority in the manner provided in 74-99b10, and amendments

74-99b11, § 9; July 1.

74-99b10. Authority for bioscience projects, companies, institutions; request for profits, remedies. (a) The authority is hereby authorized pursuant to the Kansas

development finance authority act, K.S.A. 74-8901 et seq., and amendments thereto, to finance: (1) Facilities, as defined in the Kansas development finance authority act; for the conduct of bioscience programs, activities and research of the authority, a bioscience company or a bioscience research institute; (2) bioscience programs, activities and research of the authority, a bioscience company or a bioscience research institute; and (3) to provide sufficient funds to the authority necessary or convenient to carry out the authority's purposes and powers under this act. No bonds may be issued pursuant to this section unless the Kansas development finance authority has received a resolution of the board of the authority requesting the issuance of such bonds. Bonds issued pursuant to this section shall not be subject to the notice requirements of K.S.A. 74-8905(c), and amendments thereto.

(b) Any resolution by the board of the authority requesting bonds to be issued by the Kansas development finance authority may (1) contain such requirements, parameters and provisions as deemed appropriate by the board for the purpose of carrying out the authority's purposes under this act and (2) authorize such contracts or obligations of the authority deemed appropriate by the board to secure the payment of such bonds, including a pledge of all or any part of the revenues and assets of the authority, including without limitation moneys in the bioscience development and investment fund.

(c) The state does hereby pledge to, and agree with, the holders of any bonds issued under this act that the state will not limit or alter the rights hereby vested in the authority to fulfill the terms of any agreements made with the Kansas development finance authority or in any way impair the rights and remedies of the Kansas development finance authority with respect to such bonds, or any holders of such bonds until the payment of principal and interest on such bonds and all costs and expenses in connection with any action or proceeding by or on behalf of such holders is fully paid and discharged. The authority is authorized to include this pledge and agreement of the state in any agreement with the Kansas development finance authority and the Kansas development finance authority is authorized to include this pledge and agreement in an agreement for the benefit of the holders of such bonds. Nothing in this section shall be construed to limit the constitutional powers of the legislature.

History: L. 2004, ch. 112, § 10; July 1.

74-99b11. Employees; powers and duties; exempt from Kansas civil service act; employee health insurance. (a) The authority may employ such employees as it may require and upon such terms and conditions as it may establish. The authority shall establish personnel, payroll, benefit and other such systems as authorized by the board, such systems to be initially established or contracted as designated by the board. The authority shall determine the qualifications and duties of its employees. The board shall develop and adopt policies and procedures that will afford its employees grievance rights, ensure that employment decisions shall be based upon merit and fitness of applicants and shall prohibit discrimination because of race, religion, color, sex or national origin.

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

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

History: L. 2004, ch. 112, § 11; July 1.

74-99b12. Exemptions from taxation. The authority shall be exempt from any real and personal property taxes upon any property of the authority acquired and used for its public purposes, and from any taxes or assessments upon any projects or upon any operations of the authority or the income therefrom, and from any taxes or assessments upon any project or any property or local obligation acquired or used by the authority under the provisions of this act or upon the income therefrom. Purchases by the authority to be used for its public purposes shall not be subject to sales or use tax under K.S.A. 79-3601 et seq., K.S.A. 79-3701 et seq. and subsection (b) of K.S.A. 79-3606 et seq. and amendments thereto. The exemptions hereby granted shall not extend to persons or entities conducting business on the authority's property for which payment of state and local taxes would otherwise be required.

History: L. 2004, ch. 112, § 12; July 1.

74-99b13. Application of Kansas tort claims act. Notwithstanding any other provision of law to the contrary, the authority, its officers, directors, employees and agents shall be subject

to and covered by the Kansas tort claims act K.S.A. 75-6101 et seq. and amendments thereto.

History: L. 2004, ch. 112, § 13; July 1.

74-99b14. Preemptive authority of act. Insofar as the provisions of this act are inconsistent with the provisions of any other law, general, specific or local, the provisions of this act shall be controlling.

History: L. 2004, ch. 112, § 14; July 1.

74-99b15. Actions requiring prior legislative approval. Nothing in this act should be construed as allowing the board to sell the authority or substantially all of the assets of the authority, or to merge the authority with another institution, without prior legislative authorization by statute.

History: L. 2004, ch. 112, § 15; July 1.

74-99b16. Definitions; statutory provision exceptions; procurement contracts, procedures. (a) As used in this section, unless the context expressly provides otherwise:

(1) "Ancillary technical services" include, but shall not be limited to, geology services and other soil or subsurface investigation and testing services, surveying, adjusting and balancing of air conditioning, ventilating, heating and other mechanical building systems, testing and consultant services that are determined by the bioscience authority to be required for a project;

(2) "architectural services" means those services described by subsection (e) of K.S.A. 74-7003, and amendments thereto;

(3) "construction services" means the work performed by a construction contractor to commence and complete a project;

(4) "construction management at-risk services" means the services provided by a firm which has entered into a contract with the bioscience authority to be the construction manager at risk for the value and schedule of the contract for a project, which is to hold the trade contracts and execute the work for a project in a manner similar to a general contractor and which is required to solicit competitive bids for the trade packages developed for a project and to enter into the trade contracts for a project with the lowest responsible bidder therefor, and may include, but are not limited to, such services as scheduling, value analysis, systems analysis, constructability reviews, progress document reviews, subcontractor involvement and prequalification, subcontractor bonding

policy, budgeting and price guarantees, and construction coordination;

(5) "division of facilities management" means the division of facilities management of the department of administration;

(6) "engineering services" means those services described by subsection (i) of K.S.A. 74-7003, and amendments thereto;

(7) "firm" means (A) with respect to architectural services, an individual, firm, partnership, corporation, association or other legal entity which is: (i) permitted by law to practice the profession of architecture; and (ii) maintaining an office in Kansas staffed by one or more architects who are licensed by the board of technical professions; or (iii) not maintaining an office in Kansas, but which is qualified to perform special architectural services that are required in special cases where in the judgment of the bioscience authority it is necessary to go outside the state to obtain such services; (B) with respect to engineering services or land surveying, an individual, firm, partnership, corporation, association or other legal entity permitted by law to practice the profession of engineering and provide engineering services or practice the profession of land surveying and provide land surveying services, respectively; (C) with respect to construction management at-risk services, a qualified individual, firm, partnership, corporation, association or other legal entity permitted by law to perform construction management at-risk services; (D) with respect to ancillary technical services or other services that are determined by the bioscience authority to be required for a project, a qualified individual, firm, partnership, corporation, association or other legal entity permitted by law to practice the required profession or perform the other required services, as determined by the bioscience authority; and (E) with respect to construction services, a qualified individual, firm, partnership, corporation, association, or other legal entity permitted by law to perform construction services for a project;

(8) "land surveying" means those services described in subsection (j) of K.S.A. 74-7003, and amendments thereto;

(9) "negotiating committee" means the board of directors of the subsidiary corporation formed under K.S.A. 2005 Supp. 76-781, and amendments thereto;

(10) "project" means a project undertaken by the Kansas bioscience authority;

(11) "project services" means architectural services, engineering services, land surveying, construction management at-risk services, construction services, ancillary technical services or other construction-related services determined by the bioscience authority to be required for a project; and

(12) "state building advisory commission" means the state building advisory commission created by K.S.A. 75-3780, and amendments thereto.

(b) The bioscience authority, when acting under authority of this act, and each project authorized by the bioscience authority under this act are exempt from the provisions of K.S.A. 75-1269, 75-3738 through 75-3741b, 75-3742 through 75-3744, and 75-3783, and amendments thereto, except as otherwise specifically provided by this act.

(c) Notwithstanding the provisions of K.S.A. 75-3738 through 75-3744, and amendments thereto, or the provisions of any other statute to the contrary, all contracts for any supplies, materials or equipment for a project authorized by the bioscience authority under this act, shall be entered into in accordance with procurement procedures determined by the bioscience authority, subject to the provisions of this section, except that, in the discretion of the bioscience authority, any such contract may be entered into in the manner provided in and subject to the provisions of any such statute otherwise applicable thereto. Notwithstanding the provisions of K.S.A. 75-3738 through 75-3744, and amendments thereto, if the bioscience authority does not obtain construction management at-risk services for a project, the construction services for such project shall be obtained pursuant to competitive bids and all contracts for construction services for such project shall be awarded to the lowest responsible bidder in accordance with procurement procedures determined and administered by the bioscience authority which shall be consistent with the provisions of K.S.A. 75-3738 through 75-3744, and amendments thereto.

