

SENATE BILL No. 305

By Committee on Ways and Means

5-13

1 AN ACT concerning the Kansas bioscience authority; relating to the
2 termination and dissolution of the authority and transferring its powers,
3 functions, assets and liabilities to the department of commerce;
4 amending K.S.A. 2014 Supp. 12-1770a, as amended by section 25 of
5 2015 House Substitute for Senate Bill No. 7, 12-1771, 12-1772, 48-
6 3502, 65-1,249, 74-50,211, 74-8004, 74-8132, 74-8964, 74-99b03, 74-
7 99b06, 74-99b09, 74-99b18 and 74-99b35 and repealing the existing
8 sections; also repealing K.S.A. 2014 Supp. 74-99b01, 74-99b02, 74-
9 99b04, 74-99b05, 74-99b07, 74-99b08, 74-99b10, 74-99b11, 74-99b12,
10 74-99b13, 74-99b14, 74-99b15, 74-99b16, 74-99b17, 74-99b19, 74-
11 99b20, 74-99b31, 74-99b32, 74-99b33, 74-99b34, 74-99b34a, 74-
12 99b41, 74-99b42, 74-99b43, as amended by section 71 of 2015 House
13 Substitute for Senate Bill No. 7, 74-99b44, 74-99b45, 74-99b51, 74-
14 99b52, 74-99b53, 74-99b61, 74-99b62, 74-99b63, 74-99b64, 74-99b65,
15 74-99b66, 74-99b67, 74-99b68, 74-99b81, 74-99b82, 74-99b83, 74-
16 99b84, 74-99b85, 74-99b86, 74-99b87, 74-99b88 and 74-99b89.

17

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

19 New Section 1. The Kansas bioscience authority, created by K.S.A.
20 74-99b01 et seq., and amendments thereto, is hereby terminated and
21 abolished. The provisions of this act shall be deemed to be adequate for the
22 payment or retirement of any Kansas bioscience authority debts or
23 obligations by the department of commerce in the name of the state of
24 Kansas. All property, funds and assets of the Kansas bioscience authority
25 shall be vested in the state, as designated by this act and the secretary of
26 commerce in the name of the state of Kansas.

27 New Sec. 2. On the effective date of this act:

28 (a) All of the powers, duties and functions of the Kansas bioscience
29 authority are hereby transferred to and conferred and imposed upon the
30 department of commerce and the secretary of commerce.

31 (b) (1) The director of accounts and reports shall transfer all balances
32 for all funds or accounts thereof appropriated or reappropriated for the
33 Kansas bioscience authority to the department of commerce.

34 (2) All moneys in the bioscience development and investment fund of
35 the Kansas bioscience authority pursuant to K.S.A. 2014 Supp. 74-99b34,
36 prior to its repeal, shall be transferred to the bioscience development and

1 investment fund which is hereby created in the state treasury. All moneys
2 received by the department of commerce from the Kansas bioscience
3 authority pursuant to this paragraph shall be deposited in the state treasury
4 in accordance with the provisions of K.S.A. 75-4215, and amendments
5 thereto, and shall be credited to the bioscience development and
6 investment fund. All expenditures from the bioscience development and
7 investment fund shall be made in accordance with appropriation acts upon
8 warrants of the director of accounts and reports issued pursuant to
9 vouchers approved by the secretary of commerce or the designee of the
10 secretary.

11 (3) All moneys in the bioscience development bond fund of the
12 Kansas bioscience authority pursuant to K.S.A. 2014 Supp. 74-99b44,
13 prior to its repeal, shall be transferred to the bioscience development bond
14 fund which is hereby created in the state treasury. All moneys received by
15 the department of commerce from the Kansas bioscience authority
16 pursuant to this paragraph shall be deposited in the state treasury in
17 accordance with the provisions of K.S.A. 75-4215, and amendments
18 thereto, and shall be credited to the bioscience development bond fund. All
19 expenditures from the bioscience development bond fund shall be made in
20 accordance with appropriation acts upon warrants of the director of
21 accounts and reports issued pursuant to vouchers approved by the
22 secretary of commerce or the designee of the secretary.

23 (4) All moneys in the bioscience research matching fund of the
24 Kansas bioscience authority pursuant to K.S.A. 2014 Supp. 74-99b84,
25 prior to its repeal, shall be transferred to the bioscience research matching
26 fund which is hereby created in the state treasury. All moneys received by
27 the department of commerce from the Kansas bioscience authority
28 pursuant to this paragraph shall be deposited in the state treasury in
29 accordance with the provisions of K.S.A. 75-4215, and amendments
30 thereto, and shall be credited to the bioscience research matching fund. All
31 expenditures from the bioscience research matching fund shall be made in
32 accordance with appropriation acts upon warrants of the director of
33 accounts and reports issued pursuant to vouchers approved by the
34 secretary of commerce or the designee of the secretary.

35 (5) On the effective date of this act, the director of accounts and
36 reports shall transfer all moneys in the bioscience research and
37 development voucher fund, established in K.S.A. 2014 Supp. 74-99b64,
38 prior to its repeal, to the bioscience development and investment fund. On
39 the effective date of this act, all liabilities of the bioscience research and
40 development voucher fund are hereby transferred to and imposed on the
41 bioscience development and investment fund and the bioscience research
42 and development voucher fund is hereby abolished.

43 (6) On the effective date of this act, the director of accounts and

1 reports shall transfer all moneys in the bioscience research and
2 development voucher – federal fund, established in K.S.A. 2014 Supp. 74-
3 99b68, prior to its repeal, to the bioscience development and investment
4 fund. On the effective date of this act, all liabilities of the bioscience
5 research and development voucher – federal fund are hereby transferred to
6 and imposed on the bioscience development and investment fund and the
7 bioscience research and development voucher – federal fund is hereby
8 abolished.

9 (c) All liabilities of the Kansas bioscience authority, including,
10 without limitation, accrued compensation or salaries of officers and
11 employees who are transferred to the department of commerce under this
12 section, shall be assumed by the department of commerce.

13 (d) All assets of the Kansas bioscience authority shall be vested in the
14 state of Kansas, department of commerce.

15 (e) In order to effectively manage the termination and dissolution of
16 the Kansas bioscience authority, the secretary of commerce may, from any
17 institution, foundation, organization, person, firm or corporation, solicit
18 and receive any and all donations and grants of moneys and raise capital.
19 The secretary of commerce shall consult with the chairperson of the
20 committee on ways and means of the senate and the chairperson of the
21 committee on appropriations of the house of representatives on the
22 provisions of this subsection.

23 New Sec. 3. On the effective date of this act:

24 (a) The department of commerce and the secretary of commerce shall
25 be the successor in every way to the powers, duties and functions of the
26 Kansas bioscience authority in which the same were vested prior to the
27 effective date of this section and that are transferred pursuant to section 2,
28 and amendments thereto. Every act performed in the exercise of such
29 transferred powers, duties and functions by or under the department of
30 commerce or the secretary of commerce pursuant to section 2, and
31 amendments thereto, shall be deemed to have the same force and effect as
32 if performed by the Kansas bioscience authority in which such powers,
33 duties and functions were vested prior to the effective date of this section.

34 (b) Whenever the Kansas bioscience authority, or words of like effect,
35 are referred to or designated by a statute, contract or other document and
36 such reference is in regard to any of the powers, duties or functions
37 transferred to the department of commerce pursuant to section 2, and
38 amendments thereto, such reference or designation shall be deemed to
39 apply to the department of commerce or the secretary of commerce as the
40 context requires.

41 (c) All rules and regulations, orders and directives of the Kansas
42 bioscience authority which are in effect on the effective date of this section
43 shall continue to be effective and shall be deemed to be rules and

1 regulations, orders and directives of the department of commerce or the
2 secretary of commerce until revised, amended, revoked or nullified
3 pursuant to law.

4 (d) The secretary of commerce shall have the legal custody of all
5 records, memoranda, writings, entries, prints, representations, electronic
6 data or combinations thereof of any act, transaction, occurrence or event of
7 the Kansas bioscience authority.

8 (e) The secretary of commerce shall be the continuation of the Kansas
9 bioscience authority. The secretary of commerce shall make adequate
10 provisions for the payment or retirement of all authority debts or
11 obligations.

12 (f) All officers and employees who, immediately prior to such date,
13 were engaged in the performance of powers, duties or functions of the
14 Kansas bioscience authority concerning programs transferred pursuant to
15 sections 2 and 3, and amendments thereto, and who, in the opinion of the
16 secretary of commerce, are necessary to perform the powers, duties and
17 functions of the department of commerce, shall be offered the opportunity
18 to become officers and employees of the department of commerce.

19 New Sec. 4. (a) When any conflict arises as to the disposition of any
20 property, power, duty or function or the unexpended balance of any
21 appropriation as a result of any abolition or transfer made by or under
22 section 2 or 3, and amendments thereto, it shall be resolved by the
23 governor, whose decision shall be final.

24 (b) The department of commerce shall succeed to all property,
25 property rights and records which were used for or pertain to the
26 performance of powers, duties and functions transferred to the department
27 of commerce pursuant to section 2, and amendments thereto. Any conflict
28 as to the proper disposition of property, personnel or records arising under
29 this section or sections 2 or 3, and amendments thereto, shall be
30 determined by the governor, whose decision shall be final.

31 New Sec. 5. (a) No suit, action or other proceeding, judicial or
32 administrative, lawfully commenced, or which could have been
33 commenced, by or against, the Kansas bioscience authority, prior to its
34 dissolution or by or against any officer of the Kansas bioscience authority,
35 prior to its dissolution in such officer's official capacity or in relation to the
36 discharge of such officer's official duties, shall abate by reason of the
37 governmental reorganization effected under the provisions of sections 2
38 through 4, and amendments thereto. The court may allow any such suit,
39 action or other proceeding to be maintained by or against the successor of
40 the authority or any officer affected.

41 (b) No criminal action commenced or which could have been
42 commenced by the state shall abate by the taking effect of this section.

43 New Sec. 6. New Sections 1 through 6, and amendments thereto,

1 shall become effective on the effective date of this act.

