

**HOUSE BILL No. 2021**

By Representatives Proctor, Croft, Ellis, French, T. Johnson and Neelly

12-31

1 AN ACT concerning the issuance of certain bonds; relating to the  
2 construction of a state veterans home; providing for the powers, duties  
3 and functions of the Kansas development finance authority ~~and~~, the  
4 department of administration **and the state finance council**.  
5

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

7 Section 1. (a) For the purpose of financing a capital improvement  
8 project relating to construction of a state veterans home facility located in  
9 **northeast Kansas, including, but not limited to**, Douglas, Jefferson,  
10 Leavenworth, Shawnee ~~or~~ **and Wyandotte-county counties**, the Kansas  
11 development finance authority is hereby authorized to issue one or more  
12 series of revenue bonds pursuant to the Kansas development finance  
13 authority act, K.S.A. 74-8901 et seq., and amendments thereto, in a total  
14 amount not to exceed ~~\$17,500,000~~ **{\$10,500,000}**, plus all amounts  
15 required for costs of bond issuance, costs of insurance or credit  
16 enhancement, costs of interest on the bonds issued for such capital  
17 improvement project during the construction of such project and any  
18 required reserves for the payment of principal and interest on the bonds.

19 (b) The proceeds from the sale of any bonds, other than refunding  
20 bonds, issued pursuant to this section, after payment of any costs related to  
21 the issuance of such bonds, shall be paid by the Kansas development  
22 finance authority to the department of administration to be applied to the  
23 payment of costs of the capital improvement project authorized pursuant to  
24 this section as requested by the secretary of administration and by  
25 resolution of the Kansas development finance authority and shall  
26 constitute the state's required 35% match for the United States department  
27 of veterans affairs state veterans home construction grant program under  
28 38 U.S.C. §§ 8131 through 8138, as in effect on July 1, 2021.

29 (c) On and after July 1, 2021, **prior to the issuance of any bonds**  
30 **pursuant to this section**, the capital improvement project described in  
31 subsection (a) is hereby approved for the department of administration for  
32 the purposes of K.S.A. 74-8905(b), and amendments thereto, and the  
33 authorization of the issuance of bonds by the Kansas development finance  
34 authority shall be approved by the Kansas development finance authority

1 in accordance with K.S.A. 74-8901 et seq., amendments thereto, ***and the***  
2 ***state finance council acting on this matter, which is hereby***  
3 ***characterized as a matter of legislative delegation and subject to the***  
4 ***guidelines prescribed in K.S.A. 75-3711c(c), and amendments thereto,***  
5 ***except that such approval also may be given when the legislature is in***  
6 ***session.***

7 (d) The department of administration shall only make expenditures  
8 from the moneys received from the issuance of any bonds pursuant to this  
9 section for those purposes set forth in subsection (a) for such capital  
10 improvement project.

11 (e) The debt service for any such bonds issued pursuant to this  
12 section shall be financed by appropriations from the state general fund or  
13 any appropriate special revenue fund or funds.

14 (f) The date of maturity on bonds issued pursuant to this section shall  
15 not be fixed for a period of time that exceeds 20 years from the date of  
16 issuance.

17 (g) The state hereby pledges and covenants with the holders of any  
18 bonds issued pursuant to the provisions of this section, that the state will  
19 not limit or alter the rights or powers vested in the Kansas development  
20 finance authority by this section, nor limit or alter the rights or powers of  
21 the authority, or the department of administration, in any matter that would  
22 jeopardize the interest of the holders, or any trustee of such holders, or  
23 inhibit or prevent performance or fulfillment by the Kansas development  
24 finance authority or the department of administration with respect to the  
25 terms of any agreement made with the holders of the bonds or agreements  
26 made pursuant to this section, except that the failure of the legislature to  
27 appropriate moneys for debt service on any bonds issued pursuant to this  
28 section shall not be deemed a violation of this pledge and covenant. The  
29 department of administration is hereby specifically authorized to include  
30 this pledge and covenant in any agreement with the Kansas development  
31 finance authority. The Kansas development finance authority is hereby  
32 specifically authorized to include this pledge and covenant in any bond  
33 resolution, trust indenture or agreement for the benefit of the holders of the  
34 bonds.

35 (h) Neither the state nor the department of administration shall have  
36 the power to pledge the full faith and credit or taxing power of the state for  
37 debt service on any bonds issued pursuant to this section, and any payment  
38 by the department of administration for such purpose shall be subject to  
39 and dependent on appropriations by the legislature. Any obligation of the  
40 state or the department of administration for payment of debt service on  
41 bonds issued pursuant to this section shall not be considered a debt or  
42 obligation of the state for the purpose of section 6 of article 11 of the  
43 constitution of the state of Kansas.

1       (i) Subject to the provisions of appropriation acts, the secretary of  
2 administration shall enter into pledge agreements with the Kansas  
3 development finance authority to pledge moneys for the payment of bonds  
4 issued pursuant to this section, which pledge shall be subject to the  
5 appropriation of moneys therefor.

6       Sec. 2. This act shall take effect and be in force from and after its  
7 publication in the statute book.