(d) When it is necessary in the judgment of the bioscience authority to obtain project services for a particular project by conducting negotiations therefor, the bioscience authority shall publish a notice of the commencement of negotiations for the required project services at least 15 days prior to the commencement of such negotiations in the Kansas register in accordance with K.S.A. 75-430a, and amendments thereto, and in such other

appropriate manner as may be determined by the bioscience authority.

(e) (1) Notwithstanding the provisions of subsection (b) of K.S.A. 75-1251, and amendments thereto, or the provisions of any other statute to the contrary, as used in K.S.A. 75-1250 through 75-1270, and amendments thereto, with respect to the procurement of architectural services for a project authorized by the bioscience authority under this act, "negotiating committee" shall mean the board of directors of the subsidiary corporation formed under K.S.A. 2005 Supp. 76-781, and amendments thereto, and such board of directors shall negotiate a contract with a firm to provide any required architectural services for the project in accordance with the provisions of K.S.A. 75-1250 through 75-1270, and amendments thereto, except that no limitation on the fees for architectural services for the project shall apply to the fees negotiated by the board of directors for such architectural services.

(2) Notwithstanding the provisions of subsection (e) of K.S.A. 75-5802, and amendments thereto, or the provisions of any other statute to the contrary, as used in K.S.A. 75-5801 through 75-5807, and amendments thereto, with respect to the procurement of engineering services or land surveying services for a project authorized by the bioscience authority under this act, "negotiating committee" shall mean the board of directors of the subsidiary corporation formed under K.S.A. 2005 Supp. 76-781, and amendments thereto, and such board of directors shall negotiate a contract with a firm to provide any required engineering services or land surveying services for the project in accordance with the provisions of K.S.A. 75-5801 through 75-5807, and amendments thereto.

(3) In any case of a conflict between the provisions of this section and the provisions of K.S.A. 75-1250 through 75-1270, or 75-5801 through 75-5807, and amendments thereto, with respect to a project authorized by the bioscience authority under this act, the provisions of this section shall govern.

(f) (1) For the procurement of construction management at-risk services for projects under this act, the secretary of administration shall encourage firms engaged in the performance of construction management at-risk services to submit annually to the secretary of administration and to the state building advisory commission a statement of qualifications and performance data.

Each statement shall include data relating to (A) the firm's capacity and experience, including experience on similar or related projects, (B) the capabilities and other qualifications of the firm's personnel, and (C) performance data of all consultants the firm proposes to use.

(2) Whenever the bioscience authority determines that a construction manager at risk is required for a project under this act, the bioscience authority shall notify the state building advisory commission and the state building advisory commission shall prepare a list of at least three and not more than five firms which are, in the opinion of the state building advisory commission, qualified to serve as construction manager at risk for the project. Such list shall be submitted to the negotiating committee, without any recommendation of preference or other recommendation. The negotiating committee shall have access to statements of qualifications of and performance data on the firms listed by the state building advisory commission and all information and evaluations regarding such firms gathered and developed by the secretary of administration under K.S.A. 75-3783, and amendments thereto.

(3) The negotiating committee shall conduct discussions with each of the firms so listed regarding the project. The negotiating committee shall determine which construction management at-risk services are desired and then shall proceed to negotiate with and attempt to enter into a contract with the firm considered to be most qualified to serve as construction manager at risk for the project. The negotiating committee shall proceed in accordance with the same process with which negotiations are undertaken to contract with a firm to be a project architect under K.S.A. 75-1257, and amendments thereto, to the extent that such provisions can be made to apply. Should the negotiating committee be unable to negotiate a satisfactory contract with the firm considered to be most qualified, negotiations with that firm shall be terminated and shall undertake negotiations with the second most qualified firm, and so forth, in accordance with that statute.

(4) The contract to perform construction management at-risk services for a project shall be prepared by the division of facilities management and entered into by the bioscience authority with the firm contracting to perform such construction management at-risk services.

(g) (1) To assist in the procurement of construction services for projects under this act, the

secretary of administration shall encourage firms engaged in the performance of construction services to submit annually to the secretary of administration and to the state building advisory commission a statement of qualifications and performance data. Each statement shall include data relating to (A) the firm's capacity and experience, including experience on similar or related projects, (B) the capabilities and other qualifications of the firm's personnel, (C) performance data of all subcontractors the firm proposes to use, and (D) such other information related to the qualifications and capability of the firm to perform construction services for projects as may be prescribed by the secretary of administration.

(2) The construction manager at risk shall publish a construction services bid notice in the Kansas register and in such other appropriate manner as may be determined by the bioscience authority. Each construction services bid notice shall include the request for bids and other bidding information prepared by the construction manager at risk and the state bioscience authority with the assistance of the division of facilities management. The current statements of qualifications of and performance data on the firms submitting bid proposals shall be made available to the construction manager at risk and the bioscience authority by the state building advisory commission along with all information and evaluations developed regarding such firms by the secretary of administration under K.S.A. 75-3783, and amendments thereto. Each firm submitting a bid proposal shall be bonded in accordance with K.S.A. 60-1111, and amendments thereto, and shall present evidence of such bond to the construction manager at risk prior to submitting a bid proposal. If a firm submitting a bid proposal fails to present such evidence, such firm shall be deemed unqualified for selection under this subsection. At the time for opening the bids, the construction manager at risk shall evaluate the bids and shall determine the lowest responsible bidder. The construction manager at risk shall enter into contracts with each firm performing the construction services for the project and make a public announcement of each firm selected in accordance with this subsection.

(h) The division of facilities management shall provide such information and assistance as may be requested by the bioscience authority or the negotiating committee for a project, including all or part of any project services as requested by the

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manager at risk shall es bid notice in the h other appropriate ed by the bioscience 1 services bid notice bids and other bid- by the construction bioscience authority sion of facilities man- ents of qualifications the firms submitting available to the cond the bioscience au- advisory commission d evaluations devel- y the secretary of ad- 5-3783, and amend- submitting a bid in accordance with ments thereto, and ch bond to the con- r to submitting a bid g a bid proposal fails such firm shall be tion under this sub- the bids, the con- all evaluate the bids rest responsible bid- ger at risk shall enter performing the con- ject and make a pub- n selected in accord-

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bioscience authority, and (1) shall prepare the request for proposals and publication information for each publication of notice under this section, (2) shall prepare each contract for project services for a project, including each contract for construction services for a project, (3) shall conduct design development reviews for each project, (4) shall review and approve all construction documents for a project prior to soliciting bids or otherwise soliciting proposals from construction contractors or construction service providers for a project, (5) shall obtain and maintain copies of construction documents for each project, and (6) shall conduct periodic inspections of each project, including jointly conducting the final inspection of each project.

(i) Notwithstanding the provisions of any other statute, the bioscience authority shall enter into one or more contracts with the division of facilities management for each project for the services performed by the division of facilities management for the project as required by this section or at the request of the bioscience authority. The division of facilities management shall receive fees from the bioscience authority to recover the costs incurred to provide such services pursuant to such contracts.

(j) Design development reviews and construction document reviews conducted by the division of facilities management shall be limited to ensuring only that the construction documents do not change the project description and that the construction documents comply with the standards established under K.S.A. 75-3783, and amendments thereto, by the secretary of administration for the planning, design and construction of buildings and major repairs and improvements to buildings for state agencies, including applicable building and life safety codes and appropriate and practical energy conservation and efficiency standards.

(k) Each project for a bioscience research institution shall receive a final joint inspection by the division of facilities management and the bioscience authority. Each such project shall be officially accepted by the bioscience authority before such project is occupied or utilized by the bioscience research institution, unless otherwise agreed to in writing by the contractor and the bioscience authority as to the satisfactory completion of the work on part of the project that is to

be occupied and utilized, including any corrections of the work thereon.