2 Sec. 7. K.S.A. 2014 Supp. 74-99b03 is hereby amended to read as
3 follows: 74-99b03. As used in ~~the bioeconomy authority~~ *this* act, ~~and~~
4 ~~amendments thereto~~, the following words and phrases shall have the
5 following meanings unless a different meaning clearly appears from the
6 content:

7 (a) ~~"Authority"~~ means the Kansas bioeconomy authority created by this
8 act.

9 (b) ~~"Authority employee"~~ means an employee of the authority who
10 performs services for the authority and whose salary is paid in whole or in
11 part by the authority. An authority employee will not be considered to be a
12 state employee, as such term is defined in this act or in any other statute or
13 regulation.

14 (c) ~~"Bioscience"~~ means the use of compositions, methods and
15 organisms in cellular and molecular research, development and
16 manufacturing processes for such diverse areas as pharmaceuticals,
17 medical therapeutics, medical diagnostics, medical devices, medical
18 instruments, biochemistry, microbiology, veterinary medicine, plant
19 biology, agriculture and industrial, environmental, and homeland security
20 applications of bioscience, and future developments in the biosciences.
21 Bioscience includes biotechnology and life sciences.

22 (d) ~~"Bioscience company"~~ means a corporation, limited liability
23 company, S corporation, partnership, registered limited liability
24 partnership, foundation, association, nonprofit entity, sole proprietorship,
25 business trust, person, group, or other entity that is engaged in the business
26 of bioscience in the state and has business operations in the state,
27 including, without limitation, research, development, or production
28 directed towards developing or providing bioscience products or processes
29 for specific commercial or public purposes and are identified by the
30 following NAICS codes: 325411, 325412, 325413, 325414, 325193,
31 325199, 325311, 32532, 334516, 339111, 339112, 339113, 334510,
32 334517, 339115, 621511, 621512, 54171, 54138, 54194.

33 (e) ~~"Bioscience development project"~~ means an approved project
34 to implement a project plan in a bioscience development district.

35 (f) ~~"Bioscience research"~~ means any investigation for the
36 advancement of scientific or technological knowledge of bioscience and
37 any activity that seeks to utilize, synthesize, or apply existing knowledge,
38 information or resources to the resolution of a specific problem, question
39 or issue of bioscience.

40 (g) ~~"Bioscience research institutions"~~ means all universities and
41 colleges located in the state of Kansas conducting bioscience research.

42 (h) ~~"Biotechnology"~~ means those fields focusing on technological
43 developments in such areas as molecular biology, genetic engineering,

1 genomics, proteomics, physiomics, nanotechnology, biodefense,
2 biocomputing and bioinformatics.

3 ~~(i) "Board" means the board of directors of the authority created by~~
4 ~~this act.~~

5 ~~(j)~~—"Bonds" has the same meaning as in K.S.A. 74-8902, and
6 amendments thereto.

7 ~~(k)~~—"Bioscience development and investment fund" means the fund
8 created by K.S.A. 2014 Supp. 74-99b34, and amendments thereto.

9 ~~(l)~~(g) "*Department*" means the department of commerce.

10 (h) "Eminent scholar" means world-class, distinguished and
11 established investigators recognized nationally for their research,
12 achievements and ability to garner significant federal funding on an annual
13 basis. Eminent scholars are recognized for their scientific knowledge and
14 entrepreneurial spirit to enhance the innovative research that leads to
15 economic gains. Eminent scholars are either members of or likely
16 candidates for the national academy of sciences or other prominent
17 national academic science organizations.

18 ~~(m)~~(i) "Life sciences" means the areas of medical sciences,
19 pharmaceutical sciences, biological sciences, zoology, botany, horticulture,
20 ecology, toxicology, organic chemistry, physical chemistry, physiology and
21 any future advances associated with life sciences.

22 ~~(n)~~(j) "NAICS" means the north American industry classification
23 system.

24 ~~(o)~~(k) "NISTAC" means the national institute for strategic technology
25 acquisition and commercialization.

26 ~~(p)~~—"President" means the chief executive officer of the authority.

27 ~~(q)~~—"Principal operation" means the operation of the authority
28 requiring at least 75% of the total number of employees at all times.

29 ~~(r)~~(l) "Qualified company" means a Kansas company conducting
30 bioscience research and development that may be granted a funding
31 voucher.

32 ~~(s)~~(m) "Rising star scholar" means up-and-coming distinguished
33 investigators growing in their national reputations in their fields, who are
34 active and demonstrate leadership in their associated professional
35 societies, and who attract significant federal research grant support. Rising
36 star scholars would be likely candidates for the national academy of
37 sciences or other prominent national academic science organizations in the
38 future.

39 (n) "*Secretary*" means the secretary of commerce.

40 ~~(t)~~(o) "State" means the state of Kansas.

41 ~~(u)~~(p) "State employee" means a person employed by the state of
42 Kansas whether or not a classified or unclassified employee in the state
43 personnel system. ~~Authority employees shall not be considered state~~

1 employees, as such term is defined in this act or in any other statute or rule
2 and regulation.

3 ~~(v)~~(q) "State universities" includes state educational institutions as
4 defined in K.S.A. 76-711, and amendments thereto, and the municipal
5 university as defined in K.S.A. 74-3201b, and amendments thereto.

6 ~~(w)~~(r) "Taxpayer" means a person, corporation, limited liability
7 company, S corporation, partnership, registered limited liability
8 partnership, foundation, association, nonprofit entity, sole proprietorship,
9 business trust, group or other entity that is subject to the Kansas income
10 tax act K.S.A. 79-3201 et seq., and amendments thereto.

11 ~~(x)~~(s) "Technology transfer" means, without limitation, assisting with
12 filing patent applications, executing licenses, paying maintenance fees and
13 managing the finance, production, sales and marketing of bioscience
14 intellectual property.

15 ~~(y)~~—"This act" means the bioscience authority act.

16 ~~(z)~~(t) Notwithstanding any other provision of this act, the terms
17 "bioscience," "biotechnology" and "life sciences" shall not be construed to
18 include:

19 (1) Induced abortion in humans, performed after the date of
20 enactment of this act, or the use of cells or tissues derived therefrom; or

21 (2) any research the federal funding of which would be contrary to
22 federal laws that are in effect on the date of enactment of this act.

23 Sec. 8. K.S.A. 2014 Supp. 74-99b06 is hereby amended to read as
24 follows: 74-99b06. ~~(a) All resolutions and orders of the board shall be~~
25 ~~recorded and authenticated by the signature of the secretary or any~~
26 ~~assistant secretary of the board. The book of resolutions, orders, minutes of~~
27 ~~open meetings, annual reports and annual financial statements of the~~
28 ~~authority shall be public records as defined by K.S.A. 45-215 et seq., and~~
29 ~~amendments thereto. All public records shall be subject to regular audit as~~
30 ~~provided in K.S.A. 46-1106, and amendments thereto.~~

31 ~~(b)~~—Notwithstanding any provision of K.S.A. 45-215 et seq., and
32 amendments thereto, to the contrary, the following records of the ~~authority~~
33 *department of commerce* shall not be subject to the provisions of the
34 Kansas open records act, when in the opinion of the ~~board~~ *secretary of*
35 *commerce*, the disclosure of the information in the records would be
36 harmful to the competitive position of the ~~authority~~ *department of*
37 *commerce*:

38 ~~(1)~~(a) Proprietary information gathered by or in the possession of the
39 ~~authority~~ *department of commerce* from third parties pursuant to a promise
40 of confidentiality;

41 ~~(2)~~(b) contract cost estimates prepared for confidential use in
42 awarding contracts for research development, construction, renovation,
43 commercialization or the purchase of goods or services; and

1 ~~(3)(c)~~ data, records or information of a proprietary nature produced or
2 collected by or for the ~~authority~~ *department of commerce*, its employees,
3 ~~or officers or members of its board~~; financial statements not publicly
4 available that may be filed with the ~~authority~~ *department of commerce*
5 from third parties; the identity, accounts or account status of any customer
6 of the ~~authority~~ *department of commerce*; consulting or other reports paid
7 for by the ~~authority~~ *department of commerce* to assist the ~~authority~~
8 *department* in connection with its strategic planning and goals; and the
9 determination of marketing and operational strategies where disclosure of
10 such strategies would be harmful to the competitive position of the
11 ~~authority~~ *department*.

12 ~~(e)~~ Notwithstanding any provision of this section to the contrary, the
13 authority may claim the benefit of any other exemption to the Kansas open
14 records act listed in K.S.A. 45-215 et seq., and amendments thereto.

15 Sec. 9. K.S.A. 2014 Supp. 74-99b09 is hereby amended to read as
16 follows: 74-99b09. (a) The ~~authority~~ *department of commerce* shall have
17 all of the powers necessary to carry out the ~~purposes and provisions~~
18 *purpose* of ~~this act dissolving the Kansas bioscience authority~~, including,
19 without limitation, the following powers to:

20 ~~(1)~~ Make, amend and repeal bylaws, rules and regulations for the
21 management of its affairs;

22 ~~(2)~~ have the duties, privileges, immunities, rights, liabilities and
23 disabilities of a body politic and corporate and independent instrumentality
24 of the state;

25 ~~(3)~~ have perpetual existence and succession;

26 ~~(4)~~ adopt, have and use a seal and to alter the same at its pleasure;

27 ~~(5)~~ sue and be sued in its own name;

28 ~~(6)~~ Work with bioscience research institutions to identify and recruit
29 eminent scholars and rising star scholars who shall become employed by
30 bioscience research institutions or the authority, or both, to perform
31 bioscience research, development and commercialization at bioscience
32 research institutions or at authority facilities, or both;

33 ~~(7)~~ transfer funds to bioscience research institutions in amounts to be
34 determined by the board for the purpose of attracting and then
35 supplementing the compensation of eminent scholars and rising star
36 scholars;

37 ~~(8)~~ work with and collaborate with bioscience research institutions to
38 determine the types of bioscience research that will be conducted by
39 eminent scholars and rising star scholars;

40 ~~(9)~~ work with bioscience research institutions to determine the types
41 of facilities that may be constructed at bioscience research institutions or at
42 authority premises, or elsewhere, for eminent scholars and rising star
43 scholars to perform bioscience research and development;

1 ~~(10) employ personnel to assist or complement the research of~~
2 ~~eminent scholars and rising star scholars;~~

3 ~~(11) establish policies and procedures to facilitate integrated~~
4 ~~bioscience research activities by the authority and bioscience research~~
5 ~~institutions;~~

