

## Organization of Economic Development Agencies

**HB 2054** restructures the responsibilities of agencies and other state entities involved with economic development.

The bill abolishes the Kansas Technology Enterprise Corporation (KTEC) and transfers most of its duties and responsibilities to the Department of Commerce and the Secretary of Commerce. A function related to matching funds for federal research funding is transferred to the Board of Regents. The bill transfers all current policies, assets, and necessary employees to the two respective state agencies. The Governor may resolve any conflict over the disposition of property, functions, or resources.

The Department of Commerce may engage in seed-capital financing for the development and implementation of innovations or new technologies for both existing and emerging Kansas businesses. At the discretion of the Secretary, the Department of Commerce has discretion to dispose of any investment or equity that had been made previously by KTEC.

The Department of Commerce may finance research and development projects at Centers of Excellence located in the State. The Commerce Department provides technical referral services to businesses and encourages Kansas educational institutions to establish technical information databases and industrial liaison offices. The Department administers the Angel Investor Tax Credit.

The Board of Regents administers the State's matching grants that are used at Kansas universities for the federal Experimental Program to Stimulate Competitive Research (EPSCoR) Program. Part of the State's matching effort is conducted using the Strategic Technology and Research (STAR) Fund, which is transferred to the Board's control.

The bill abolishes the position that KTEC appoints to the Kansas Bioscience Authority's Board of Directors. The bill makes the Commerce Secretary an *ex officio* voting board member.