(1) (1) The bioscience authority shall issue monthly reports of progress on each project and shall advise and consult with the joint committee on state building construction regarding each project. Change orders and changes of plans for a project shall be authorized or approved by the bioscience authority.

(2) No change order or change of plans for a project involving either cost increases of \$75,000 or more or involving a change in the proposed use of a project shall be authorized or approved by the bioscience authority without having first advised and consulted with the joint committee on state building construction.

(3) Change orders or changes in plans for a project involving a cost increase of less than \$75,000 and any change order involving a cost reduction, other than a change in the proposed use of the project, may be authorized or approved by the bioscience authority without prior consultation with the joint committee on state building construction. The bioscience authority shall report to the joint committee on state building construction all action relating to such change orders or changes in plans.

(4) If the bioscience authority determines that it is in the best interest of the state to authorize or approve a change order, a change in plans or a change in the proposed use of any project that the bioscience authority is required to first advise and consult with the joint committee on state building construction prior to issuing such approval and if no meeting of the joint committee is scheduled to take place within the next 10 business days, then the bioscience authority may use the procedure authorized by subsection (d) of K.S.A. 75-1264, and amendments thereto, in lieu of advising and consulting with the joint committee at a meeting. In any such case, the bioscience authority shall mail a summary description of the proposed change order, change in plans or change in the proposed use of any project to each member of the joint committee on state building construction and to the director of the legislative research department. If the bioscience authority provides notice and information to the members of the joint committee and to such director in the manner required and subject to the same provisions and conditions that apply to the secretary of administration under such statute, and if less than two members of the joint committee contact the

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director of the legislative research department within seven business days of the date the summary description was mailed and request a presentation and review of any such proposed change order, change in plans or change in use at a meeting of the joint committee, then the bioscience authority shall be deemed to have advised and consulted with the joint committee about such proposed change order, change in plans or change in proposed use and may authorize or approve such proposed change order, change in plans or change in proposed use.

(m) The provisions of this section shall apply to each project authorized by the bioscience authority under this act and shall not apply to any other capital improvement project of the bioscience authority or bioscience research institution that is specifically authorized by any other statute.

History: L. 2004, ch. 112, § 16; July 1.

74-99b17. Affiliation with KPERS; adoption of retirement plan, death, disability benefits. The authority may, at the election of the board, affiliate with the Kansas public employees retirement system with respect to any or all employees employed by the authority on or after the effective date of this act, in accordance with the provisions of K.S.A. 74-4910 and amendments thereto. The authority may, at the election of the board, adopt, in accordance with requirements of the federal internal revenue code, a retirement plan or plans sponsored by the authority with respect to employees employed by the authority on or after the effective date of this act. The authority may, at the discretion of the board, provide death and disability benefits as provided in K.S.A. 74-4927a and 74-4927g and amendments thereto.

History: L. 2004, ch. 112, § 17; July 1.

74-99b18. Companies receiving authority financing; repayment required, when. Each bioscience company or qualified company receiving grants, awards, tax credits or any other financial assistance, including financing for any bioscience development project, under the provisions of the bioscience authority act, the emerging industry investment act, the bioscience development financing act, the tax investment incentive act, the bioscience research and development voucher program act, or the bioscience research matching funds act, shall repay such financial assistance to the authority, in the amount determined by the authority, if such bioscience company or qualified company relocates operations,

in which the authority invested, outside Kansas within 10 years after receiving such financial assistance. Each such bioscience company or qualified company shall enter into a repayment agreement with the authority specifying the terms of such repayment obligation.

History: L. 2004, ch. 112, § 52; July 1.

74-99b19. Exemption from statutory provisions. The authority is exempt from the provisions of K.S.A. 12-1675 through 12-1677, 45-401 through 45-413, 75-2925 through 75-2975, 75-3701 through 75-37,119, 75-4363, 75-4701 through 75-4744, and 77-501 through 77-550 and 75-4362, and amendments thereto.

History: L. 2004, ch. 112, § 54; July 1.

74-99b20. Severability. If any provision of this act, or the acts contained in this act, or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of the act, or the acts contained in this act, which can be given effect without the invalid provision or application, and to this end the provisions of this act, and the acts contained in this act, are severable.

History: L. 2004, ch. 112, § 50; July 1.

74-99b21 to 74-99b30. Reserved.

EMERGING INDUSTRY INVESTMENT ACT

74-99b31. Citation of act. K.S.A. 2005 Supp. 74-99b31 to 74-99b35, inclusive, and amendments thereto, shall be known and may be cited as the emerging industry investment act.

History: L. 2004, ch. 112, § 18; July 1.

74-99b32. Purpose. The purpose of the emerging industry investment act is to foster the growth of the bioscience in Kansas, to make Kansas a national leader in bioscience, and to make Kansas a desirable location for bioscience entities to locate and grow. In so doing, the emerging industry investment act will foster employment, encourage research and development, investment in real property and improvements, investment in equipment and supplies, the employment of eminent scholars and rising star scholars by the state universities and the Kansas bioscience authority, or both, and will lead to bioscience discoveries and products.

History: L. 2004, ch. 112, § 19; July 1.

74-99b33. Definitions. As used in the emerging industry investment act, and amend-

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VESTMENT ACT

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. As used in the
t act, and amend-

ments thereto, the following words and phrases
shall have the following meanings unless a differ-
ent meaning clearly appears from the content:

(a) "Authority" means the Kansas bioscience
authority as created by K.S.A. 2005 Supp. 74-
99b04, and amendments thereto.

(b) "Base year taxation" means 95% of the
2003 state withholding taxes of bioscience em-
ployees working for bioscience companies and
state universities currently located in or operating
in the state. The base year taxation may be ad-
justed in future years to account for the addition
of new bioscience companies and the identifica-
tion of existing bioscience companies inadver-
tently omitted from prior determinations. When
a bioscience company is added, the base year tax-
ation shall be amended by 95% of the company's
2003 state withholding taxes, if any.

(c) "Bioscience" means the use of composi-
tions, methods and organisms in cellular and mo-
lecular research, development and manufacturing
processes for such diverse areas as pharmaceu-
ticals, medical therapeutics, medical diagnostics,
medical devices, medical instruments, biochem-
istry, microbiology, veterinary medicine, plant bi-
ology, agriculture, industrial, environmental, and
homeland security applications of bioscience and
future developments in the biosciences. Biosci-
ence includes biotechnology and life sciences.

(d) "Bioscience company" or "bioscience
companies" means a corporation, limited liability
company, S corporation, partnership, registered
limited liability partnership, foundation, associa-
tion, nonprofit entity, sole proprietorship, busi-
ness trust, person, group or other entity that is
engaged in the business of bioscience in the state
and has business operations in the state, including,
without limitation, research, development, sales,
services, distribution or production directed to-
wards developing or providing bioscience prod-
ucts or processes for specific commercial or public
purposes but shall not include entities engaged in
the distribution or retail sale of pharmaceuticals
or other bioscience products. The authority and
the secretary of revenue shall jointly determine
whether an entity qualifies as a "bioscience com-
pany" based on verifiable evidence. One of the
factors that shall be considered is whether a com-
pany has been identified by the department of la-
bor by one of the following NAICS codes: 325411,
325412, 325413, 325414, 325193, 325199,
325311, 325320, 334516, 339111, 339112,
339113, 334510, 334517, 339115, 621511,

621512, 541710, 541380, 541940 and 622110.
Such company shall be presumed to be a biosci-
ence company unless the authority and the sec-
retary of revenue agree, based on verifiable evi-
dence, that the company is not engaged in the
business of bioscience in the state. A company
identified by another NAICS code may be deter-
mined to be a bioscience company by the author-
ity and the secretary of revenue based on verifi-
able evidence that the company is engaged in the
business of bioscience in the state.

(e) "Bioscience development and investment
fund" means the fund created by K.S.A. 2005
Supp. 74-99b34 and amendments thereto.

(f) "Bioscience employee" means any em-
ployee, officer or director of a bioscience com-
pany who is employed in the 2003 tax year or after De-
cember 31, 2003 and who is also a state taxpayer
and any employee of state universities who is as-
sociated with bioscience research in the 2003 tax
year or after December 31, 2003 and who is also
a state taxpayer.