6 ~~(12) make and execute contracts, guarantees or any other instruments~~
7 ~~and agreements necessary or convenient for the exercise of its powers and~~
8 ~~functions including, without limitation, to make and execute contracts with~~
9 ~~bioscience enterprises, including start-up companies, other public and~~
10 ~~private persons and entities, health care businesses, state universities and~~
11 ~~colleges, and to incur liabilities and secure the obligations of any entity or~~
12 ~~individual;~~

13 ~~(13) partner with the bioscience research institutions to provide~~
14 ~~matching funds for federal grants;~~

15 ~~(14) borrow money and to pledge all or any part of the authority's~~
16 ~~assets therefor;~~

17 ~~(15) purchase, lease, trade, exchange or otherwise acquire;~~
18 ~~*In the name of the state of Kansas*, maintain, hold, improve, mortgage, sell and~~
19 ~~dispose of personal property, whether tangible or intangible, and any~~
20 ~~interest therein; and to purchase, lease, trade, exchange or otherwise~~
21 ~~acquire real property or any interest therein, and *in the name of the state of*~~
22 ~~*Kansas*, to maintain, hold, improve, mortgage, sell, lease and otherwise~~
23 ~~transfer such real property to the universities, colleges, public institutions~~
24 ~~and private enterprises in the state, so long as such transactions do not~~
25 ~~conflict with the mission of the *authority department* as specified in this~~
26 ~~act;~~

27 ~~(16)(2) own, acquire, construct, renovate, equip, improve, operate,~~
28 ~~maintain, or sell or lease any land, buildings or facilities in the state that~~
29 ~~can be used in researching, developing, sponsoring or commercializing~~
30 ~~bioscience in the state including, without limitation, a state-of-the-art~~
31 ~~facility, laboratory or commercial wet lab space incubator to be used by~~
32 ~~the *authority department*, and also to be made available for use by~~
33 ~~bioscience research institutions or Kansas companies conducting~~
34 ~~bioscience research and development for bio science research,~~
35 ~~commercialization and technology transfer of bio science products,~~
36 ~~processes and other intellectual property in accordance with the provisions~~
37 ~~of this act;~~

38 ~~(17) incur or assume indebtedness to, and enter into contracts with~~
39 ~~the Kansas development finance authority, which is authorized to borrow~~
40 ~~money, issue bonds and provide financing for the authority;~~

41 ~~(18) develop policies and procedures generally applicable to the~~
42 ~~procurement of goods, services and construction, based upon sound~~
43 ~~business practices;~~

1 ~~(19) solicit, study and assist in the preparation of business plans and~~
2 ~~proposals of new or established businesses to advance the biosciences in~~
3 ~~the state;~~

4 ~~(20)(3) own and possess, in the name of the state of Kansas, patents,~~
5 ~~copyrights, trademarks and proprietary technology and to enter into~~
6 ~~contracts for the purposes of commercializing and establishing charges for~~
7 ~~the use of such patents, copyrights, trademarks and proprietary technology~~
8 ~~involving bioscience;~~

9 ~~(21)(4) contract for and to accept any gifts, grants and loans of funds,~~
10 ~~property or any other aid in any form from the federal government, the~~
11 ~~state, any state agency or any other source, or any combination thereof,~~
12 ~~and to comply with the provisions of the terms and conditions thereof;~~

13 ~~(22) acquire space, equipment, services, supplies and insurance~~
14 ~~necessary to carry out the purposes of this act;~~

15 ~~(23) deposit any moneys of the authority in any banking institution~~
16 ~~within or without the state or in any depository authorized to receive such~~
17 ~~deposits, one or more persons to act as custodians of the moneys of the~~
18 ~~authority;~~

19 ~~(24)(5) procure such insurance, participate in such insurance plans or~~
20 ~~provide such self-insurance or both as it deems necessary or convenient to~~
21 ~~carry out the purposes and provisions of this act; the purchase of~~
22 ~~insurance, participation in an insurance plan or creation of a self-insurance~~
23 ~~fund by the authority department shall not be deemed as a waiver or~~
24 ~~relinquishment of any sovereign immunity to which the authority~~
25 ~~department or its officers, directors, employees or agents are otherwise~~
26 ~~entitled;~~

27 ~~(25) appoint, supervise and set the salary and compensation of the~~
28 ~~president, who shall be appointed by and serve at the pleasure of the~~
29 ~~board;~~

30 ~~(26)(6) fix, revise, charge and collect rates, rentals, fees and other~~
31 ~~charges for the services or facilities furnished by or on behalf of the~~
32 ~~authority department, and to establish policies and procedures regarding~~
33 ~~any such service rendered for the use, occupancy or operation of any such~~
34 ~~facility; such charges and policies and procedures not to be subject to~~
35 ~~supervision or regulation by any other commission, board, bureau or~~
36 ~~agency of the state; and~~

37 ~~(27)(7) do any and all things necessary or convenient to carry out the~~
38 ~~authority's department's purposes and exercise the powers given in this act.~~

39 (b) The ~~authority department~~ may create, own in whole or in part, or
40 otherwise acquire or dispose of any entity organized for a purpose related
41 to or in support of the mission of the authority, *prior to its dissolution*.

42 (c) The ~~authority department~~ may participate in joint ventures and
43 collaborate with any taxpayer, governmental body or *other* agency, insurer,

1 university and college of the state, or any other entity to facilitate any
2 activities or programs consistent with the purpose and intent of this act.

3 ~~(d) (1) The authority may create a nonprofit entity or entities for the~~
4 ~~purpose of soliciting, accepting and administering grants, outright gifts and~~
5 ~~bequests, endowment gifts and bequests, and gifts and bequests in trust,~~
6 ~~which entity or entities shall not engage in trust business. The nonprofit~~
7 ~~entity created in this subsection may expend such funds through grants or~~
8 ~~loans to further the purpose of bioscience authority activities including, but~~
9 ~~not limited to, issuing grants to high schools for the purpose of creating~~
10 ~~bioscience academies and to Kansas universities and colleges for the~~
11 ~~purpose of increasing the number of students majoring in bioscience,~~
12 ~~science education and math education. The authority may set requirements~~
13 ~~for curricula, teaching credentials and any other items and procedures~~
14 ~~incidental to establishing the grant programs.~~

15 ~~(2) Grants made pursuant to this subsection shall be based on~~
16 ~~requirements established by the nonprofit entity and may include, but not~~
17 ~~be limited to, requirements for eligibility, grant applications,~~
18 ~~organizational characteristics and standards for eligibility and~~
19 ~~accountability as are deemed advisable by the nonprofit entity.~~

20 ~~(3) The authority may not create any political action committee or~~
21 ~~contribute to any political action committee.~~

22 ~~(e)(d) In carrying out any activities authorized by this act, the~~
23 ~~authority department may provide appropriate assistance, including the~~
24 ~~making of loans and providing time of employees, to any taxpayer,~~
25 ~~governmental body or agency, insurer, university and college of the state,~~
26 ~~or any other entity, whether or not any such taxpayer, governmental body~~
27 ~~or agency, insurer, university and college of the state, or any other entity is~~
28 ~~owned or controlled in whole or in part, directly or indirectly, by the~~
29 ~~authority department.~~

30 ~~(f) Notwithstanding any provision of law to the contrary, the authority~~
31 ~~may invest the funds received from gifts, grants, donations and other~~
32 ~~operations of the authority in such investments as would be lawful for a~~
33 ~~private corporation having purposes similar to the authority including~~
34 ~~preseed, seed capital and venture capital funds whose purpose is to~~
35 ~~commercialize bioscience intellectual property, and in any obligations or~~
36 ~~securities as authorized by the board. Prior to making any investments, the~~
37 ~~board shall adopt written investment guidelines.~~

38 ~~(g) Except as provided in this act, all moneys earned or received by~~
39 ~~the authority, including all funds derived from the commercialization of~~
40 ~~bioscience products by the authority, or any affiliate or subsidiary thereof,~~
41 ~~or from the Kansas bioscience development and investment fund, shall~~
42 ~~belong exclusively to the authority.~~

43 ~~(h)(e) In accordance with subsection (i) below (f), the authority~~

1 *department* shall direct and manage the commercialization of bioscience
2 intellectual property created by eminent scholars and rising star scholars
3 who are employed by bioscience research institutions ~~or the authority or~~
4 ~~both~~. Prior to the *authority department* providing any financial support or
5 funding to the bioscience research institutions, the *authority department*
6 and the bioscience research institutions must enter into an agreement that
7 will govern each party's respective duties and responsibilities with respect
8 to technology transfer and commercialization of any such bioscience
9 intellectual property. Such agreements between the *authority department*
10 and the bioscience research institutions shall address the sharing of
11 revenue from any such bioscience intellectual property, the technology
12 transfer of such bioscience intellectual property, patent application filing
13 and maintenance fees, assumption of risks and the terms of ownership of
14 such bioscience intellectual property. The *authority department* and the
15 bioscience research institutions shall have authority to freely negotiate. If
16 conflicts arise, all terms and provisions of such agreement shall prevail
17 and govern over any policy of a bioscience research institution or the
18 Kansas board of regents.

19 (j)(f) ~~The authority department~~ will take steps to reasonably ensure
20 that it does not duplicate existing commercialization efforts already
21 located in the state. ~~After the five-year period from the effective date of~~
22 ~~this act, The authority department~~ may sell, license, contribute or provide
23 bioscience intellectual property to any third party, or provide services,
24 facilities or assistance to any third party, for a fee, for an ownership
25 interest in the third party, or other consideration, so as to commercialize
26 bioscience technology. The *authority department* may take all such actions
27 necessary to commercialize any technology in which the authority has an
28 interest.

29 (j)(g) ~~The authority department~~ shall prepare an annual report to the
30 legislature and the governor on all distributions from the bioscience
31 development and investment fund, and income, investment and income tax
32 credits and exemptions attributed to bioscience ~~authority~~ activity. The
33 *authority department* with assistance from the department of revenue shall
34 prepare an annual report summarizing the growth of bioscience research
35 and industry in Kansas.

