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

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

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

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

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

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

(2) All moneys in the bioscience development and investment fund of
the Kansas bioscience authority pursuant to K.S.A. 2014 Supp. 74-99b34,
prior to its repeal, shall be transferred to the bioscience development and
investment fund which is hereby created in the state treasury. All moneys received by the department of commerce from the Kansas bioscience authority pursuant to this paragraph shall be deposited in the state treasury in accordance with the provisions of K.S.A. 75-4215, and amendments thereto, and shall be credited to the bioscience development and investment fund. All expenditures from the bioscience development and investment fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary of commerce or the designee of the secretary.

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

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

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

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

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

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

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

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

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

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

(c) All rules and regulations, orders and directives of the Kansas bioscience authority which are in effect on the effective date of this section shall continue to be effective and shall be deemed to be rules and
regulations, orders and directives of the department of commerce or the
secretary of commerce until revised, amended, revoked or nullified
pursuant to law.

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

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

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

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

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

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

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

New Sec. 6. New Sections 1 through 6, and amendments thereto,
shall become effective on the effective date of this act.

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

(a) "Authority" means the Kansas bioscience authority created by this act.

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

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

(d) "Bioscience company" means a corporation, limited liability company, S corporation, partnership, registered limited liability partnership, foundation, association, nonprofit entity, sole proprietorship, business trust, person, group, or other entity that is engaged in the business of bioscience in the state and has business operations in the state, including, without limitation, research, development, or production directed towards developing or providing bioscience products or processes for specific commercial or public purposes and are identified by the following NAICS codes: 325411, 325412, 325413, 325414, 325193, 325199, 325311, 32532, 334516, 339111, 339112, 339113, 339114, 334517, 339115, 621511, 621512, 54171, 54138, 54194.

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

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

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

(h) "Biotechnology" means those fields focusing on technological developments in such areas as molecular biology, genetic engineering,
genomics, proteomics, physiomics, nanotechnology, biodefense, biocomputing and bioinformatics.

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

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

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

(l) "Department" means the department of commerce.

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

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

(o) "NAICS" means the north American industry classification system.

(p) "NISTAC" means the national institute for strategic technology acquisition and commercialization.

(q) "President" means the chief executive officer of the authority.

(r) "Principal operation" means the operation of the authority requiring at least 75% of the total number of employees at all times.

(s) "Qualified company" means a Kansas company conducting bioscience research and development that may be granted a funding voucher.

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

(u) "Secretary" means the secretary of commerce.

(v) "State" means the state of Kansas.

(w) "State employee" means a person employed by the state of Kansas whether or not a classified or unclassified employee in the state personnel system. Authority employees shall not be considered state...
employees, as such term is defined in this act or in any other statute or rule and regulation.

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

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

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

(t) "This act" means the bioscience authority act.

(u) Notwithstanding any other provision of this act, the terms "bioscience," "biotechnology" and "life sciences" shall not be construed to include:

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

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

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

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

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

(2) Contract cost estimates prepared for confidential use in awarding contracts for research development, construction, renovation, commercialization or the purchase of goods or services; and
data, records or information of a proprietary nature produced or collected by or for the authority department of commerce, its employees, officers, or members of its board; financial statements not publicly available that may be filed with the authority department of commerce from third parties; the identity, accounts or account status of any customer of the authority department of commerce; consulting or other reports paid for by the authority department of commerce to assist the authority department in connection with its strategic planning and goals; and the determination of marketing and operational strategies where disclosure of such strategies would be harmful to the competitive position of the authority department.

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

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

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

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

(3) have perpetual existence and succession;

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

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

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

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

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

(9) work with bioscience research institutions to determine the types of facilities that may be constructed at bioscience research institutions or at authority premises, or elsewhere, for eminent scholars and rising star scholars to perform bioscience research and development;
(10) employ personnel to assist or complement the research of eminent scholars and rising star scholars;

