

CHAPTER 27

SENATE Substitute for HOUSE BILL No. 2001°

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

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

Section 1. (a) For the purpose of financing a capital improvement project of the Kansas bioscience authority, the Kansas development finance authority is hereby authorized to issue one or more series of revenue bonds pursuant to the Kansas development finance authority act, K.S.A. 74-8901 et seq., and amendments thereto, in an amount necessary to provide a deposit or deposits to the bioscience development and investment fund, established by K.S.A. 74-99b34, and amendments thereto, in a total amount not to exceed \$105,000,000, plus all amounts required for costs of bond issuance, costs of interest on the bonds issued for such capital improvement project during the construction of such project, cost of bond insurance or other credit enhancement for the bonds and any required reserves for the payment of principal and interest on the bonds, for a capital improvement project relating to a national bio and agro defense facility, including, but not limited to, land acquisition, site preparation, fencing, central utility plant facility construction and improvements, including electric, water and sewer utility infrastructure construction and equipment, lift stations, street grading, paving, graveling, macadamizing, curbing, guttering and surfacing, street light fixture connections and facilities, underground gas, water, heating and electrical services and connections, sidewalks and parking facilities, drives and driveway approaches, landscaping and plantings and related facilities and amenities to develop and finance the project.

(b) Prior to the issuance of any bonds pursuant to this section, the capital improvement project described in subsection (a) shall be approved for the Kansas bioscience authority for the purposes of subsection (c) of K.S.A. 74-8905, and amendments thereto, and for the purposes of K.S.A. 74-99b10, and amendments thereto, and the authorization of the issuance of bonds by the Kansas development finance authority shall be approved by the Kansas development finance authority in accordance with K.S.A. 74-8901 et seq., and amendments thereto.

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

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

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

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

Sec. 2. The state hereby pledges and covenants with the holders of any bonds issued pursuant to section 1, and amendments thereto, that it will not limit or alter the rights or powers vested in the Kansas development finance authority by section 1, and amendments thereto, nor limit or alter the rights or powers of the Kansas development finance authority, the department of administration or the Kansas bioscience authority in any manner which would jeopardize the interest of the holders or any trustee of such holders or inhibit or prevent performance or fulfillment by the Kansas development finance authority, the department of administration or the Kansas bioscience authority with respect to the terms of any agreement made with the holders of the bonds or agreements made pursuant to this section, except that the failure of the legislature to appropriate moneys for debt service on any bonds issued pursuant to section

1, and amendments thereto, shall not be deemed a violation of this pledge and covenant. The department of administration is hereby specifically authorized to include this pledge and covenant in any agreement with the Kansas development finance authority. The Kansas development finance authority is hereby specifically authorized to include this pledge and covenant in any bond resolution, trust indenture or agreement for the benefit of the holders of the bonds.

Sec. 3. Neither the state nor the department of administration shall have the power to pledge the full faith and credit or taxing power of the state for debt service on any bonds issued pursuant to section 1, and amendments thereto, and any payment by the department for such purpose shall be subject to and dependent on appropriations by the legislature. Any obligation of the state or the department for payment of debt service on bonds issued pursuant to section 1, and amendments thereto, shall not be considered a debt or obligation of the state for the purpose of section 6 of article 11 of the Kansas constitution.

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

Sec. 5. No payment of principal and interest on bonds issued pursuant to section 1, and amendments thereto, shall be made prior to July 1, 2009.

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

Approved March 28, 2008.
