

HOUSE BILL No. 2402

By By Committee on Appropriations

3-30

1 AN ACT concerning the bioscience development and investment funds;
2 relating to the centers of excellence and centers for innovation; creating
3 funds; amending K.S.A. 2010 Supp. 74-99b34 and repealing the
4 existing section.
5

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

7 Section 1. K.S.A. 2010 Supp. 74-99b34 is hereby amended to read as
8 follows: 74-99b34. (a) The bioscience development and investment fund is
9 hereby created. The bioscience development and investment fund shall not
10 be a part of the state treasury and the funds in the bioscience development
11 and investment fund shall belong exclusively to the authority.

12 (b) Distributions from the bioscience development and investment
13 fund shall be for the exclusive benefit of the authority, under the control of
14 the board and used to fulfill the purpose, powers and duties of the
15 authority pursuant to the provisions of K.S.A. 2010 Supp. 74-99b01 et
16 seq., and amendments thereto.

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

27 (d) (1) *Except as provided in subsection (d)(2)*, for a period of 15
28 years from the effective date of this act, the state treasurer shall pay
29 annually 95% of withholding above the base, as certified by the secretary
30 of revenue, upon Kansas wages paid by bioscience employees to the
31 bioscience development and investment fund. The state treasurer may
32 make estimated payments to the bioscience authority more frequently
33 based on estimates provided by the secretary of revenue and reconciled
34 annually. On or before the 10th day of each month, the director of accounts
35 and reports shall transfer from the state general fund to the bioscience
36 development and investment fund interest earnings based on:

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

3 ~~(B)~~(B) the net earnings rate of the pooled money investment portfolio
4 for the preceding month.

5 (2) (A) *For fiscal years 2012, 2013, 2014 and 2015, the first*
6 *\$16,000,000 that the secretary of revenue certifies to the state treasurer of*
7 *the annual 95% of withholding above the base, upon Kansas wages paid*
8 *by bioscience employees, shall be transferred by the director of accounts*
9 *and reports from the sales tax refund fund of the department of revenue, in*
10 *one or more substantially equal amounts, to each of the following: The*
11 *advanced manufacturing institute – Kansas state university fund, the*
12 *biotechnology innovation and optimization center – university of Kansas*
13 *fund, the information and telecommunication technology center –*
14 *university of Kansas fund, the Kansas polymer research center – Pittsburg*
15 *state university fund, the national institute for aviation research – Wichita*
16 *state university fund, the heartland plant innovations – Kansas state*
17 *university fund, Kansas alliance for bioenergy and biorefining – university*
18 *of Kansas fund, and the center of innovation for biomaterials in*
19 *orthopaedic research – Wichita state university fund. Each such special*
20 *revenue fund shall receive \$2,000,000 annually.*

21 (B) *On or before January 15, 2013, 2014, 2015, and 2016, the*
22 *advanced manufacturing institute of Kansas state university, the*
23 *biotechnology innovation and optimization center of the university of*
24 *Kansas, the information and telecommunication technology center of the*
25 *university of Kansas, the Kansas polymer research center of Pittsburg*
26 *state university, the national institute for aviation research of Wichita state*
27 *university, heartland plant innovations of Kansas state university, the*
28 *Kansas alliance for bioenergy and biorefining of the university of Kansas,*
29 *and the center of innovation for biomaterials in orthopaedic research of*
30 *Wichita state university shall report to the house of representatives*
31 *committee on appropriations and the senate committee on ways and*
32 *means on the research and development activities and the use of the*
33 *moneys transferred to such special revenue funds.*

34 (C) *There is hereby established in the state treasury the advanced*
35 *manufacturing institute – Kansas state university fund which shall be*
36 *administered by Kansas state university. All moneys credited to the fund*
37 *shall be used for research and development. All expenditures from the*
38 *advanced manufacturing institute – Kansas state university fund shall be*
39 *made in accordance with appropriation acts and upon warrants of the*
40 *director of accounts and reports issued pursuant to expenditures approved*
41 *by the president of Kansas state university or by the person or persons*
42 *designated by the president of Kansas state university.*