36 (k) ~~The authority shall be subject to review by the secretary of~~
37 ~~commerce. In the review, the secretary of commerce shall evaluate and~~
38 ~~report on the effectiveness of the activities of the bioscience authority in~~
39 ~~the manner provided in K.S.A. 74-8010, and amendments thereto.~~

40 Sec. 10. K.S.A. 2014 Supp. 74-99b18 is hereby amended to read as
41 follows: 74-99b18. Each bioscience company or qualified company
42 receiving grants, awards, tax credits or any other financial assistance,
43 including financing for any bioscience development project, under the

1 provisions of the bioscience authority act, the emerging industry
2 investment act, the bioscience development financing act, the tax
3 investment incentive act, the bioscience research and development voucher
4 program act, or the bioscience research matching funds act, *prior to the*
5 *repeal of each such act*, shall repay such financial assistance to the
6 ~~authority~~ *department of commerce*, in the amount determined by the
7 ~~authority~~ *department*, if such bioscience company or qualified company
8 relocates operations, in which the authority invested, *prior to its*
9 *dissolution*, outside Kansas within 10 years after receiving such financial
10 assistance. Each such bioscience company or qualified company shall
11 enter into a repayment agreement with the ~~authority~~ *department* specifying
12 the terms of such repayment obligation.

13 Sec. 11. K.S.A. 2014 Supp. 74-99b35 is hereby amended to read as
14 follows: 74-99b35. On and after ~~January 1, 2006~~ *the effective date of this*
15 *act*, it shall be the duty of the department of revenue *in consultation with*
16 *the department of commerce* to prepare an annual report evaluating the
17 cost effectiveness of the various income tax credits and sales tax
18 exemptions enacted to encourage economic development within this state
19 and submit the same to the standing committees on taxation and economic
20 development of the house and assessment and taxation and commerce of
21 the senate at the beginning of each regular session of the legislature.

22 Sec. 12. K.S.A. 2014 Supp. 12-1771 is hereby amended to read as
23 follows: 12-1771. (a) *Resolution procedure for a redevelopment district or*
24 *bioscience development district*. When a city proposes to establish a
25 redevelopment district ~~or when the Kansas bioscience authority proposes~~
26 ~~to establish a bioscience development district within an eligible area~~, the
27 city ~~or the Kansas bioscience authority~~ shall adopt a resolution stating that
28 the city ~~or the Kansas bioscience authority~~ is considering the establishment
29 of a redevelopment district ~~or a bioscience development district~~. Such
30 resolution shall:

31 (1) Give notice that a public hearing will be held to consider the
32 establishment of a redevelopment district ~~or bioscience development~~
33 ~~district~~ and fix the date, hour and place of such public hearing;

34 (2) describe the proposed boundaries of the redevelopment district ~~or~~
35 ~~bioscience development district~~;

36 (3) describe the district plan;

37 (4) state that a description and map of the proposed redevelopment
38 district ~~or bioscience development district~~ are available for inspection at a
39 time and place designated; and

40 (5) state that the governing body will consider findings necessary for
41 the establishment of a redevelopment district ~~or bioscience development~~
42 ~~district~~.

43 Notice shall be given as provided in ~~subsection (e)~~ of K.S.A. 12-

1 1772(c), and amendments thereto.

2 (b) *Posthearing procedure.* Upon the conclusion of the public
3 hearing, the governing body may pass an ordinance. ~~(1)~~ An ordinance for a
4 redevelopment district shall: ~~(A) (1)~~ Make findings that the redevelopment
5 district proposed to be developed is an eligible area; and the conservation,
6 development or redevelopment of such area is necessary to promote the
7 general and economic welfare of the city; ~~(B) (2)~~ contain the district plan
8 as approved; and ~~(C) (3)~~ contain the legal description of the redevelopment
9 district and may establish the redevelopment district. Such ordinance shall
10 contain a district plan that identifies all of the proposed redevelopment
11 project areas and identifies in a general manner all of the buildings and
12 facilities that are proposed to be constructed or improved in each
13 redevelopment project area. The boundaries of such district shall not
14 include any area not designated in the notice required by subsection (a).

15 ~~(2) An ordinance for a bioeconomy development district shall make~~
16 ~~findings that the area satisfies the definition of a bioeconomy area and the~~
17 ~~creation of a bioeconomy district will contribute to the development of~~
18 ~~bioeconomy in the state and promote the general and economic welfare of~~
19 ~~the city. Such ordinance shall also contain the district plan as approved and~~
20 ~~contain the legal description of the bioeconomy development district. Such~~
21 ~~ordinance shall contain a development district plan that identifies all of the~~
22 ~~proposed bioeconomy development project areas and identifies in a general~~
23 ~~manner all of the buildings and facilities that are proposed to be~~
24 ~~constructed or improved in each bioeconomy development project area. The~~
25 ~~boundaries of such district shall not include any area not designated in the~~
26 ~~notice required by subsection (a). No bioeconomy development district shall~~
27 ~~be established without the approval of the Kansas bioeconomy authority. In~~
28 ~~creating a bioeconomy development district, eminent domain shall not be~~
29 ~~used to acquire agricultural land.~~

30 (c) The governing body of a city may establish a redevelopment
31 district within that city, and, with the Kansas bioeconomy authority's
32 approval, may establish a bioeconomy development district within that city.
33 Such city may establish a district inclusive of land outside the boundaries
34 of the city or wholly outside the boundaries of such city upon written
35 consent of the board of county commissioners. Prior to providing written
36 consent, the board of county commissioners shall be subject to the same
37 procedure for public notice and hearing as is required of a city pursuant to
38 subsection (a) for the establishment of a redevelopment district or
39 bioeconomy development district. One or more redevelopment projects or
40 bioeconomy development projects may be undertaken by a city within a
41 redevelopment district or bioeconomy development district after such
42 redevelopment district or bioeconomy development district has been
43 established in the manner provided by this section.

1 (d) No privately owned property subject to ad valorem taxes shall be
2 acquired and redeveloped under the provisions of K.S.A. 12-1770 et seq.,
3 and amendments thereto, if the board of county commissioners or the
4 board of education levying taxes on such property determines by
5 resolution adopted within 30 days following the conclusion of the hearing
6 for the establishment of the redevelopment district ~~or bioscience~~
7 ~~development district~~ required by subsection (b) that the proposed
8 redevelopment district ~~or bioscience development district~~ will have an
9 adverse effect on such county or school district. The board of county
10 commissioners or board of education shall deliver a copy of such
11 resolution to the city. The city shall within 30 days of receipt of such
12 resolution pass an ordinance terminating the redevelopment district ~~or~~
13 ~~bioscience development district~~.

14 (e) *Addition to area; substantial change.* Any addition of area to the
15 redevelopment district ~~or bioscience development district~~ or any
16 substantial change as defined in K.S.A. 12-1770a, and amendments
17 thereto, to the district plan shall be subject to the same procedure for
18 public notice and hearing as is required for the establishment of the
19 district.

20 (f) Any addition of any area to the redevelopment district ~~or~~
21 ~~bioscience development district~~ shall be subject to the same procedure for
22 public notice and hearing as is required for the establishment of the
23 redevelopment district ~~or bioscience development district~~. The base year
24 assessed valuation of the redevelopment district ~~or bioscience~~
25 ~~development district~~ following the addition of area shall be revised to
26 reflect the base year assessed valuation of the original area and the added
27 area as of the date of the original establishment of the redevelopment
28 district ~~or bioscience development district~~.

29 (g) A city may remove real property from a redevelopment district or
30 bioscience development district by an ordinance of the governing body. If
31 more than a de minimus amount of real property is removed from a
32 redevelopment district or bioscience development district, the base year
33 assessed valuation of the redevelopment district or bioscience
34 development district shall be revised to reflect the base year assessed
35 valuation of the remaining real property as of the date of the original
36 establishment of the redevelopment district or bioscience development
37 district.

38 (h) A city may divide the real property in a redevelopment district or
39 bioscience development district, including real property in different
40 redevelopment district or bioscience development project areas within a
41 redevelopment district or bioscience development district, into separate
42 redevelopment districts or bioscience development districts. The base year
43 assessed valuation of each resulting redevelopment district or bioscience

1 development district following such division of real property shall be
2 revised to reflect the base year assessed valuation of the area of each
3 resulting redevelopment district or bioscience development district as of
4 the date of the original establishment of the redevelopment district or
5 bioscience development district. Any division of real property within a
6 redevelopment district or bioscience development district into more than
7 one redevelopment district or bioscience development district shall be
8 subject to the same procedure of public notice and hearing as is required
9 for the establishment of the redevelopment district or bioscience
10 development district, *prior to the effective date of this act.*

11 (i) If a city has undertaken a redevelopment project or bioscience
12 development project within a redevelopment district or bioscience
13 development district, and either the city wishes to subsequently remove
14 more than a de minimus amount of real property from the redevelopment
15 district or bioscience development district or the city wishes to
16 subsequently divide the real property in the redevelopment district or
17 bioscience development district into more than one redevelopment district
18 or bioscience development district, then prior to any such removal or
19 division the city must provide a feasibility study which shows that the tax
20 increment revenue from the resulting redevelopment district or bioscience
21 development district within which the redevelopment project or bioscience
22 development project is located is expected to be sufficient to pay the
23 redevelopment project costs or bioscience development project costs.

24 (j) Removal of real property from one redevelopment district or
25 bioscience development district and addition of all or a portion of that real
26 property to another redevelopment district or bioscience development
27 district may be accomplished by the adoption of an ordinance and in such
28 event the determination of the existence or nonexistence of an adverse
29 effect on the county or school district under subsection (d) shall apply to
30 both such removal and such addition of real property to a redevelopment
31 district or bioscience development district.