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

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

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

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

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

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

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

(18) develop policies and procedures generally applicable to the procurement of goods, services and construction, based upon sound business practices;
(19) solicit, study and assist in the preparation of business plans and proposals of new or established businesses to advance the biosciences in the state;
(20)(3) own and possess, in the name of the state of Kansas, patents, copyrights, trademarks and proprietary technology and to enter into contracts for the purposes of commercializing and establishing charges for the use of such patents, copyrights, trademarks and proprietary technology involving bioscience;
(21)(4) contract for and to accept any gifts, grants and loans of funds, property or any other aid in any form from the federal government, the state, any state agency or any other source, or any combination thereof, and to comply with the provisions of the terms and conditions thereof;
(22) acquire space, equipment, services, supplies and insurance necessary to carry out the purposes of this act;
(23) deposit any moneys of the authority in any banking institution within or without the state or in any depository authorized to receive such deposits, one or more persons to act as custodians of the moneys of the authority;
(24)(5) procure such insurance, participate in such insurance plans or provide such self-insurance or both as it deems necessary or convenient to carry out the purposes and provisions of this act; the purchase of insurance, participation in an insurance plan or creation of a self-insurance fund by the authority department shall not be deemed as a waiver or relinquishment of any sovereign immunity to which the authority department or its officers, directors, employees or agents are otherwise entitled;
(25) appoint, supervise and set the salary and compensation of the president, who shall be appointed by and serve at the pleasure of the board;
(26)(6) fix, revise, charge and collect rates, rentals, fees and other charges for the services or facilities furnished by or on behalf of the authority department, and to establish policies and procedures regarding any such service rendered for the use, occupancy or operation of any such facility; such charges and policies and procedures not to be subject to supervision or regulation by any other commission, board, bureau or agency of the state; and
(27)(7) do any and all things necessary or convenient to carry out the authority's department's purposes and exercise the powers given in this act.
(b) The authority department may create, own in whole or in part, or otherwise acquire or dispose of any entity organized for a purpose related to or in support of the mission of the authority, prior to its dissolution.
(c) The authority department may participate in joint ventures and collaborate with any taxpayer, governmental body or other agency, insurer,
university and college of the state, or any other entity to facilitate any
activities or programs consistent with the purpose and intent of this act.

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

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

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

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

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

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

(h) In accordance with subsection—(i)—below(f), the—authority—
department shall direct and manage the commercialization of bioscience intellectual property created by eminent scholars and rising star scholars who are employed by bioscience research institutions or the authority or both. Prior to the authority department providing any financial support or funding to the bioscience research institutions, the authority department and the bioscience research institutions must enter into an agreement that will govern each party's respective duties and responsibilities with respect to technology transfer and commercialization of any such bioscience intellectual property. Such agreements between the authority department and the bioscience research institutions shall address the sharing of revenue from any such bioscience intellectual property, the technology transfer of such bioscience intellectual property, patent application filing and maintenance fees, assumption of risks and the terms of ownership of such bioscience intellectual property. The authority department and the bioscience research institutions shall have authority to freely negotiate. If conflicts arise, all terms and provisions of such agreement shall prevail and govern over any policy of a bioscience research institution or the Kansas board of regents.

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

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

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

Sec. 10. K.S.A. 2014 Supp. 74-99b18 is hereby amended to read as follows: 74-99b18. Each bioscience company or qualified company receiving grants, awards, tax credits or any other financial assistance, including financing for any bioscience development project, under the
provisions of the bioscience authority act, the emerging industry investment act, the bioscience development financing act, the tax investment incentive act, the bioscience research and development voucher program act, or the bioscience research matching funds act, prior to the repeal of each such act, shall repay such financial assistance to the authority department of commerce, in the amount determined by the authority department, if such bioscience company or qualified company relocates operations, in which the authority invested, prior to its dissolution, outside Kansas within 10 years after receiving such financial assistance. Each such bioscience company or qualified company shall enter into a repayment agreement with the authority department specifying the terms of such repayment obligation.

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

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

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

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

(3) describe the district plan;

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

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

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

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

(c) The governing body of a city may establish a redevelopment district within that city, and, with the Kansas bioscience authority's approval, may establish a bioscience development district within that city. Such city may establish a district inclusive of land outside the boundaries of the city or wholly outside the boundaries of such city upon written consent of the board of county commissioners. Prior to providing written consent, the board of county commissioners shall be subject to the same procedure for public notice and hearing as is required of a city pursuant to subsection (a) for the establishment of a redevelopment district—or bioscience development district. One or more redevelopment projects—or bioscience development projects may be undertaken by a city within a redevelopment district—or bioscience development district after such redevelopment district—or bioscience development district has been established in the manner provided by this section.
(d) No privately owned property subject to ad valorem taxes shall be acquired and redeveloped under the provisions of K.S.A. 12-1770 et seq., and amendments thereto, if the board of county commissioners or the board of education levying taxes on such property determines by resolution adopted within 30 days following the conclusion of the hearing for the establishment of the redevelopment district—or bioscience development district required by subsection (b) that the proposed redevelopment district—or bioscience development district will have an adverse effect on such county or school district. The board of county commissioners or board of education shall deliver a copy of such resolution to the city. The city shall within 30 days of receipt of such resolution pass an ordinance terminating the redevelopment district—or bioscience development district.