(g) "Bioscience research" means any original
investigation for the advancement of scientific or
technological knowledge of bioscience and any ac-
tivity that seeks to utilize, synthesize, or apply ex-
isting knowledge, information or resources to the
resolution of a specific problem, question or issue
of bioscience.

(h) "Biotechnology" means those fields focus-
ing on technological developments in such areas
as molecular biology, genetic engineering, gen-
omics, proteomics, physiomics, nanotechnology,
biodefense, biocomputing and bioinformatics and
future developments associated with biotechnol-
ogy.

(i) "Board" means the board of directors of
the authority.

(j) "Eminent scholar" means world-class, dis-
tinguished and established investigators recog-
nized nationally for their research, achievements
and ability to garner significant federal funding on
an annual basis. Eminent scholars are recognized
for their scientific knowledge and entrepreneurial
spirit to enhance the innovative research that
leads to economic gains. Eminent scholars are ei-
ther members of or likely candidates for the na-
tional academy of sciences or other prominent na-
tional academic science organizations.

(k) "Life sciences" means, without limitation,
the areas of medical sciences, pharmaceutical sci-
ences, biological sciences, zoology, botany, horti-
culture, ecology, toxicology, organic chemistry,

physical chemistry and physiology and any future advances associated with the life sciences.

(l) "NAICS" means the north American industry classification system.

(m) "Rising star scholar" means up-and-coming distinguished investigators growing in their national reputations in their fields, who are active and demonstrate leadership in their associated professional societies, and who attract significant federal research grant support. Rising star scholars would be likely candidates for the national academy of science or other prominent national academic science organizations in the future.

(n) "State" means the state of Kansas.

(o) "State universities" includes state educational institutions as defined in K.S.A. 76-711, and amendments thereto, and the municipal university as defined in K.S.A. 74-3201b, and amendments thereto.

(p) "Subsequent year taxation" means 95% of all state withholding taxes payable by bioscience companies that commence operating in the state after December 31, 2003, and 95% of withholding associated with new bioscience employees added to bioscience companies and state universities and associated with growth of the existing bioscience employee withholding base after December 31, 2003.

(q) "Taxpayer" means a person, corporation, limited liability company, S corporation, partnership, registered limited liability partnership, foundation, association, nonprofit entity, sole proprietorship, business trust, group or other entity that is subject to the Kansas income tax act, K.S.A. 79-3201 et seq. and amendments thereto.

(r) "This act" means the emerging industry investment act.

History: L. 2004, ch. 112, § 20; L. 2005, ch. 75, § 1; July 1.

74-99b34. Bioscience development and investment fund; deposits; distributions; audits. (a) The bioscience development and investment fund is hereby created. The bioscience development and investment fund shall not be a part of the state treasury and the funds in the bioscience development and investment fund shall belong exclusively to the authority.

(b) Distributions from the bioscience development and investment fund shall be for the exclusive benefit of the authority, under the control of the board and used to fulfill the purpose, powers and duties of the authority pursuant to the

provisions of K.S.A. 2005 Supp. 74-99b01 et seq., and amendments thereto.

(c) The secretary of revenue and the authority shall establish the base year taxation for all bioscience companies and state universities. The secretary of revenue, the authority and the board of regents shall establish the number of bioscience employees associated with state universities and report annually and determine the increase from the taxation base annually. The secretary of revenue and the authority may consider any verifiable evidence, including, but not limited to, the NAICS code assigned or recorded by the department of labor for companies with employees in Kansas, when determining which companies should be classified as bioscience companies.

(d) For a period of 15 years from the effective date of this act, the state treasurer shall pay annually 95% of withholding above the base, as certified by the secretary of revenue, upon Kansas wages paid by bioscience employees to the bioscience development and investment fund. The state treasurer may make estimated payments to the bioscience authority more frequently based on estimates provided by the secretary of revenue and reconciled annually. On or before the 10th day of each month, the director of accounts and reports shall transfer from the state general fund to the bioscience development and investment fund interest earnings based on:

(1) The average daily balance of moneys in the bioscience development and investment fund for the preceding month; and

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

(e) The cumulative amounts of funds paid by the state treasurer to the bioscience development and investment fund shall not exceed \$581.8 million.

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

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

History: L. 2004, ch. 112, § 21; L. 2005, ch. 75, § 2; July 1.

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* The word "to" apparently should be eliminated and replaced with a comma.

74-99b35. Income tax credit and sales tax exemption cost effectiveness; annual report to legislature. On and after January 1, 2006, it shall be the duty of the department of revenue to prepare an annual report evaluating the cost effectiveness of the various income tax credits and sales tax exemptions enacted to encourage economic development within this state and submit the same to the standing committees on taxation and economic development of the house and assessment and taxation and commerce of the senate at the beginning of each regular session of the legislature.

History: L. 2004, ch. 112, § 22; July 1.

74-99b36 to 74-99b40. Reserved.

BIOSCIENCE DEVELOPMENT FINANCING ACT

74-99b41. Citation of act. K.S.A. 2005 Supp. 74-99b41 to 74-99b45, inclusive, and amendments thereto, shall be known and may be cited as the bioscience development financing act.

History: L. 2004, ch. 112, § 23; July 1.

74-99b42. Purpose. The purpose of the bioscience development financing act is to foster the growth of bioscience in Kansas, to make Kansas a national leader in bioscience, and to make Kansas a desirable location for bioscience entities to locate and grow. In so doing, the Kansas bioscience development financing act will foster employment, encourage research and development, investment in real property and improvements, investment in equipment and supplies and lead to bioscience discoveries and products.

History: L. 2004, ch. 112, § 24; July 1.

74-99b43. Financing bioscience development projects; issuing special obligation bonds. (a) The Kansas development finance authority is hereby authorized to issue special obligation bonds pursuant to K.S.A. 74-8901 et seq., and amendments thereto, in one or more series to finance the undertaking of any bioscience development project in accordance with the provisions of this act. No special obligation bonds may be issued pursuant to this section unless the Kansas development finance authority has received a resolution of the board of the authority requesting the issuance of such bonds. Such special obligation bonds shall be made payable, both as to prin-

cipal and interest from one or more of the following, as directed by the authority:

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

(2) from any private sources, contributions or other financial assistance from the state or federal government;

(3) from a pledge of a portion or all of the revenue received from transient guest, sales and use taxes collected pursuant to K.S.A. 12-1696 et seq., 79-3601 et seq., 79-3701 et seq. and 12-187 et seq., and amendments thereto, and which are collected from taxpayers doing business within that portion of the bioscience development district and paid into the bioscience development bond fund;

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

(5) by any combination of these methods.

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

(c) Beginning with the first payment of taxes which are levied following the date of the establishment of the bioscience development district real property taxes received by the county treasurer resulting from taxes which are levied subject to the provisions of this act by and for the benefit of a taxing subdivision, as defined in K.S.A. 2005 Supp. 12-1770a, and amendments thereto, on property located within such bioscience development district constituting a separate taxing unit

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under the provisions of this section, shall be divided as follows:

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

(2) Any real property taxes, except for property taxes levied for schools pursuant to K.S.A. 72-6431, and amendments thereto, produced from that portion of the current assessed valuation of real property within the bioscience development district constituting a separate taxing unit under the provisions of this section in excess of the base year assessed valuation shall be allocated and paid by the county treasurer to the bioscience development bond fund to pay the bioscience development project costs including the payment of principal and interest on any special obligation bonds to finance, in whole or in part, such bioscience development projects.

(d) The authority may pledge the bioscience development bond fund or other available revenue to the repayment of such special obligation bonds prior to, simultaneously with, or subsequent to the issuance of such special obligation bonds.

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

History: L. 2004, ch. 112, § 28; July 1.

74-99b44. Bioscience development bond fund; distributions. (a) The bioscience development bond fund is hereby created. The bioscience development bond fund shall not be a part of the state treasury and the funds in the bioscience development bond fund shall belong exclusively to the authority. A separate account within the bioscience development bond fund will be created for each bioscience development district created pursuant to this act and subaccounts may be created for each bioscience development project or portion thereof.