43 (D) *There is hereby established in the state treasury the*

1 *biotechnology innovation and optimization center – university of Kansas*
2 *fund which shall be administered by the university of Kansas. All moneys*
3 *credited to the fund shall be used for research and development. All*
4 *expenditures from the biotechnology innovation and optimization center –*
5 *university of Kansas fund shall be made in accordance with appropriation*
6 *acts and upon warrants of the director of accounts and reports issued*
7 *pursuant to expenditures approved by the chancellor of the university of*
8 *Kansas or by the person or persons designated by the chancellor of the*
9 *university of Kansas.*

10 (E) *There is hereby established in the state treasury the information*
11 *and telecommunication technology center – university of Kansas fund*
12 *which shall be administered by the university of Kansas. All moneys*
13 *credited to the fund shall be used for research and development. All*
14 *expenditures from the information and telecommunication technology*
15 *center – university of Kansas fund shall be made in accordance with*
16 *appropriation acts and upon warrants of the director of accounts and*
17 *reports issued pursuant to expenditures approved by the chancellor of the*
18 *university of Kansas or by the person or persons designated by the*
19 *chancellor of the university of Kansas.*

20 (F) *There is hereby established in the state treasury the Kansas*
21 *polymer research center – Pittsburg state university fund which shall be*
22 *administered by Pittsburg state university. All moneys credited to the fund*
23 *shall be used for research and development. All expenditures from the*
24 *Kansas polymer research center – Pittsburg state university fund shall be*
25 *made in accordance with appropriation acts and upon warrants of the*
26 *director of accounts and reports issued pursuant to expenditures approved*
27 *by the president of Pittsburg state university or by the person or persons*
28 *designated by the president of Pittsburg state university.*

29 (G) *There is hereby established in the state treasury the national*
30 *institute for aviation research – Wichita state university fund which shall*
31 *be administered by Wichita state university. All moneys credited to the*
32 *fund shall be used for research and development. All expenditures from the*
33 *national institute for aviation research – Wichita state university fund*
34 *shall be made in accordance with appropriation acts and upon warrants*
35 *of the director of accounts and reports issued pursuant to expenditures*
36 *approved by the president of Wichita state university or by the person or*
37 *persons designated by the president of Wichita state university.*

38 (H) *There is hereby established in the state treasury the heartland*
39 *plant innovations – Kansas state university fund which shall be*
40 *administered by Kansas state university. All moneys credited to the fund*
41 *shall be used for research and development. All expenditures from the*
42 *heartland plant innovations – Kansas state university fund shall be made*
43 *in accordance with appropriation acts and upon warrants of the director*

1 *of accounts and reports issued pursuant to expenditures approved by the*
2 *president of Kansas state university or by the person or persons*
3 *designated by the president of Kansas state university.*

4 *(I) There is hereby established in the state treasury the Kansas*
5 *alliance for bioenergy and biorefining – university of Kansas fund which*
6 *shall be administered by the university of Kansas. All moneys credited to*
7 *the fund shall be used for research and development. All expenditures from*
8 *the Kansas alliance for bioenergy and biorefining – university of Kansas*
9 *fund shall be made in accordance with appropriation acts and upon*
10 *warrants of the director of accounts and reports issued pursuant to*
11 *expenditures approved by the chancellor of the university of Kansas or by*
12 *the person or persons designated by the chancellor of the university of*
13 *Kansas.*

14 *(J) There is hereby established in the state treasury the center of*
15 *innovation for biomaterials in orthopaedic research – Wichita state*
16 *university fund which shall be administered by Wichita state university. All*
17 *moneys credited to the fund shall be used for research and development.*
18 *All expenditures from the center of innovation for biomaterials in*
19 *orthopaedic research – Wichita state university fund shall be made in*
20 *accordance with appropriation acts and upon warrants of the director of*
21 *accounts and reports issued pursuant to expenditures approved by the*
22 *president of Wichita state university or by the person or persons*
23 *designated by the president of Wichita state university.*

24 (e) The cumulative amounts of funds paid by the state treasurer to the
25 bioscience development and investment fund shall not exceed ~~581.8~~
26 ~~million~~ \$581,800,000.

27 (f) The division of post audit is hereby authorized to conduct a post
28 audit in accordance with the provisions of the ~~state~~ legislative post audit act
29 ~~to~~, K.S.A. 46-1106 et seq., and amendments thereto.

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

34 Sec. 2. K.S.A. 2010 Supp. 74-99b34 is hereby repealed.

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

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