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

(f) Any addition of any area to the redevelopment district—or bioscience development district shall be subject to the same procedure for public notice and hearing as is required for the establishment of the redevelopment district—or bioscience development district. The base year assessed valuation of the redevelopment district—or bioscience development district following the addition of area shall be revised to reflect the base year assessed valuation of the original area and the added area as of the date of the original establishment of the redevelopment district—or bioscience development district.

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

(h) A city may divide the real property in a redevelopment district or bioscience development district, including real property in different redevelopment district or bioscience development project areas within a redevelopment district or bioscience development district, into separate redevelopment districts or bioscience development districts. The base year assessed valuation of each resulting redevelopment district or bioscience
development district following such division of real property shall be
revised to reflect the base year assessed valuation of the area of each
resulting redevelopment district or bioscience development district as of
the date of the original establishment of the redevelopment district or
bioscience development district. Any division of real property within a
redevelopment district or bioscience development district into more than
one redevelopment district or bioscience development district shall be
subject to the same procedure of public notice and hearing as is required
for the establishment of the redevelopment district or bioscience
development district, prior to the effective date of this act.

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

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

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

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

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

(2) the board of county commissioners follows the notice, hearing,
and approval procedures required of a city to establish a bioscience-
development district.
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(m) When establishing a bioscience development district as described in subsection (1), any references to "city" contained in this section shall mean "county" and any references to "ordinance" shall mean "resolution."

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

1. A summary of the feasibility study done as defined in K.S.A. 12-1770a, and amendments thereto, which will be an open record;
2. A reference to the district plan established under K.S.A. 12-1771, and amendments thereto, that identifies the redevelopment or bioscience development project area that is set forth in the project plan that is being considered;
3. A description and map of the redevelopment or bioscience development project area to be redeveloped;
4. The relocation assistance plan required by K.S.A. 12-1777, and amendments thereto;
5. A detailed description of the buildings and facilities proposed to be constructed or improved in such area; and
6. Any other information the governing body deems necessary to advise the public of the intent of the project plan.

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

1. Give notice that a public hearing will be held to consider the adoption of the redevelopment project plan or bioscience development project plan and fix the date, hour and place of such public hearing;
2. Describe the boundaries of the redevelopment district—or bioscience development district within which the redevelopment—or
bioScience-development project will be located and the date of
establishment of such district;
(3) describe the boundaries of the area proposed to be included within
the redevelopment project area or bioscience development project area;
and
(4) state that the project plan, including a summary of the feasibility
study, relocation assistance plan and financial guarantees of the
prospective developer and a description and map of the area to be
redeveloped or developed are available for inspection during regular office
hours in the office of the city clerk.
Except as provided in paragraph (3) of subsection (b) of K.S.A. 12-
1774(b)(3), and amendments thereto, if the governing body determines
that it may issue full faith and credit tax increment bonds to finance the
redevelopment project or bioscience development project, in whole or in
part, the resolution also shall include notice thereof.
(c) (1) Hearing. The date fixed for the public hearing shall be not less
than 30 nor more than 70 days following the date of the adoption of the
resolution fixing the date of the hearing.
(2) A copy of the resolution providing for the public hearing shall be
by certified mail, return receipt requested, sent to the board of county
commissioners of the county and the board of education of any school
district levying taxes on property within the proposed redevelopment
project area or bioscience development district project area. If the project
is a bioscience development project, a copy of the resolution providing for
the public hearing shall also be sent by certified mail, return receipt-
requested, to the Kansas development finance authority. Copies also shall
be sent by certified mail, return receipt requested to each owner and
occupant of land within the proposed redevelopment project area—or-
bioScience development project area not more than 10 days following the
date of the adoption of the resolution. The resolution shall be published
once in the official city newspaper not less than one week nor more than
two weeks preceding the date fixed for the public hearing. A sketch clearly
delineating the area in sufficient detail to advise the reader of the particular
land proposed to be included within the project area shall be published
with the resolution.
(3) At the public hearing, a representative of the city shall present the
city's proposed project plan. If the hearing is for a proposed bioScience-
development project, a representative of the Kansas bioscience authority
shall assist in presenting the proposed bioScience project plan. Following
the presentation of the project plan, all interested persons shall be given an
opportunity to be heard. The governing body for good cause shown may
recess such hearing to a time and date certain, which shall be fixed in the
presence of persons in attendance at the hearing.
(d) The public hearing records and feasibility study shall be subject to the open records act, K.S.A. 45-215, and amendments thereto.