(b) Distributions from a bioscience development bond fund shall be used to pay the bioscience development project costs undertaken in a bioscience development district, including principal and interest on special obligation bonds or other obligations issued by the Kansas development finance authority to finance, in whole or in part, a bioscience development.

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

(1) The average daily balance of moneys in the bioscience development bond fund for the preceding month; and

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

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

History: L. 2004, ch. 112, § 29; July 1.

74-99b45. Same; ad valorem taxes paid into fund. Notwithstanding any other provision of law, it is hereby stated that it is an object of all ad valorem taxes levied by or for the benefit of any city or county on taxable tangible real property located within any bioscience development district created pursuant to this act, that such taxes may be applied and allocated to and when collected paid into the bioscience development bond fund pursuant to the procedures and limitations of this act to pay the cost of a bioscience development project, including principal and interest on special obligation bonds issued to finance, in whole or in part, such bioscience development project.

History: L. 2004, ch. 112, § 30; July 1.

74-99b46 to 74-99b50. Reserved.

BIOSCIENCE TAX INVESTMENT INCENTIVE ACT

74-99b51. Citation of act. K.S.A. 2005 Supp. 74-99b51 to 74-99b53, inclusive, and amendments thereto, shall be known and may be

cited as the bioscience tax investment incentive act.

History: L. 2004, ch. 112, § 31; July 1.

74-99b52. Purpose. 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.

History: L. 2004, ch. 112, § 32; July 1.

74-99b53. Net operating loss reimbursement program. (a) For taxable years commencing after December 31, 2004, any bioscience company as defined in K.S.A. 2005 Supp. 74-99b33, and amendments thereto, may be allowed a payment from the bioscience authority not to exceed 50% of such bioscience company's Kansas net operating loss incurred during the claimed taxable year.

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

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

(d) The secretary of revenue shall adopt rules and regulations to implement the provisions of this section.

History: L. 2004, ch. 112, § 33; July 1.

74-99b54 to 74-99b60. Reserved.

BIOSCIENCE RESEARCH AND DEVELOPMENT VOUCHER PROGRAM ACT

74-99b61. Citation of act. K.S.A. 2005 Supp. 74-99b61 to 74-99b68, inclusive, and

amendments thereto, shall be known and may be cited as the bioscience research and development voucher program act.

History: L. 2004, ch. 112, § 34; July 1.

74-99b62. Purpose. The bioscience research and development voucher program 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, advance scientific knowledge, promote research and development, and improve the quality of life for the citizens of the state.

History: L. 2004, ch. 112, § 35; July 1.

74-99b63. Definitions. As used in the bioscience research and development voucher program act, and amendments thereto, the following words and phrases have the following meanings unless a different meaning clearly appears from the content:

(a) "Authority" means the Kansas bioscience authority as created by K.S.A. 2005 Supp. 74-99b04, and amendments thereto.

(b) "Bioscience" means, without limitation, the use of compositions, methods and organisms in cellular and molecular research, development and manufacturing processes for such diverse areas as pharmaceuticals, medical therapeutics, medical diagnostics, medical devices, medical instruments, biochemistry, microbiology, veterinary medicine, plant biology, agriculture, industrial, environmental and homeland security applications of bioscience and future developments in the biosciences. Bioscience includes biotechnology and life sciences.

(c) "Bioscience research" means any investigation for the advancement of scientific or technological knowledge of bioscience and any activity that seeks to utilize, synthesize, or apply existing knowledge, information or resources to the resolution of a specific problem, question or issue of bioscience.

(d) "Bioscience research institutions" means all universities and colleges located in the state of Kansas conducting bioscience research.

(e) "Biotechnology" means, without limitation, those fields focusing on technological developments in such areas as molecular biology, genetic engineering, genomics, proteomics, physiomics, nanotechnology, biodefense, biocomputing, bioinformatics and future developments associated with biotechnology.

(f) "KTEC" means the Kansas technology enterprise corporation created by K.S.A. 74-8101 et seq., and amendments thereto.

(g) "Life sciences" means the areas of medical sciences, pharmaceutical sciences, biological sciences, zoology, botany, horticulture, ecology, toxicology, organic chemistry, physical chemistry, physiology and any future advances associated with life sciences.

(h) "Qualified company" means a Kansas company conducting bioscience research and development that may be granted a funding voucher.

(i) "State" means the state of Kansas.

(j) "This act" means the bioscience research and development voucher program act.

History: L. 2004, ch. 112, § 36; July 1.

74-99b64. Bioscience research and development voucher fund established; receipts; balance not subject to appropriation.

(a) There is established and created in the state treasury a fund entitled the bioscience research and development voucher fund for the purpose of enabling Kansas companies conducting bioscience research and development to undertake bioscience research and development work in the state in partnership with bioscience research institutions.

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

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

(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 earned from the investments along with the unallotted or unencumbered balances in the bioscience research and development voucher fund shall not lapse, and shall be made available solely for the purposes and benefits of the bioscience research and development voucher program act.

History: L. 2004, ch. 112, § 37; July 1.

74-99b65. Bioscience research and development voucher program; establishment; purpose. (a) There is created and established under the authority a bioscience research and de-

velopment voucher program to provide vouchers to Kansas companies conducting bioscience research and development to undertake bioscience research and development work in partnership with bioscience research institutions.

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

(1) Accelerate the transfer of bioscience knowledge and technological innovation, improve economic competitiveness and stimulate economic growth in Kansas companies conducting bioscience research and development;

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

(3) stimulate bioscience enterprises within the state; and

(4) encourage partnerships and collaborative bioscience projects between private enterprises, Kansas companies conducting bioscience research and development and bioscience research institutions.

History: L. 2004, ch. 112, § 38; July 1.

74-99b66. Qualified companies; application review; criteria. (a) On terms mutually acceptable to the authority and KTEC the authority may contract with KTEC, to review applications and to certify whether an applicant is a qualified company.

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

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

(2) lead to innovative technology or new knowledge;

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

(4) stimulate economic growth; or

(5) enhance employment opportunities within the state.

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

(1) Verification that the applicant is a Kansas company conducting bioscience research and development;

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

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(3) a detailed financial analysis that includes the commitment of resources by the applicant and others;

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

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

(d) Before providing the qualified company with a certificate authorizing voucher funding from the authority through KTEC, the authority may negotiate with the qualified company the ownership of patents, copyrights, trademarks, proprietary technology and any other intellectual property rights, royalties and equity relating to the bioscience research and development project on behalf of the research and development voucher fund for the purpose of reinvesting and sustaining a continuous fund to carry out the provisions of this act.

History: L. 2004, ch. 112, § 39; July 1.

74-99b67. Project funding; limitations.

(a) Project funding in the bioscience research and development voucher program shall have the following limitations:

(1) At least 51% of any voucher award funds from the bioscience research and development fund shall be expended with the bioscience research institution under contract and shall not exceed 50% of the cost of the research;

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

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

History: L. 2004, ch. 112, § 40; July 1.

74-99b68. Bioscience research and development voucher — federal fund; established; disbursement. (a) There is hereby established in the state treasury the bioscience research and development voucher — federal fund for the purpose of providing matching federal moneys to

enable qualified companies to undertake authority approved bioscience research and development projects in partnership with bioscience research institutions.

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

(c) Federal moneys deposited in the bioscience research and development voucher — federal fund shall be disbursed by the state treasurer with the consent of the chairperson of the authority.

(d) On or before the 10th day of each month, the director of accounts and reports shall transfer from the state general fund to the bioscience research and development voucher — federal fund interest earnings based on:

(1) The average daily balance of moneys in the bioscience research and development voucher — federal fund for the preceding month; and

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

History: L. 2004, ch. 112, § 51; L. 2005, ch. 75, § 3; July 1.

74-99b69 to 74-99b80. Reserved.

BIOSCIENCE RESEARCH MATCHING FUNDS ACT

74-99b81. Citation of act. K.S.A. 2005 Supp. 74-99b81 to 74-99b89, inclusive, and amendments thereto, shall be known and may be cited as the bioscience research matching funds act.

History: L. 2004, ch. 112, § 41; July 1.

