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MEMORANDUM

To: Chairman Masterson and members of the Senate Ways and Means Committee

From: Jill A. Wolters, First Assistant Revisor

Date: May 18, 2015

Subject: SB 305, abolishing the Kansas bioscience authority

Senate Bill No. 305 abolishes and terminates the Kansas bioscience authority (KBA). All property, funds and assets of the KBA are vested in the state. The provisions of SB305 shall be deemed to be adequate for the payment or retirement of any KBA debts or obligations by the department of commerce in the name of the state of Kansas. (Section 1)

The powers, duties and functions of the KBA are transferred to the department of commerce and the secretary of commerce. (Section 2)

The KBA has three funds outside the state treasury: Bioscience development and investment fund, bioscience development bond fund and bioscience research matching fund. The bill directs moneys in these funds to be deposited in the state treasury and transferred to these funds which are created in the state treasury. Further, the KBA has two funds in the state treasury: Bioscience research and development voucher fund and bioscience research and development voucher -- federal fund. These funds are abolished and all moneys and liabilities are transferred to the bioscience development and investment fund. (Section 2)

Section 2 (e) provides that in order to effectively manage the termination and dissolution of the KBA, the secretary of commerce may, from any institution, foundation, organization, person, firm or corporation, solicit and receive any and all donations and grants of moneys and raise capital. The secretary of commerce shall consult with the chairperson of the committee on ways and means of the senate and the chairperson of the committee on appropriations of the house of representatives on the provisions of this subsection.

Sections 3, 4 and 5 are general language when agencies are abolished. Sec. 3(e) specifically requires the secretary of commerce to make adequate provisions for the payment or retirement of all KBA debts or obligations. Officers and employees of the KBA who, in the opinion of the secretary, are necessary to perform the functions of the KBA in the department of commerce shall be offered the opportunity to become employees of the department of commerce. Any disputes or conflicts shall be resolved by the Governor.

The amendatory sections of the bill retain language necessary for the orderly dissolution of the KBA.

The bill repeals the emerging industry investment act, K.S.A. 2014 Supp. 74-99b31 to 74-99b34; the bioscience development financing act, K.S.A. 2014 Supp. 74-99b41 to 74-99b45;

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the bioscience tax investment incentive act, K.S.A. 2014 Supp. 74-99b51 to 74-99b53; the bioscience research and development voucher program act, K.S.A. 2014 Supp. 74-99b61 to 74-99b68; and the bioscience research matching funds act, K.S.A. 2014 Supp. 74-99b81 to 74-99b89. Further, sections of the bioscience authority act are repealed. K.S.A. 2014 Supp. 74-99b35 is amended to allow the department of commerce to recoup any financial assistance awarded to companies who relocate outside of Kansas within 10 years of receiving financial assistance.

FOR REFERENCE ONLY K.S.A. 2014 Supp. 74-99b04(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.