32 (k) Any addition to, removal from or division of real property or a
33 substantial change as defined in K.S.A. 12-1770a, and amendments
34 thereto, to a bioscience development district may be made only with the
35 approval of the ~~Kansas bioscience authority~~ *secretary of commerce.*

36 ~~(l) A bioscience development district may be established in the~~
37 ~~unincorporated area of a county by resolution of the board of county~~
38 ~~commissioners governing the area if:~~

39 ~~(1) The Kansas bioscience authority has proposed to establish a~~
40 ~~bioscience development district there; and~~

41 ~~(2) the board of county commissioners follows the notice, hearing~~
42 ~~and approval procedures required of a city to establish a bioscience~~
43 ~~development district.~~

1 ~~(m) When establishing a bioscience development district as described~~
2 ~~in subsection (1), any references to "city" contained in this section shall~~
3 ~~mean "county" and any references to "ordinance" shall mean "resolution."~~

4 Sec. 13. K.S.A. 2014 Supp. 12-1772 is hereby amended to read as
5 follows: 12-1772. (a) *Redevelopment projects.* One or more redevelopment
6 projects ~~or bioscience development projects~~ may be undertaken by a city
7 within an established redevelopment district ~~or bioscience development~~
8 ~~district.~~ Any such project plan may be implemented in separate
9 development stages. Any city proposing to undertake a redevelopment
10 project ~~or bioscience development project~~ within a redevelopment district
11 ~~or bioscience development district~~ established pursuant to K.S.A. 12-1771,
12 and amendments thereto, shall prepare a project plan in consultation with
13 the planning commission of the city ~~and, in the case of a bioscience~~
14 ~~development district, with the approval of the bioscience authority.~~ The
15 project plan shall include:

16 (1) A summary of the feasibility study done as defined in K.S.A. 12-
17 1770a, and amendments thereto, which will be an open record;

18 (2) a reference to the district plan established under K.S.A. 12-1771,
19 and amendments thereto, that identifies the redevelopment ~~or bioscience~~
20 ~~development~~ project area that is set forth in the project plan that is being
21 considered;

22 (3) a description and map of the redevelopment ~~or bioscience~~
23 ~~development~~ project area to be redeveloped;

24 (4) the relocation assistance plan required by K.S.A. 12-1777, and
25 amendments thereto;

26 (5) a detailed description of the buildings and facilities proposed to be
27 constructed or improved in such area; and

28 (6) any other information the governing body deems necessary to
29 advise the public of the intent of the project plan.

30 (b) *Resolution requirements.* A copy of the redevelopment project
31 plan ~~or bioscience development project plan~~ shall be delivered to the board
32 of county commissioners of the county and the board of education of any
33 school district levying taxes on property within the proposed
34 redevelopment project area ~~or bioscience development project area.~~ Upon
35 a finding by the planning commission that the project plan is consistent
36 with the intent of the comprehensive plan for the development of the city,
37 the governing body of the city shall adopt a resolution stating that the city
38 is considering the adoption of the project plan. Such resolution shall:

39 (1) Give notice that a public hearing will be held to consider the
40 adoption of the redevelopment project plan or bioscience development
41 project plan and fix the date, hour and place of such public hearing;

42 (2) describe the boundaries of the redevelopment district ~~or~~
43 ~~bioscience development district~~ within which the redevelopment ~~or~~

1 ~~bio~~science—development project will be located and the date of
2 establishment of such district;

3 (3) describe the boundaries of the area proposed to be included within
4 the redevelopment project area ~~or bio~~science—development project area;
5 and

6 (4) state that the project plan, including a summary of the feasibility
7 study, relocation assistance plan and financial guarantees of the
8 prospective developer and a description and map of the area to be
9 redeveloped or developed are available for inspection during regular office
10 hours in the office of the city clerk.

11 Except as provided in ~~paragraph (3) of subsection (b) of K.S.A. 12-~~
12 ~~1774(b)(3)~~, and amendments thereto, if the governing body determines
13 that it may issue full faith and credit tax increment bonds to finance the
14 redevelopment project ~~or bio~~science—development project, in whole or in
15 part, the resolution also shall include notice thereof.

16 (c) (1) *Hearing*. The date fixed for the public hearing shall be not less
17 than 30 nor more than 70 days following the date of the adoption of the
18 resolution fixing the date of the hearing.

19 (2) A copy of the resolution providing for the public hearing shall be
20 by certified mail, return receipt requested, sent to the board of county
21 commissioners of the county and the board of education of any school
22 district levying taxes on property within the proposed redevelopment
23 project area ~~or bio~~science—development district project area. If the project
24 is a ~~bio~~science—development project, a copy of the resolution providing for
25 the public hearing shall also be sent by certified mail, return receipt
26 requested, to the Kansas development finance authority. Copies also shall
27 be sent by certified mail, return receipt requested to each owner and
28 occupant of land within the proposed redevelopment project area ~~or~~
29 ~~bio~~science—development project area not more than 10 days following the
30 date of the adoption of the resolution. The resolution shall be published
31 once in the official city newspaper not less than one week nor more than
32 two weeks preceding the date fixed for the public hearing. A sketch clearly
33 delineating the area in sufficient detail to advise the reader of the particular
34 land proposed to be included within the project area shall be published
35 with the resolution.

36 (3) At the public hearing, a representative of the city shall present the
37 city's proposed project plan. ~~If the hearing is for a proposed bio~~science—
38 ~~development project, a representative of the Kansas bio~~science authority
39 ~~shall assist in presenting the proposed bio~~science project plan. Following
40 the presentation of the project plan, all interested persons shall be given an
41 opportunity to be heard. The governing body for good cause shown may
42 recess such hearing to a time and date certain, which shall be fixed in the
43 presence of persons in attendance at the hearing.

1 (d) The public hearing records and feasibility study shall be subject to
2 the open records act, K.S.A. 45-215, and amendments thereto.

3 (e) *Posthearing procedure.* Following the public hearing, the
4 governing body may adopt the project plan by ordinance passed upon a ²/₃
5 vote ~~and, in the case of a bioscience project plan, with the approval of the~~
6 ~~bioscience authority.~~

7 (f) Any substantial changes as defined in K.S.A. 12-1770a, and
8 amendments thereto, to the project plan as adopted shall be subject to a
9 public hearing following publication of notice thereof at least twice in the
10 official city newspaper.

11 (g) Any project shall be completed within 20 years from the date of
12 the approval of the project plan.

13 ~~(h) A bioscience development project may be undertaken in a~~
14 ~~bioscience development district in the unincorporated area of a county by~~
15 ~~resolution of the board of county commissioners governing the area if:~~

16 ~~(1) The bioscience development project is approved by the Kansas~~
17 ~~bioscience authority; and~~

18 ~~(2) the board of county commissioners follows the notice, hearing~~
19 ~~and approval procedures required of a city to establish a bioscience~~
20 ~~development project.~~

21 ~~(i) When establishing a bioscience development project as described~~
22 ~~in subsection (h), any references to "city" contained in this section shall~~
23 ~~mean "county."~~

24 Sec. 14. K.S.A. 2014 Supp. 12-1770a, as amended by section 25 of
25 House Substitute for Senate Bill No. 7, is hereby amended to read as
26 follows: 12-1770a. As used in this act, and amendments thereto, the
27 following words and phrases shall have the following meanings unless a
28 different meaning clearly appears from the content:

29 (a) "Auto race track facility" means: (1) An auto race track facility
30 and facilities directly related and necessary to the operation of an auto race
31 track facility, including, but not limited to, grandstands, suites and viewing
32 areas, concessions, souvenir facilities, catering facilities, visitor and retail
33 centers, signage and temporary hospitality facilities, but excluding (2)
34 hotels, motels, restaurants and retail facilities, not directly related to or
35 necessary to the operation of such facility.

36 (b) "Base year assessed valuation" means the assessed valuation of all
37 real property within the boundaries of a redevelopment district on the date
38 the redevelopment district was established.

39 (c) "Blighted area" means an area which:

40 (1) Because of the presence of a majority of the following factors,
41 substantially impairs or arrests the development and growth of the
42 municipality or constitutes an economic or social liability or is a menace to
43 the public health, safety, morals or welfare in its present condition and use:

- 1 (A) A substantial number of deteriorated or deteriorating structures;
- 2 (B) predominance of defective or inadequate street layout;
- 3 (C) unsanitary or unsafe conditions;
- 4 (D) deterioration of site improvements;
- 5 (E) tax or special assessment delinquency exceeding the fair market
- 6 value of the real property;
- 7 (F) defective or unusual conditions of title including, but not limited
- 8 to, cloudy or defective titles, multiple or unknown ownership interests to
- 9 the property;
- 10 (G) improper subdivision or obsolete platting or land uses;
- 11 (H) the existence of conditions which endanger life or property by
- 12 fire or other causes; or
- 13 (I) conditions which create economic obsolescence; or
- 14 (2) has been identified by any state or federal environmental agency
- 15 as being environmentally contaminated to an extent that requires a
- 16 remedial investigation; feasibility study and remediation or other similar
- 17 state or federal action; or
- 18 (3) a majority of the property is a 100-year floodplain area; or
- 19 (4) previously was found by resolution of the governing body to be a
- 20 slum or a blighted area under K.S.A. 17-4742 et seq., and amendments
- 21 thereto.
- 22 (d) "Conservation area" means any improved area comprising 15% or
- 23 less of the land area within the corporate limits of a city in which 50% or
- 24 more of the structures in the area have an age of 35 years or more, which
- 25 area is not yet blighted, but may become a blighted area due to the
- 26 existence of a combination of two or more of the following factors:
- 27 (1) Dilapidation, obsolescence or deterioration of the structures;
- 28 (2) illegal use of individual structures;
- 29 (3) the presence of structures below minimum code standards;
- 30 (4) building abandonment;
- 31 (5) excessive vacancies;
- 32 (6) overcrowding of structures and community facilities; or
- 33 (7) inadequate utilities and infrastructure.
- 34 (e) "De minimus" means an amount less than 15% of the land area
- 35 within a redevelopment district.
- 36 (f) "Developer" means any person, firm, corporation, partnership or
- 37 limited liability company, other than a city and other than an agency,
- 38 political subdivision or instrumentality of the state or a county when
- 39 relating to a bioscience development district.
- 40 (g) "Eligible area" means a blighted area, conservation area,
- 41 enterprise zone, intermodal transportation area, major tourism area or a
- 42 major commercial entertainment and tourism area or bioscience
- 43 development area.

1 (h) "Enterprise zone" means an area within a city that was designated
2 as an enterprise zone prior to July 1, 1992, pursuant to K.S.A. 12-17,107
3 through 12-17,113, and amendments thereto, prior to its repeal and the
4 conservation, development or redevelopment of the area is necessary to
5 promote the general and economic welfare of such city.

6 (i) "Environmental increment" means the increment determined
7 pursuant to K.S.A. 12-1771a(b), and amendments thereto.