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

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

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

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

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

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

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

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

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

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

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

(1) Because of the presence of a majority of the following factors, substantially impairs or arrests the development and growth of the municipality or constitutes an economic or social liability or is a menace to the public health, safety, morals or welfare in its present condition and use:
(A) A substantial number of deteriorated or deteriorating structures;
(B) predominance of defective or inadequate street layout;
(C) unsanitary or unsafe conditions;
(D) deterioration of site improvements;
(E) tax or special assessment delinquency exceeding the fair market value of the real property;
(F) defective or unusual conditions of title including, but not limited to, cloudy or defective titles, multiple or unknown ownership interests to the property;
(G) improper subdivision or obsolete platting or land uses;
(H) the existence of conditions which endanger life or property by fire or other causes; or
(I) conditions which create economic obsolescence; or
(2) has been identified by any state or federal environmental agency as being environmentally contaminated to an extent that requires a remedial investigation; feasibility study and remediation or other similar state or federal action; or
(3) a majority of the property is a 100-year floodplain area; or
(4) previously was found by resolution of the governing body to be a slum or a blighted area under K.S.A. 17-4742 et seq., and amendments thereto.
(d) "Conservation area" means any improved area comprising 15% or less of the land area within the corporate limits of a city in which 50% or more of the structures in the area have an age of 35 years or more, which area is not yet blighted, but may become a blighted area due to the existence of a combination of two or more of the following factors:
(1) Dilapidation, obsolescence or deterioration of the structures;
(2) illegal use of individual structures;
(3) the presence of structures below minimum code standards;
(4) building abandonment;
(5) excessive vacancies;
(6) overcrowding of structures and community facilities; or
(7) inadequate utilities and infrastructure.
(e) "De minimus" means an amount less than 15% of the land area within a redevelopment district.
(f) "Developer" means any person, firm, corporation, partnership or limited liability company, other than a city and other than an agency, political subdivision or instrumentality of the state or a county when relating to a bioscience development district.
(g) "Eligible area" means a blighted area, conservation area, enterprise zone, intermodal transportation area, major tourism area or a major commercial entertainment and tourism area or bioscience development area.
(h) "Enterprise zone" means an area within a city that was designated as an enterprise zone prior to July 1, 1992, pursuant to K.S.A. 12-17,107 through 12-17,113, and amendments thereto, prior to its repeal and the conservation, development or redevelopment of the area is necessary to promote the general and economic welfare of such city.

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

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

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

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

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

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

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

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

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

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

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

(D) following approval of the redevelopment plan, the feasibility study shall be supplemented to include a copy of the minutes of the governing body meeting or meetings of any city whose bonding authority will be utilized in the project, evidencing that a redevelopment plan has been created, discussed, and adopted by the city in a regularly scheduled open public meeting; and
(E) the failure to include all information enumerated in this subsection in the feasibility study for a redevelopment or bioscience project shall not affect the validity of bonds issued pursuant to this act.

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

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

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

(o) "Redevelopment project costs" means: (1) Those costs necessary to implement a redevelopment project plan or a bioscience development project plan, including costs incurred for:
   (A) Acquisition of property within the redevelopment project area;
   (B) payment of relocation assistance pursuant to a relocation assistance plan as provided in K.S.A. 12-1777, and amendments thereto;
   (C) site preparation including utility relocations;
   (D) sanitary and storm sewers and lift stations;
   (E) drainage conduits, channels, levees and river walk canal facilities;
   (F) street grading, paving, graveling, macadamizing, curbing, guttering and surfacing;
   (G) street light fixtures, connection and facilities;
   (H) underground gas, water, heating and electrical services and connections located within the public right-of-way;
   (I) sidewalks and pedestrian underpasses or overpasses;
   (J) drives and driveway approaches located within the public right-of-way;
   (K) water mains and extensions;
   (L) plazas and arcades;
   (M) major multi-sport athletic complex;
   (N) museum facility;
   (O) parking facilities including multilevel parking facilities;
   (P) landscaping and plantings, fountains, shelters, benches, sculptures, lighting, decorations and similar amenities;
   (Q) related expenses to redevelop and finance the redevelopment project;
for purposes of an incubator project, such costs shall also include wet lab equipment including hoods, lab tables, heavy water equipment and all such other equipment found to be necessary or appropriate for a commercial incubator wet lab facility by the city in its resolution establishing such redevelopment district or a bioscience development district;

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

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

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

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

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

(ii) salaries for local government employees;

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

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

(v) lobbying costs;

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

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

(viii) travel, entertainment and hospitality.