74-99b82. Purpose. In order to be competitive in our economic and educational endeavors, it is critical that Kansas make bioscience research and development a priority that is specifically targeted to improving our national ranking in bioscience research and development at bioscience research institutions. The commitment necessary to improve Kansas' performance requires significant investment in bioscience research and development. Matching funds will be available to match research dollars from federal, private and other sources of funding.

History: L. 2004, ch. 112, § 42; July 1.

74-99b83. Definitions. As used in the bioscience research matching funds act, and amendments thereto, the following words and phrases

have the following meanings unless a different meaning clearly appears from the content:

(a) "Authority" means the Kansas bioscience authority as created by K.S.A. 2005 Supp. 74-99b04, and amendments thereto.

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

(c) "Bioscience" means the use of compositions, methods and organisms in cellular and molecular research, development and manufacturing processes for such diverse areas as pharmaceuticals, medical therapeutics, medical diagnostics, medical devices, medical instruments, biochemistry, microbiology, veterinary medicine, plant biology, agriculture, industrial, environmental and homeland security applications of bioscience and future developments in the biosciences. Bioscience includes biotechnology and life sciences.

(d) "Bioscience research" means any investigation for the advancement of scientific or technological knowledge of bioscience and any activity that seeks to utilize, synthesize, or apply existing knowledge, information or resources to the resolution of a specific problem, question or issue of bioscience.

(e) "Bioscience research institutions" means all universities and colleges located in the state of Kansas conducting bioscience research.

(f) "Biotechnology" means, without limitation, those fields focusing on technological developments in such areas as molecular biology, genetic engineering, genomics, proteomics, physiomics, nanotechnology, biodefense, biocomputing, bioinformatics and future developments associated with biotechnology.

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

(h) "State" means the state of Kansas.

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

History: L. 2004, ch. 112, § 43; July 1.

74-99b84. Bioscience research matching fund established; eligibility; purpose. (a) There is hereby created the bioscience research matching fund.

(b) The bioscience research matching fund shall be administered by the authority and shall

be for the benefit of bioscience research institutions.

(c) In order to qualify for the bioscience research and development moneys to be made available through the bioscience research matching fund, recipients must be a bioscience research institution. Bioscience research institutions are eligible and encouraged to jointly apply for funds from the bioscience research matching fund. The bioscience research matching fund shall be used to promote bioscience research and to recruit, employ, fund and endow bioscience faculty, research positions and scientists at universities in the state.

History: L. 2004, ch. 112, § 44; July 1.

74-99b85. Same; application procedure; spending limitation. (a) In order to obtain moneys from the bioscience research matching fund:

(1) A bioscience research institution must provide the authority with the research grant proposal for federal, state or private funds submitted with a letter of intent to apply for a match to one of the funding agencies identified in K.S.A. 2005 Supp. 74-99b87, and amendments thereto; and

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

(b) Upon receipt of an application to receive funds to match federal funds from one of the funding agencies identified in K.S.A. 2005 Supp. 74-99b87, and amendments thereto, the authority shall determine the eligibility for matching funds based on a finding that the bioscience research will have economic or commercial value to the state.

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

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

History: L. 2004, ch. 112, § 45; July 1.

74-99b86. Same; use of funds; multi-year grants. (a) The matching funds authorized by this act are to be used to attract federal funds to the state for bioscience research and to create endowment-funded positions for bioscience fac-

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(b) The board may approve multi-year biosci-
 ence research grants.

History: L. 2004, ch. 112, § 46; July 1.

**74-99b87. Same; criteria for use of
 funds.** Funds used under the provisions of this
 act shall adhere to the following criteria:

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

- (1) The national science foundation;
- (2) the national institutes of health;
- (3) the department of agriculture;
- (4) the environmental protection agency;
- (5) the department of education;
- (6) the national aeronautics and space admin-
 istration;
- (7) the department of energy;
- (8) the department of defense;
- (9) the department of homeland security;
- (10) the department of transportation; and
- (11) the department of commerce.

(b) Proposals for federal funds that contain a
 specific state or federal match requirement, for
 the purposes of this act, shall not be matched at
 a rate of more than 50%, except that any portion
 of the match over 50% may be borne by the bio-
 science research institution;

(c) proposals for federal funds that do not
 contain a specific state or federal match require-
 ment, for the purposes of this article, shall not be
 matched at a rate of more than 10%, provided that
 the state share is matched dollar for dollar by the
 college or bioscience research institution for a
 combined match of not more than 20%, except
 that any portion of the match over 20% may be
 borne by the bioscience research institution; and

(d) a state financial match requirement of at
 least \$20,000 for equipment matching and at least
 \$50,000 for research project matching.

History: L. 2004, ch. 112, § 47; July 1.

74-99b88. Same; report required. The
 authority shall present a report on the use of funds
 from the bioscience research matching fund by
 April 1 of each even-numbered year to the gov-
 ernor's office and the Kansas legislature.

History: L. 2004, ch. 112, § 48; July 1.

**74-99b89. Same; authority to establish
 guidelines.** The authority has the authority to es-
 tablish guidelines by which eligible bioscience re-

search institutions may receive funds from the bi-
 oscience research matching fund.

History: L. 2004, ch. 112, § 49; July 1.

**Article 99c.—KANSAS CENTER FOR
 ENTREPRENEURSHIP**

74-99c01. Citation of act. K.S.A. 2005
 Supp. 74-99c01 through 74-99c11, and amend-
 ments thereto, shall be known and may be cited
 as the center for entrepreneurship act.

History: L. 2004, ch. 112, § 55; July 1.

74-99c02. Definitions. As used in this act,
 unless the context clearly requires otherwise:

(a) "Banking industry" means banks, savings
 and loan associations and credit unions;

(b) "cash donation" means money or its
 equivalent contributed to the Kansas community
 entrepreneurship fund;

(c) "center" means the Kansas center for en-
 trepreneurship;

(d) "department" means the department of
 commerce;

(e) "distressed community" means an area in
 which 20% or more of the population of all ages
 for each census tract located within the area has
 an income below poverty level as reported in the
 most recently completed decennial census pub-
 lished by the United States bureau of the census;

(f) "fund" means the Kansas community en-
 trepreneurship fund;

(g) "investor" means a person making a cash
 donation in the Kansas community entrepreneur-
 ship fund in an amount of \$250 or more;

(h) "Kansas business" means any business
 owned by an individual, any partnership, associa-
 tion or corporation domiciled in Kansas, or any
 corporation, even if a wholly owned subsidiary of
 a foreign corporation, that does business primarily
 in Kansas or does substantially all of its production
 in Kansas;

(i) "member" means a member of the board
 of directors;

(j) "qualified entrepreneur" means an entre-
 preneur who has exhibited a financial commit-
 ment to the business and who has proven business
 experience or who possesses either a bachelor or
 master of business administration degree or who
 has completed course work as directed by the
 Kansas center for entrepreneurship that certifies
 the individual as a qualified entrepreneur;

(k) "regional and community organization"
 means a not-for-profit organization properly or-

Kansas Bioscience Authority Board of Directors Biographies

Sen. Jim Barone – in-state member

Senator Jim Barone of Frontenac, Kansas, was first elected to the Kansas Senate in November 1996 and was re-elected in 2000. In his first term, he was elected Democratic Senate Agenda Chair, the only freshman to be elected to a leadership position in either caucus.

As well as serving as the Ranking Democrat Member of both the Senate Commerce and Senate Utilities Committees, Barone is also member of the Senate Ways & Means, Economic Development, and Pensions, Investments & Benefits committees. He additionally serves Kansas as a member of the National Council of State Legislatures Communications & Information Policy Committee.

Barone played a key role in the passage of the Kansas Economic Growth Act while serving on the Senate Commerce Committee – where the bill was heard and approved. He also served on the conference committee that refined the final bill that was eventually approved by both the House and Senate and subsequently signed by Governor Sebelius. Throughout the process, Barone played a key role, by authoring and offering several amendments that were included in the final legislation.

Prior to his time in the Kansas Senate, Barone worked for Southwestern Bell Telephone Company until 1991. Having started with the company immediately after graduation from college, he retired with 30 years of service. He spent his entire career with Southwestern Bell in a management capacity and progressed from a management assistant to a senior executive.