8 (j) "Environmentally contaminated area" means an area of land
9 having contaminated groundwater or soil which is deemed
10 environmentally contaminated by the department of health and
11 environment or the United States environmental protection agency.

12 (k) (1) "Feasibility study" means:

13 (A) A study which shows whether a redevelopment project's or
14 bioscience development project's benefits and tax increment revenue and
15 other available revenues under K.S.A. 12-1774(a)(1), and amendments
16 thereto, are expected to exceed or be sufficient to pay for the
17 redevelopment or bioscience development project costs; and

18 (B) the effect, if any, the redevelopment project costs or bioscience
19 development project will have on any outstanding special obligation bonds
20 payable from the revenues described in K.S.A. 12-1774(a)(1)(D), and
21 amendments thereto.

22 (2) For a redevelopment project or bioscience project financed by
23 bonds payable from revenues described in K.S.A. 12-1774(a)(1)(D), and
24 amendments thereto, the feasibility study must also include:

25 (A) A statement of how the taxes obtained from the project will
26 contribute significantly to the economic development of the jurisdiction in
27 which the project is located;

28 (B) a statement concerning whether a portion of the local sales and
29 use taxes are pledged to other uses and are unavailable as revenue for the
30 redevelopment project. If a portion of local sales and use taxes is so
31 committed, the applicant shall describe the following:

32 (i) The percentage of sales and use taxes collected that are so
33 committed; and

34 (ii) the date or dates on which the local sales and use taxes pledged to
35 other uses can be pledged for repayment of special obligation bonds;

36 (C) an anticipated principal and interest payment schedule on the
37 bonds;

38 (D) following approval of the redevelopment plan, the feasibility
39 study shall be supplemented to include a copy of the minutes of the
40 governing body meeting or meetings of any city whose bonding authority
41 will be utilized in the project, evidencing that a redevelopment plan has
42 been created, discussed, and adopted by the city in a regularly scheduled
43 open public meeting; and

1 (E) the failure to include all information enumerated in this
2 subsection in the feasibility study for a redevelopment or bioscience
3 project shall not affect the validity of bonds issued pursuant to this act.

4 (l) "Major tourism area" means an area for which the secretary has
5 made a finding the capital improvements costing not less than
6 \$100,000,000 will be built in the state to construct an auto race track
7 facility.

8 (m) "Real property taxes" means all taxes levied on an ad valorem
9 basis upon land and improvements thereon, except that when relating to a
10 bioscience development district, as defined in this section, "real property
11 taxes" does not include property taxes levied for schools, pursuant to
12 section 11, of 2015 House Substitute for Senate Bill No. 7, and
13 amendments thereto.

14 (n) "Redevelopment project area" means an area designated by a city
15 within a redevelopment district or, if the redevelopment district is
16 established for an intermodal transportation area, an area designated by a
17 city within or outside of the redevelopment district.

18 (o) "Redevelopment project costs" means: (1) Those costs necessary
19 to implement a redevelopment project plan or a bioscience development
20 project plan, including costs incurred for:

21 (A) Acquisition of property within the redevelopment project area;
22 (B) payment of relocation assistance pursuant to a relocation
23 assistance plan as provided in K.S.A. 12-1777, and amendments thereto;

24 (C) site preparation including utility relocations;

25 (D) sanitary and storm sewers and lift stations;

26 (E) drainage conduits, channels, levees and river walk canal facilities;

27 (F) street grading, paving, graveling, macadamizing, curbing,
28 guttering and surfacing;

29 (G) street light fixtures, connection and facilities;

30 (H) underground gas, water, heating and electrical services and
31 connections located within the public right-of-way;

32 (I) sidewalks and pedestrian underpasses or overpasses;

33 (J) drives and driveway approaches located within the public right-of-
34 way;

35 (K) water mains and extensions;

36 (L) plazas and arcades;

37 (M) major multi-sport athletic complex;

38 (N) museum facility;

39 (O) parking facilities including multilevel parking facilities;

40 (P) landscaping and plantings, fountains, shelters, benches,
41 sculptures, lighting, decorations and similar amenities;

42 (Q) related expenses to redevelop and finance the redevelopment
43 project;

1 (R) for purposes of an incubator project, such costs shall also include
2 wet lab equipment including hoods, lab tables, heavy water equipment and
3 all such other equipment found to be necessary or appropriate for a
4 commercial incubator wet lab facility by the city in its resolution
5 establishing such redevelopment district or a bioscience development
6 district;

7 (S) costs for the acquisition of land for and the construction and
8 installation of publicly-owned infrastructure improvements which serve an
9 intermodal transportation area and are located outside of a redevelopment
10 district; and

11 (T) costs for infrastructure located outside the redevelopment district
12 but contiguous to any portion of the redevelopment district and such
13 infrastructure is necessary for the implementation of the redevelopment
14 plan as determined by the city.

15 (2) Redevelopment project costs shall not include: (A) Costs incurred
16 in connection with the construction of buildings or other structures to be
17 owned by or leased to a developer, however, the "redevelopment project
18 costs" shall include costs incurred in connection with the construction of
19 buildings or other structures to be owned or leased to a developer which
20 includes an auto race track facility or a multilevel parking facility.

21 (B) In addition, for a redevelopment project financed with special
22 obligation bonds payable from the revenues described in K.S.A. 12-
23 1774(a)(1)(D), and amendments thereto, redevelopment project costs shall
24 not include:

25 (i) Fees and commissions paid to developers, real estate agents,
26 financial advisors or any other consultants who represent the developers or
27 any other businesses considering locating in or located in a redevelopment
28 district;

29 (ii) salaries for local government employees;

30 (iii) moving expenses for employees of the businesses locating within
31 the redevelopment district;

32 (iv) property taxes for businesses that locate in the redevelopment
33 district;

34 (v) lobbying costs;

35 (vi) a bond origination fee charged by the city pursuant to K.S.A. 12-
36 1742, and amendments thereto;

37 (vii) any personal property, as defined in K.S.A. 79-102, and
38 amendments thereto; and

39 (viii) travel, entertainment and hospitality.

40 (p) "Redevelopment district" means the specific area declared to be
41 an eligible area in which the city may develop one or more redevelopment
42 projects.

43 (q) "Redevelopment district plan" or "district plan" means the

1 preliminary plan that identifies all of the proposed redevelopment project
2 areas and identifies in a general manner all of the buildings, facilities and
3 improvements in each that are proposed to be constructed or improved in
4 each redevelopment project area or, if the redevelopment district is
5 established for an intermodal transportation area, in or outside of the
6 redevelopment district.

7 (r) "Redevelopment project" means the approved project to
8 implement a project plan for the development of the established
9 redevelopment district.

10 (s) "Redevelopment project plan" means the plan adopted by a
11 municipality for the development of a redevelopment project or projects
12 which conforms with K.S.A. 12-1772, and amendments thereto, in a
13 redevelopment district.

14 (t) "Substantial change" means, as applicable, a change wherein the
15 proposed plan or plans differ substantially from the intended purpose for
16 which the district plan or project plan was approved.

17 (u) "Tax increment" means that amount of real property taxes
18 collected from real property located within the redevelopment district that
19 is in excess of the amount of real property taxes which is collected from
20 the base year assessed valuation.

21 (v) "Taxing subdivision" means the county, city, unified school
22 district and any other taxing subdivision levying real property taxes, the
23 territory or jurisdiction of which includes any currently existing or
24 subsequently created redevelopment district including a bioscience
25 development district.

26 (w) "River walk canal facilities" means a canal and related water
27 features which flows through a redevelopment district and facilities related
28 or contiguous thereto, including, but not limited to pedestrian walkways
29 and promenades, landscaping and parking facilities.

30 (x) "Major commercial entertainment and tourism area" may include,
31 but not be limited to, a major multi-sport athletic complex.

32 (y) "Major multi-sport athletic complex" means an athletic complex
33 that is utilized for the training of athletes, the practice of athletic teams, the
34 playing of athletic games or the hosting of events. Such project may
35 include playing fields, parking lots and other developments including
36 grandstands, suites and viewing areas, concessions, souvenir facilities,
37 catering facilities, visitor centers, signage and temporary hospitality
38 facilities, but excluding hotels, motels, restaurants and retail facilities, not
39 directly related to or necessary to the operation of such facility.

40 (z) "Bioscience" means the use of compositions, methods and
41 organisms in cellular and molecular research, development and
42 manufacturing processes for such diverse areas as pharmaceuticals,
43 medical therapeutics, medical diagnostics, medical devices, medical

1 instruments, biochemistry, microbiology, veterinary medicine, plant
2 biology, agriculture, industrial environmental and homeland security
3 applications of bioscience and future developments in the biosciences.

4 Bioscience includes biotechnology and life sciences.

5 (aa) "Bioscience development area" means an area that:

6 (1) Is or shall be owned, operated, or leased by, or otherwise under
7 the control of the ~~Kansas bioscience authority~~ *secretary of commerce*;

8 (2) is or shall be used and maintained by a bioscience company; or

9 (3) includes a bioscience facility.

10 (bb) "Bioscience development district" means the specific area,
11 created under K.S.A. 12-1771, and amendments thereto, *and prior to the*
12 *effective date of this act*, where one or more bioscience development
13 projects may be undertaken.

14 (cc) "Bioscience development project" means an approved project to
15 implement a project plan in a bioscience development district.

16 (dd) "Bioscience development project plan" means the plan adopted
17 by the authority, *prior to its dissolution*, for a bioscience development
18 project pursuant to K.S.A. 12-1772, and amendments thereto, in a
19 bioscience development district.

20 (ee) "Bioscience facility" means real property and all improvements
21 thereof used to conduct bioscience research, including, without limitation,
22 laboratory space, incubator space, office space and any and all facilities
23 directly related and necessary to the operation of a bioscience facility.

24 (ff) "Bioscience project area" means an area designated by the
25 authority, *prior to its dissolution*, within a bioscience development district.

26 (gg) "Biotechnology" means those fields focusing on technological
27 developments in such areas as molecular biology, genetic engineering,
28 genomics, proteomics, physiomics, nanotechnology, biodefense,
29 biocomputing, bioinformatics and future developments associated with
30 biotechnology.

31 (hh) ~~"Board" means the board of directors of the Kansas bioscience~~
32 ~~authority.~~

33 (ii)—"Life sciences" means the areas of medical sciences,
34 pharmaceutical sciences, biological sciences, zoology, botany, horticulture,
35 ecology, toxicology, organic chemistry, physical chemistry, physiology and
36 any future advances associated with life sciences.

