

CHAPTER 164  
HOUSE BILL No. 2703

AN ACT providing for the issuance of bonds by the Kansas development finance authority for the design of a prototype facility for the generation of electricity and hydrogen; amending K.S.A. 74-8939 and repealing the existing section.

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

Section 1. K.S.A. 74-8939 is hereby amended to read as follows: 74-8939. (a) For the purpose of financing the construction, renovation or repair of (1) one or more facilities which generate electricity solely by use of hydropower and which each have a capacity of more than two but less than 25 megawatts, or (2) *a facility or portion thereof which generates electricity and is designed as a prototype for the generation of electricity and hydrogen with limited emissions and for research in connection with related technologies and which includes a research or teaching component involving one or more postsecondary educational institutions or faculty members thereof*, the Kansas development finance authority is hereby authorized to issue revenue bonds in amounts sufficient to pay the costs of such construction, renovation or repair, including any required interest on the bonds during construction, renovation or repair, plus all amounts required for costs of the bond issuance and for any required reserves on the bonds. The bonds, and interest thereon, issued pursuant to this section shall be payable from revenues derived from sales of electricity generated by the generation facility or facilities or *from any other revenues available to be pledged by the Kansas development finance authority for such purpose*.

(b) The provisions of subsection (a) of K.S.A. 74-8905, and amendments thereto, shall not prohibit the issuance of bonds by the Kansas development finance authority for the purposes of this section and any such issuance of bonds is exempt from the provisions of subsection (a) of K.S.A. 74-8905 and amendments thereto, which would operate to preclude such issuance.

(c) Revenue bonds, including refunding revenue bonds, issued hereunder shall not constitute an indebtedness of the state of Kansas, nor shall they constitute indebtedness within the meaning of any constitutional or statutory provision limiting the incurring of indebtedness.

(d) Revenue bonds, including refunding revenue bonds, issued hereunder and the income derived therefrom are and shall be exempt from all state, county and municipal taxation in the state of Kansas, except Kansas estate taxes.

Sec. 2. K.S.A. 74-8939 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.

Approved May 17, 2004.

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