

## REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

The Committee on **Insurance and Pensions** recommends **HB 2405** be amended on page 1, in line 9, after "(a)" by inserting "(1) Except as provided by paragraph (2),"; in line 24, after the period by inserting "The bonds, and interest thereon, issued pursuant to this section shall be payable from moneys appropriated by the state for such purpose.";

On page 2, following line 1, by inserting:

"(2) If the interest rate, all inclusive cost, for any one or more series of revenue bonds under paragraph (1) exceeds 3.5% but does not exceed 3.75%, the Kansas development finance authority is hereby authorized to issue one or more series of revenue bonds under the Kansas development finance act in an amount necessary to provide a deposit or deposits to the Kansas public employees retirement system in a total amount not to exceed \$500,000,000 plus all amounts required to pay the cost of issuance of the bonds, including any credit enhancement, interest costs and provide any required reserves for the bonds. No bonds shall be issued until such issuance has been approved by a resolution of the state finance council. The principal amount, interest rates and final maturity of such revenue bonds and any bonds issued to refund such bonds or parameters for such principal amount, interest rates and final maturity shall be approved by a resolution of the state finance council, except that, for any one or more series of revenue bonds issued pursuant to this section, such interest rate, all inclusive cost, shall not exceed 3.75%. The bonds, and interest thereon, issued pursuant to this section shall be payable from moneys appropriated by the state for such purpose. The bonds, and interest thereon, issued pursuant to this section shall be obligations only of the authority and in no event shall such bonds

constitute an indebtedness or obligation of the Kansas public employees retirement system or an indebtedness or obligation for which the faith and credit or any assets of the system are pledged. Neither the state nor the department of administration shall have the power to pledge the full faith and credit or taxing power of the state for debt service on any bonds issued pursuant to this section, and any payment by the department for such purpose shall be subject to and dependent on appropriations by the legislature. Any obligation of the state or the department for payment of debt service on bonds issued pursuant to this section shall not be considered a debt or obligation of the state for the purpose of section 6 of article 11 of the constitution of the state of Kansas."; and the bill be passed as amended.

\_\_\_\_\_Chairperson