37 (jj)(ii) "Revenue increase" means that amount of real property taxes
38 collected from real property located within the bioscience development
39 district that is in excess of the amount of real property taxes which is
40 collected from the base year assessed valuation.

41 (kk)(jj) "Taxpayer" means a person, corporation, limited liability
42 company, S corporation, partnership, registered limited liability
43 partnership, foundation, association, nonprofit entity, sole proprietorship,

1 business trust, group or other entity that is subject to the Kansas income
2 tax act, K.S.A. 79-3201 et seq., and amendments thereto.

3 ~~(H)~~(kk) "Floodplain increment" means the increment determined
4 pursuant to K.S.A. 2014 Supp. 12-1771e(b), and amendments thereto.

5 ~~(mm)~~(ll) "100-year floodplain area" means an area of land existing in
6 a 100-year floodplain as determined by either an engineering study of a
7 Kansas certified engineer or by the United States federal emergency
8 management agency.

9 ~~(nn)~~(mm) "Major motorsports complex" means a complex in
10 Shawnee county that is utilized for the hosting of competitions involving
11 motor vehicles, including, but not limited to, automobiles, motorcycles or
12 other self-propelled vehicles other than a motorized bicycle or motorized
13 wheelchair. Such project may include racetracks, all facilities directly
14 related and necessary to the operation of a motorsports complex,
15 including, but not limited to, parking lots, grandstands, suites and viewing
16 areas, concessions, souvenir facilities, catering facilities, visitor and retail
17 centers, signage and temporary hospitality facilities, but excluding hotels,
18 motels, restaurants and retail facilities not directly related to or necessary
19 to the operation of such facility.

20 ~~(oo)~~(nn) "Intermodal transportation area" means an area of not less
21 than 800 acres to be developed primarily to handle the transfer, storage and
22 distribution of freight through railway and trucking operations.

23 ~~(pp)~~(oo) "Museum facility" means a separate newly-constructed
24 museum building and facilities directly related and necessary to the
25 operation thereof, including gift shops and restaurant facilities, but
26 excluding hotels, motels, restaurants and retail facilities not directly related
27 to or necessary to the operation of such facility. The museum facility shall
28 be owned by the state, a city, county, other political subdivision of the state
29 or a non-profit corporation, shall be managed by the state, a city, county,
30 other political subdivision of the state or a non-profit corporation and may
31 not be leased to any developer and shall not be located within any retail or
32 commercial building.

33 Sec. 15. K.S.A. 2014 Supp. 48-3502 is hereby amended to read as
34 follows: 48-3502. (a) There is hereby established the Kansas national bio
35 and agro defense facility interagency working group.

36 (b) The working group shall consist of the following members ex
37 officio: The secretary of health and environment, the secretary of
38 commerce or designee, the secretary of administration or designee, the
39 secretary of agriculture or designee, the animal health commissioner or
40 designee, the secretary of revenue or designee, the attorney general or
41 designee, the state board of regents or designee, the mayor of the city of
42 Manhattan or designee, the chairperson of the Leavenworth county board
43 of commissioners or designee, the adjutant general (the state director of

1 homeland security) or designee and the superintendent of the Kansas
2 highway patrol or designee.

3 (c) The secretary of health and environment shall serve as chairperson
4 of the working group, and the working group may elect a vice-chairperson
5 from among the members of the working group.

6 ~~(d) All appointments of designees must be made and submitted to the~~
7 ~~Kansas bioeconomy authority no more than 30 days after enactment of this~~
8 ~~act.~~

9 Sec. 16. K.S.A. 2014 Supp. 74-50,211 is hereby amended to read as
10 follows: 74-50,211. As used in this act, unless the context otherwise
11 requires:

12 (a) "Act" means the provisions of K.S.A. 2014 Supp. 74-50,210
13 through 74-50,219, and amendments thereto.

14 (b) "County median wage" means the median wage paid to
15 employees located in the county where the qualified company intends to
16 employ new employees as reported by the department of labor in its
17 annual report for the previous year.

18 (c) "Department" means the department of commerce.

19 (d) "Expanding business" means the expansion of an existing
20 business facility, office, department or other operation located in the state
21 of Kansas and locating in Kansas the jobs directly related to such business
22 facility, office, department or other operation.

23 (e) "High-impact project" means a business development project for
24 which the qualified company shall meet the requirements of ~~subsection (e)~~
25 ~~of K.S.A. 2014 Supp. 74-50,212(c)~~, and amendments thereto.

26 (f) "Metropolitan county" means the county of Douglas, Johnson,
27 Leavenworth, Sedgwick, Shawnee or Wyandotte.

28 (g) "NAICS" means the North American industry classification
29 system.

30 (h) "NAICS code industry average wage" means the average wage
31 paid to employees of companies classified in the same NAICS code as the
32 qualified company for the region in which the qualified company intends
33 to employ new employees as reported by the department of labor in its
34 annual report for the previous year.

35 (i) "New business" means a facility, plant, division, office,
36 department, production line, production shift or other business operations
37 of a company that was not doing business in Kansas prior to the
38 submission of an application for benefits under this act and that provides
39 documentation of such to the satisfaction of the secretary.

40 (j) "New employee" means a person newly employed by the qualified
41 company in the qualified company's business operating in Kansas during
42 the taxable year for which benefits are sought under K.S.A. 2014 Supp.
43 74-50,212, and amendments thereto. A person shall be deemed to be so

1 engaged if such person performs duties in Kansas in connection with the
2 operation of the Kansas business on: (1) A regular, full-time basis; or (2) a
3 part-time basis, provided such person is customarily performing such
4 duties at least 20 hours per week throughout the taxable year. Employees
5 performing functions directly related to a relocating, expanding, or new
6 business facility, office, department or other operation shall be considered
7 new employees.

8 (k) "Non-metropolitan county" means any county that is not a
9 metropolitan county.

10 (l) (1) (A) "Qualified company" means any for-profit corporation,
11 partnership or other entity making available to its full-time employees
12 adequate health insurance coverage and paying at least 50% of the
13 premium for such health insurance, which meets the requirements of
14 K.S.A. 2014 Supp. 74-50,212, and amendments thereto, and submits an
15 application for benefits meeting requirements established by the secretary.

16 (B) "Qualified company" also includes any not-for-profit corporation
17 which locates within the state of Kansas a regional, national or
18 international headquarters and which meets the requirements of
19 subparagraph (A).

20 (2) "Qualified company" shall not include any corporation,
21 partnership or other entity: (A) Which is identified by any of the following
22 NAICS code groups, sectors or subsectors:

23 (i) Industry group 7132 or 8131;

24 (ii) sectors 44, 45, 61, 92 or 221 (including water and sewer services);
25 or

26 (iii) subsector 722;

27 (B) which is a bioscience company, ~~as defined in K.S.A. 2014 Supp.~~
28 ~~74-99b33, and amendments thereto.~~ "Bioscience company" means a
29 corporation, limited liability company, S corporation, partnership,
30 registered limited liability partnership, foundation, association, nonprofit
31 entity, sole proprietorship, business trust, person, group or other entity
32 that is engaged in the business of bioscience in the state and has business
33 operations in the state, including, without limitation, research,
34 development, sales, services, distribution or production directed towards
35 developing or providing bioscience products or processes for specific
36 commercial or public purposes but shall not include entities engaged in
37 the distribution or retail sale of pharmaceuticals or other bioscience
38 products. The secretary of commerce and the secretary of revenue shall
39 jointly determine whether an entity qualifies as a "bioscience company"
40 based on verifiable evidence. One of the factors that shall be considered is
41 whether a company has been identified by the department of labor by one
42 of the following NAICS codes: 325411, 325412, 325413, 325414, 325193,
43 325199, 325311, 325320, 334516, 339111, 339112, 339113, 334510,

1 334517, 339115, 621511, 621512, 541710, 541380, 541940 and 622110.
2 Such company shall be presumed to be a bioscience company unless the
3 secretary of commerce and the secretary of revenue agree, based on
4 verifiable evidence, that the company is not engaged in the business of
5 bioscience in the state. A company identified by another NAICS code may
6 be determined to be a bioscience company by the secretary of commerce
7 and the secretary of revenue based on verifiable evidence that the
8 company is engaged in the business of bioscience in the state;

9 (C) which is delinquent in the payment of any nonprotested taxes or
10 any other amounts due to the federal government, the state of Kansas or
11 any other political taxing subdivision; or

12 (D) which has filed for or has publicly announced its intention to file
13 for bankruptcy protection.

14 (3) Notwithstanding any provision of this subsection, except for
15 paragraphs (2)(B), (C) and (D), a company may be deemed a qualified
16 company if such company's headquarters or administrative offices located
17 in this state serve an international or multi-state territory and such
18 company meets the requirements of K.S.A. 2014 Supp. 74-50,212, and
19 amendments thereto.

20 (m) "Retained job" means an existing job which will be lost without
21 participation by the employer under the provisions of the promoting
22 employment across Kansas act.

23 (n) "Secretary" means the secretary of the department of commerce.

24 Sec. 17. K.S.A. 2014 Supp. 74-8004 is hereby amended to read as
25 follows: 74-8004. (a) In order to achieve its purpose as provided in this
26 act, the secretary of commerce shall:

27 (1) Serve in an advisory capacity to the governor, the standing
28 committee on commerce of the senate and the standing committee on
29 commerce, labor and economic development of the house of
30 representatives.

31 (2) Assume central responsibility to develop, with the guidance of
32 both the private and public sectors, all facets of a comprehensive long term
33 economic development strategy.

34 (3) Coordinate the strategy development with all other state and local
35 agencies and offices and state educational institutions which do research
36 work, develop materials and programs, gather statistics, or which perform
37 functions related to economic development; and such state and local
38 agencies and offices and state educational institutions shall advise and
39 cooperate with the secretary of commerce in the planning and
40 accomplishment of the strategy.