Barone, a native of southeast Kansas, graduated from Pittsburg State University in 1962 with a degree in Business Administration and has a long history of public service.

Clay Blair – in-state member

Clay Blair is a successful Johnson County businessman and real estate developer. Among his projects are the First Watch restaurant chain with 35 locations in three states and the Pinnacle Village Shopping Center in Johnson County. He currently owns Clay Blair Services Corp., which has represented clients in real estate investment and development for more than 30 years. Blair began his career as a Professor of Business Administration at Rockhurst University in Kansas City.

The University of Kansas' Edwards Campus in Johnson County sits on land donated by Blair in honor of his mentors, KU alumni Roy E. and Joan Edwards. He also serves as a member of the

Johnson County Visioning Committee, the Johnson county Infrastructure Advisory Board, and the Johnson County Charter Revision Commission.

Blair is a former Chairman and Vice Chairman of the Kansas Board of Regents and current Chairman of the Kansas Research Enhancement Building Corporation, which among other duties is charged with designing and building three research facilities across the state: a biomedical center at the University of Kansas, a bio-security facility at Kansas State University and an expansion of the aviation research center at Wichita State University. Blair played a key role in the enactment of the state legislation that allotted \$120 million in state bonds to the project.

Blair earned a bachelor's degree from the University of Kansas in 1965, a master's in business administration from Indiana University in 1966, and a doctorate in higher education administration from KU in 1969.

David Franz – out-of-state member

David R. Franz joined the faculty at Kansas State University in fall 2003 as director of the National Agricultural Biosecurity Center. He is also currently Chief Biological Scientist and head of the Consulting for Biological Defense group at the Midwest Research Institute. Previously, he has been Vice President of the Chemical and Biological Defense Division at the Southern Research Institute at the University of Alabama at Birmingham. Franz served in the U.S. Army Medical Research and Materiel Command for 23 of 27 years on active duty. Franz has served as both Deputy Commander and then Commander of the U.S. Army Medical Research Institute of Infectious Diseases and as Deputy Commander of the Medical Research and Materiel Command. Prior to joining the Command, he served as group veterinarian for the 10th Special Forces Group (Airborne). Franz served as Chief Inspector on three United Nations Special Commission biological warfare inspection missions to Iraq, and as technical adviser on long-term monitoring.

His current national-level committee appointments include the Defense Intelligence Agency Red Team Bio-Chem 2020, the Defense Threat Reduction Agency's Threat Reduction Advisory Committee Science & Technology Panel and Counterproliferation Panel, co-chair of the National Academy of Sciences Committee on Advanced Sensors, the National Academy of Sciences Committee on Research Standards and Practices, and the National Academy of Sciences Committee for Research with Russian Biological Institutes, which he chairs. He also serves on the Dean's Advisory Council of the College of Veterinary Medicine at Kansas State University.

Franz holds a D.V.M. from Kansas State University and a Ph.D. in physiology from Baylor College of Medicine.

Dan Glickman – in-state member

In 2004, former U.S. Secretary of Agriculture Dan Glickman was selected as President of the Motion Picture Association of America. Previously, he had served as the Director of the Institute of Politics at the John F. Kennedy School of Government at Harvard University since 2002.

Glickman served as the Secretary of Agriculture from 1995 to 2001. Under his leadership, the department modernized food safety regulations and forged international trade agreements to expand U.S. markets. During his tenure, the department also focused extensively on improving our nation's diet and nutrition and on fighting hunger.

Before his appointment as Secretary of Agriculture, Glickman served for 18 years in the U.S. House of Representatives, representing Kansas' 4th Congressional District. During that time, he served as a member of the House Agriculture Committee, including six years as chairman of the subcommittee that had jurisdiction over most federal farm policy issues. He also was an active member of the House Judiciary Committee, where he was a leader on technology issues.

Glickman serves on the board of directors of the Chicago Mercantile Exchange; Communities in Schools; America's Second Harvest; Food Research and Action Center; RFK Memorial Foundation; and The Farm Foundation. He is a member of the Board of Advisors of the Columbia University Mailman School of Public Health in New York City. He also co-chairs the boards of the U.S. Consensus Council and The Pew Initiative on Food and Biotechnology.

Glickman received his B.A. in history from the University of Michigan and his J.D. from the George Washington University.

Victoria Franchetti Haynes – out-of-state member

Victoria Franchetti Haynes' career spans 27 years of technology leadership, management, and new business development. In July 1999, Haynes became President and Chief Executive Officer of RTI International, an integrated multidisciplinary organization that conducts research and provides services for the government, industry and universities in the areas of health, environment, education, training, science and engineering. RTI International operates out of eight offices in the United States and four international offices, as well as project offices in several countries, generating revenues of over \$400M with 2,500 staff members. Among its newest initiatives is the commercialization of its own proprietary technology through spin-off companies, ventures, alliances and licensing.

Prior to joining RTI, Haynes worked for The BF Goodrich Company, first serving as Vice President of Research and Development and later as Vice President of the Advanced Technology Group and Chief Technical Officer. From 1977 to 1992, she worked at the Monsanto Research Corporation, with her final role being Director of Technology, Plastics Division.

She serves on numerous corporate, not-for-profit and advisory boards, including MCNC Research and Development Institute, PPG Industries, Inc., Lubrizol Corporation, Nucor Corporation, and has served in the past on the board of the North Carolina Biotechnology Center and the North Carolina Board of Science and Technology. She is also a frequent speaker at symposiums, universities and professional conferences.

Haynes received her Ph.D. in Physical/Organic Chemistry from Boston University in 1975, an M.A. in College Teaching from Boston University in 1971 and a B.S. in Chemistry from the University of California at Berkeley in 1969.

Sandra Lawrence – in-state member

In 2004, Sandra Lawrence was named Senior Vice President and Treasurer of Kansas City-based Midwest Research Institute (MRI), an independent, not-for-profit laboratory that conducts scientific research and technology development for government and industry. In this capacity, she oversees MRI's business management, human resources, and information technology and facilities operations. Currently, MRI is dealing with some of the nation's most challenging problems in defense, energy and life sciences.

Lawrence joined MRI several years ago as Director of its Center for Regional Development. She left to become a General Manager and then Vice President of Administration for Gateway and most recently was President and CEO of Global Packing Solutions, Inc. Prior to coming to MRI initially, she was president of Stern Bros., an investment banking firm.

Lawrence's current Kansas City civic obligations include service on the Executive Committee of the Greater Kansas City Community Foundation and Affiliated Trusts, The Kansas City Market Board of US Bank, Dunn Industries, The Hall Family Foundation Board and The Children's Mercy Hospital Board.

Lawrence received her A.B. in psychology, with an emphasis in statistics, from Vassar College. She went on to The Massachusetts Institute of Technology, where she earned a master's in architecture with a focus on urban design and civil engineering. She later earned an MBA from Harvard Business School.

Stephen O'Connor – out-of-state member

Steve O'Connor is founder and CEO of Pasadena, Calif.-based Nanostream, a biotech company whose technology allows pharmaceutical companies to bring drugs to market faster. The company provides microfluidic products, or "chips" with miniaturized channels to move nanoliters of fluids involved in biological and chemical reactions. Microfluidic components will become the plumbing infrastructure for pharmaceutical research and development, promising to

accelerate the journey from compound to drug—a process that currently takes over 14 years and costs over \$800 million.

O'Connor founded or co-founded three other technology companies in Southern California prior to starting Nanostream in 1999, including Clinical Micro Sensors (CMS). As Chief Scientist at CMS, he helped develop the company until its acquisition by Motorola for \$300M. O'Connor is named as inventor on nine issued patents and has authored 15 scientific articles on topics including molecular wires, hair morphology, and tooth decay.

In 2002, Technology Review, MIT's Magazine of Innovation, chose O'Connor as one of the world's 100 Top Young Innovators. The group consists of 100 young individuals whose work in business and technology has a profound impact on today's world. Nominees are recognized for their contributions in transforming the nature of technology in industries such as biotechnology, computing, energy, medicine, manufacturing, nanotechnology, telecommunications and transportation. He is also a member of the board of directors of Pasadena Entrectec.