41 (4) Evaluate and analyze the state's economy to guide the direction of
42 future public and private actions, and report and make recommendations to
43 the governor, the standing committee on commerce of the senate and the

1 standing committee on commerce, labor and economic development of the
2 house of representatives with respect to the state's economy. The report to
3 the committee on commerce of the senate and the committee on
4 commerce, labor and economic development of the house of
5 representatives under this subsection shall be made by the secretary of
6 commerce, either: (A) By publishing such report on the internet and by
7 notifying each member of the committees that the report is available and
8 providing, as part of such notice, the uniform resource locator (URL) at
9 which such report is available; or (B) by submitting copies of such report
10 on CD-ROM or other electronically readable media to such committees.

11 (5) Oversee and evaluate the state's economic development activities
12 on an ongoing basis through the establishment of goals, priorities and
13 performance standards and the periodic program audit of those goals,
14 priorities and performance standards.

15 (6) Oversee the implementation of the state's economic development
16 plan and monitor updates of that plan.

17 (7) Provide appropriate oversight to ensure the successful
18 implementation of Kansas venture capital, inc.

19 (8) Oversee the targeting of scarce state resources by size and sector
20 of economic activity and by geographic location within the state in order
21 to enhance the state's potential comparative economic advantages.

22 (9) Review and evaluate the annual report of Kansas venture capital,
23 inc. The secretary of commerce shall transmit recommendations
24 concerning the Kansas venture capital, inc. activities to the governor and
25 the legislature no later than September 1 of each year.

26 ~~(10) Evaluate and report on the effectiveness of the activities of the~~
27 ~~Kansas bioeconomy authority as provided in K.S.A. 2014 Supp. 74-99b09,~~
28 ~~and amendments thereto.~~

29 (b) The secretary of commerce shall seek advice from the general
30 public and from professional associations, academic groups and
31 institutions and individuals with knowledge of and interest in areas of
32 economic development and planning.

33 (c) All interested state agencies shall cooperate with the secretary of
34 commerce in providing information and other assistance as may be
35 requested for the performance of its duties with respect to the state's
36 economic development plan.

37 Sec. 18. K.S.A. 2014 Supp. 74-8132 is hereby amended to read as
38 follows: 74-8132. As used in this act:

39 (a) "Angel investor" and "investor" mean an accredited investor who
40 is a natural person or an owner of a permitted entity investor, who is of
41 high net worth, as defined in 17 C.F.R. § 230.501(a) as in effect on the
42 effective date of this act, and who seeks high returns through private
43 investments in start-up companies and may seek active involvement in

1 business, such as consulting and mentoring the entrepreneur. For the
2 purposes of this act, a person who serves as an executive, officer,
3 employee, vendor or independent contractor of the business in which an
4 otherwise qualified cash investment is made is not an angel investor and
5 such person shall not qualify for the issuance of tax credits for such
6 investment;

7 (b) "Bioscience business" means what is reflected in K.S.A. 2014
8 Supp. ~~74-99b83~~ 74-99b03, and amendments thereto;

9 (c) "cash investment" means money or money equivalent in
10 consideration for qualified securities;

11 (d) "department" means the department of commerce;

12 (e) "Kansas business" means any business owned by an individual,
13 any partnership, association or corporation domiciled in Kansas, or any
14 corporation, even if a wholly owned subsidiary of a foreign corporation,
15 that does business primarily in Kansas or does substantially all of such
16 businesses' production in Kansas;

17 (f) "owner" means any natural person who is, directly or indirectly, a
18 partner, stockholder or member in a permitted entity investor;

19 (g) "permitted entity investor" means: (A) Any general partnership,
20 limited partnership, corporation that has in effect a valid election to be
21 taxed as an S corporation under the United States internal revenue code, or
22 a limited liability company that has elected to be taxed as a partnership
23 under the United States internal revenue code; and (B) that was established
24 and is operated for the sole purpose of making investments in other
25 entities;

26 (h) "qualified Kansas business" means the Kansas businesses that are
27 approved and certified as qualified Kansas businesses as provided in
28 K.S.A. 2014 Supp. 74-8134, and amendments thereto;

29 (i) "qualified securities" means a cash investment through any one or
30 more forms of financial assistance as provided in this subsection that have
31 been approved in form and substance by the secretary. Such forms of
32 financial assistance are: (1) Any form of equity, such as: (A) A general or
33 limited, partnership interest; (B) common stock; (C) preferred stock, with
34 or without voting rights, without regard to seniority position, and whether
35 or not convertible into common stock; or (D) any form of subordinate or
36 convertible debt, or both, with warrants or other means of equity
37 conversion attached; or

38 (2) a debt instrument, such as a note or debenture that is secured or
39 unsecured, subordinated to the general creditors of the debtor and requires
40 no payments of principal, other than principal payments required to be
41 made out of any future profits of the debtor, for at least a seven-year period
42 after commencement of such debt instrument's term; and

43 (j) "secretary" means the secretary of commerce.

1 Sec. 19. K.S.A. 2014 Supp. 74-8964 is hereby amended to read as
2 follows: 74-8964. The state hereby pledges and covenants with the holders
3 of any bonds issued pursuant to K.S.A. 2014 Supp. 74-8963, and
4 amendments thereto, that it will not limit or alter the rights or powers
5 vested in the Kansas development finance authority by K.S.A. 2014 Supp.
6 74-8963, and amendments thereto, nor limit or alter the rights or powers of
7 the Kansas development finance authority, the department of
8 administration or the ~~Kansas bioscience authority~~ *department of commerce*
9 in any manner which would jeopardize the interest of the holders or any
10 trustee of such holders or inhibit or prevent performance or fulfillment by
11 the Kansas development finance authority, the department of
12 administration or the ~~Kansas bioscience authority~~ *department of commerce*
13 with respect to the terms of any agreement made with the holders of the
14 bonds or agreements made pursuant to this section, except that the failure
15 of the legislature to appropriate moneys for debt service on any bonds
16 issued pursuant to K.S.A. 2014 Supp. 74-8963, and amendments thereto,
17 shall not be deemed a violation of this pledge and covenant. The
18 department of administration is hereby specifically authorized to include
19 this pledge and covenant in any agreement with the Kansas development
20 finance authority. The Kansas development finance authority is hereby
21 specifically authorized to include this pledge and covenant in any bond
22 resolution, trust indenture or agreement for the benefit of the holders of the
23 bonds.

24 Sec. 20. K.S.A. 2014 Supp. 65-1,249 is hereby amended to read as
25 follows: 65-1,249. (a) The secretary of health and environment shall adopt
26 rules and regulations regarding the operation of umbilical cord banks in
27 Kansas, including compliance with standards set by the federal
28 government, and standard collecting method guidelines to ensure effective
29 and efficient interfacing between health care providers and private industry
30 umbilical cord banks with informed consent from the parents as stipulated
31 by federal guidelines for research.

32 (b) Each umbilical cord bank in Kansas may accept and maintain
33 umbilical cord, umbilical cord blood, amniotic fluid and placenta
34 donations for research or treatment of disease, other than any such
35 donations reserved for use by the donor or the donor's family, at no charge
36 or other cost to any donor.

37 (c) Subject to the provisions of appropriation acts, the department of
38 health and environment shall develop and make available education and
39 training in the basic procedures and other requirements for collecting and
40 maintaining umbilical cord, umbilical cord blood, amniotic fluid and
41 placenta donations to all health care providers, other medical personnel
42 and clinical staff who are involved in obstetrical care in Kansas.

43 (d) Each umbilical cord bank in Kansas may enter into agreements

1 with institutions conducting research for the purposes of providing
2 umbilical cords, umbilical cord blood, amniotic fluid or placentas from the
3 umbilical cord bank for purposes of research.

4 (e) Each entity operating an umbilical cord bank in Kansas that is
5 maintaining umbilical cords, umbilical cord blood, amniotic fluid and
6 placentas for purposes of research, shall monitor the supply of and demand
7 for umbilical cords, umbilical cord blood, amniotic fluid and placentas in
8 Kansas for purposes of research. If the entity operating such umbilical
9 cord bank determines that the demand for umbilical cords, umbilical cord
10 blood, amniotic fluid or placentas to be provided by such umbilical cord
11 bank is greater than the supply available in such umbilical cord bank
12 therefor, the entity operating such umbilical cord bank may notify Kansas
13 health care providers of the need for additional umbilical cords, umbilical
14 cord blood, amniotic fluid or placentas.

15 (f) ~~The Kansas bioscience authority~~ *department of commerce* may
16 coordinate the use of umbilical cords, umbilical cord blood, amniotic fluid
17 or placentas in umbilical cord banks in Kansas for the purposes of
18 *bioscience* research that complies with the high standards of the ~~Kansas~~
19 ~~bioscience authority~~ *department of commerce*.

20 (g) The department of health and environment and the ~~Kansas~~
21 ~~bioscience authority~~ *department of commerce* shall collaborate and jointly
22 encourage or otherwise facilitate the recruitment of entities to establish
23 umbilical cord banks in Kansas and partnerships between umbilical cord
24 banks in Kansas and researchers or organizations in Kansas, or in other
25 regions of the United States of America or other countries.

26 Sec. 21. K.S.A. 2014 Supp. 12-1770a, as amended by section 25 of
27 2015 House Substitute for Senate Bill No. 7, 12-1771, 12-1772, 48-3502,
28 65-1,249, 74-50,211, 74-8004, 74-8132, 74-8964, 74-99b01, 74-99b02,
29 74-99b03, 74-99b04, 74-99b05, 74-99b06, 74-99b07, 74-99b08, 74-99b09,
30 74-99b10, 74-99b11, 74-99b12, 74-99b13, 74-99b14, 74-99b15, 74-99b16,
31 74-99b17, 74-99b18, 74-99b19, 74-99b20, 74-99b31, 74-99b32, 74-99b33,
32 74-99b34, 74-99b34a, 74-99b35, 74-99b41, 74-99b42, 74-99b43, as
33 amended by section 71 of 2015 House Substitute for Senate Bill No. 7, 74-
34 99b44, 74-99b45, 74-99b51, 74-99b52, 74-99b53, 74-99b61, 74-99b62,
35 74-99b63, 74-99b64, 74-99b65, 74-99b66, 74-99b67, 74-99b68, 74-99b81,
36 74-99b82, 74-99b83, 74-99b84, 74-99b85, 74-99b86, 74-99b87, 74-99b88
37 and 74-99b89 are hereby repealed.

38 Sec. 22. This act shall take effect and be in force from and after its
39 publication in the statute book.