O'Connor earned his doctorate in Physical Chemistry from the California Institute of Technology.

Bill Sanford – out-of-state member

Bill Sanford is Chairman and Chief Executive Officer of NanoScale Materials, Inc., a technology company spin-out from Kansas State University in Manhattan, Kansas. He is also Founder and Chairman of Symark LLC, a technology commercialization, business development, and private equity firm headquartered in Naples, Florida. In addition, he is Executive Founder, retired Chairman of the Board, President, and Chief Executive Officer of Steris Corporation.

Sanford is an experienced entrepreneur, executive, consultant, investor, and board member with extensive new venture, turnaround, senior management, and market development experience. His business career spans 39 years with emphasis on the development and marketing of healthcare and scientific products, medical devices, health services, and advanced information systems.

Sanford serves as a Board Member and Advisor to numerous for-profit and not-for-profit organizations, including KeyCorp, The Cleveland Clinic, Case Western Reserve University, Wilson Greatbatch Technologies, Inc., Biomec, Inc., Primus Venture Partners, BioEnterprise Corporation, and several early stage technology companies and investment partnerships. He is Chairman Emeritus of NorTech, the Northeast Ohio Regional Technology Coalition, Vice Chairman of Omeris, Inc. (formerly the Edison BioTechnology Center), a charter member of the State of Ohio Technology Action Board, and a Fellow of the American Institute for Medical and Biological Engineering (AIMBE).

Sanford is actively involved with Kansas State University as a Trustee of the Kansas State University Foundation, Vice Chairman of the Kansas State University Research Foundation, Chairman of the President's Entrepreneurial Roundtable, and Chairman of the Commercialization Committee of the College of Business Advisory Council.

Sanford received his Bachelor of Science in Biological Sciences from Kansas State University in 1965.

Dolph C. Simons, Jr. – in-state member

Dolph C. Simons Jr., is chairman of The World Company, which owns cable television provider Sunflower Broadband and the Lawrence Journal-World, which he also serves as editor. The operation, located in Lawrence, Kansas, is one of the most integrated multimedia companies in the nation. Its cable television unit, which has an 80 percent market penetration in Lawrence, also serves other communities in Douglas, Leavenworth and Wyandotte counties. The company's broadband division provides telephone and Internet services in addition to cable television. The company also has weekly newspapers in Douglas, Leavenworth and Johnson counties. As chairman of The World Company, Simons oversees not only the newspaper and broadband operations, but also World Online, its Web division.

Simons recently resigned as Chairman of the Kansas University Endowment Association; he remains a member of the board and its Executive Committee. He has served as president of the William Allen White Foundation, the Kansas Press Association, the Kansas Associated Press, and the Lawrence Chamber of Commerce. He is a member of the Board of Trustees of Midwest Research Institute in Kansas City; trustee of the Menninger Foundation in Topeka; past member of the Central Governing Board, Children's Mercy Hospital, Kansas City; a member of the Advisory Committee of the University of Kansas School of Business; and former director of Oread Laboratories, Inc., Lawrence, Kansas and Commerce Bancshares, Kansas City, Missouri. He is a former director of the Inland Daily Press Association, the Lawrence National Bank and Lawrence Memorial Hospital. He also is national past president of the Kansas University Alumni Association. He is a trustee of the National Parks and Conservation Association and a former trustee of The Kansas Nature Conservancy.

Simons graduated with a degree in journalism from the University of Kansas in 1951.

Date: March 14, 2006

More thoughts on House Bill 2194

Advocates for older job seekers and for HB 2194 are grateful for the thoughtful questions that you have asked during your meetings.

We offer these additional comments after reviewing the comments of the last hearing.

1. Commerce representatives said they only have had the program for 18 months. They indicated the problems concerning the level of service and funding for older job seekers under WIA was due to “business transition issues.” Was the staff from the Department of Human Resources—the group that administered WIA programs prior to transfer to Commerce in 2004—transferred with this program? Are staff members knowledgeable about WIA rules and requirements still on the Department of Commerce payroll? If so, what could these staff members contribute about how oversight for WIA is done in Kansas and WIA performance related to older job seekers in the state? Perhaps these are the people in the state who can provide long-range statistics about the performance of WIA funds in our state, service delivery for older job seekers and the expenditures of these monies over the last six years?
2. Commerce representatives said that they basically cannot “tell the WIA boards what to do.” They “can’t tell the WIA boards who to appoint” to their groups or provide guidelines to follow. They said that there are few instances where penalties—such as withholding of funds—can be imposed. The instance specifically mentioned was “fraud.”

Who has accountability and oversight for the WIA programs? Since WIA is a federally funded program: is the Kansas Washington D.C. Congressional delegation responsible? Or is it the Governor’s Office? Or is it the State Legislature? Is it possible that the Kansas Legislature can pass legislation that would improve our state’s workforce system?

A report distributed to you on March 3 illustrates that there has been a major finding of “fraud” in our state’s system in Workforce Area I. Was there any form of consequence related to this situation? If so, which entity in our state imposed it? Was in the Department of Commerce? The Department of Human Resources? What was the consequence? Who is responsible for monitoring to make sure issues are corrected to ensure proper accountability of taxpayer monies? Do WIA boards have annual independent audits of compliance and financial management? If so, which entity in our state keeps these documents on file? If not, we recommend oversight should be required as specified by the legislature.

3. Strategic Plans: The Department of Commerce Representatives said that they favored no action on HB 2194—but they liked HB 2993. They also said that if they were going to do strategic planning as outlined in HB 2993, they would like to do this for “all segments” of the population.

We have consistently maintained that older Kansans have special needs in the workforce system. We have spent countless hours working on HB 2194 and we also support HB 2993—because it is strategic planning focused on older job seekers in the workforce.

A Workforce Investment Act State Plan is required by the Federal Government. We know this plan exists on 150-some pages of paper and appears to be very thorough. OKEP is mentioned to be included as part of One Stop Shops and Workforce Centers. A part of this plan also requires that different populations get an “equitable share” of WIA resources.

Older job seekers are not getting anything close to their “equitable share” of WIA resources in proportion to the population numbers. We believe that the WIA resources older job-seekers are receiving do not equate to the minimal “three percent” share that was allocated to them in the “good old days” when the Job Training Partnership Act was the federal law.

3. Where are advocates for older job seekers to go? The reality is that something is broken in the Workforce decision-making system. This is a long-standing problem. We believe action is needed so that corrections can be made.

We were denied a place at the planning table when WIA was implemented in 2000. We have worked for more than six years to try to change things so that older job seekers get a fair share of assistance under WIA and that OKEP providers’ expertise is acknowledged as an important component of the state workforce system and adequately funded. House Bill 2194 is our efforts to correct what we see as inequities in the system.

We have presented proposals to the State WIA board without any success. We have had limited success with local boards. Workforce Area III has done the best job of listening and now serves seniors through a contract with Southeast Kansas Area Agency on Aging. Workforce Area V has also listened and has figured out a way to include an Area Agency on Aging representative on its board. Other areas have told us that there is no money—or that seniors are not a priority—even though there are monies to pay out large sums of monies for other initiatives.

House Bill 2903, a precursor to HB 2194 was introduced in the 2003 legislative session and passed the House of Representatives. In this bill, advocates asked the State Workforce Investment Board to include language in the state WIA plan to target older job-seekers as a special population group. In August of 2004 the special committee was assigned to look into this matter met in Abilene. The special committee said “no” –WIA is to serve everyone.

Representative Brown and others pointed out at the March 3, 2006 House Economic Development Sub-committee Hearing that WIA is serving fewer older job seekers than were served in 2003.

We ask you to:

1. Pass House Bill 2194
2. Support changes to HB 2993 that specifically address the role of OKEP in the State Workforce System and funding of OKEP as part of the Workforce System
3. Oppose all changes to HB 2993 that would diminish the “senior focus” of this proposed legislation.

Again, thank you for your work on this issue and for the penetrating questions.

Irv Hoffmann, President, Kansas Silver Haired Legislature
Jim Snyder, Kansas Silver Haired Council