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

(q) "Redevelopment district plan" or "district plan" means the
preliminary plan that identifies all of the proposed redevelopment project areas and identifies in a general manner all of the buildings, facilities and improvements in each that are proposed to be constructed or improved in each redevelopment project area or, if the redevelopment district is established for an intermodal transportation area, in or outside of the redevelopment district.

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

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

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

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

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

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

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

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

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

(aa) "Bioscience development area" means an area that:
(1) Is or shall be owned, operated, or leased by, or otherwise under
the control of the Kansas bioscience authority secretary of commerce;
(2) Is or shall be used and maintained by a bioscience company; or
(3) Includes a bioscience facility.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) The working group shall consist of the following members ex
officio: The secretary of health and environment, the secretary of
commerce or designee, the secretary of administration or designee, the
secretary of agriculture or designee, the animal health commissioner or
designee, the secretary of revenue or designee, the attorney general or
designee, the state board of regents or designee, the mayor of the city of
Manhattan or designee, the chairperson of the Leavenworth county board
of commissioners or designee, the adjutant general (the state director of
homeland security) or designee and the superintendent of the Kansas highway patrol or designee.

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

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

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


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

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

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

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

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

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

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

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

(j) "New employee" means a person newly employed by the qualified company in the qualified company's business operating in Kansas during the taxable year for which benefits are sought under K.S.A. 2014 Supp. 74-50,212, and amendments thereto. A person shall be deemed to be so
engaged if such person performs duties in Kansas in connection with the operation of the Kansas business on: (1) A regular, full-time basis; or (2) a part-time basis, provided such person is customarily performing such duties at least 20 hours per week throughout the taxable year. Employees performing functions directly related to a relocating, expanding, or new business facility, office, department or other operation shall be considered new employees.

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

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

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

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

(i) Industry group 7132 or 8131;

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

or

(iii) subsector 722;

(B) which is a bioscience company, as defined in K.S.A. 2014 Supp. 74-59b33, and amendments thereto. "Bioscience company" means a corporation, limited liability company, S corporation, partnership, registered limited liability partnership, foundation, association, nonprofit entity, sole proprietorship, business trust, person, group or other entity that is engaged in the business of bioscience in the state and has business operations in the state, including, without limitation, research, development, sales, services, distribution or production directed towards developing or providing bioscience products or processes for specific commercial or public purposes but shall not include entities engaged in the distribution or retail sale of pharmaceuticals or other bioscience products. The secretary of commerce and the secretary of revenue shall jointly determine whether an entity qualifies as a "bioscience company" based on verifiable evidence. One of the factors that shall be considered is whether a company has been identified by the department of labor by one of the following NAICS codes: 325411, 325412, 325413, 325414, 325193, 325199, 325311, 325320, 334516, 339111, 339112, 339113, 334510,
such company shall be presumed to be a bioscience company unless the  
secretary of commerce and the secretary of revenue agree, based on  
verifiable evidence, that the company is not engaged in the business of  
bioscience in the state. A company identified by another NAICS code may  
be determined to be a bioscience company by the secretary of commerce  
and the secretary of revenue based on verifiable evidence that the  
company is engaged in the business of bioscience in the state;
(C) which is delinquent in the payment of any nonprotested taxes or  
any other amounts due to the federal government, the state of Kansas or  
any other political taxing subdivision; or
(D) which has filed for or has publicly announced its intention to file  
for bankruptcy protection.
(3) Notwithstanding any provision of this subsection, except for  
paragraphs (2)(B), (C) and (D), a company may be deemed a qualified  
company if such company's headquarters or administrative offices located  
in this state serve an international or multi-state territory and such  
company meets the requirements of K.S.A. 2014 Supp. 74-50,212, and  
amendments thereto.
(m) "Retained job" means an existing job which will be lost without  
participation by the employer under the provisions of the promoting  
employment across Kansas act.
(n) "Secretary" means the secretary of the department of commerce.
Sec. 17. K.S.A. 2014 Supp. 74-8004 is hereby amended to read as  
follows: 74-8004. (a) In order to achieve its purpose as provided in this  
act, the secretary of commerce shall:
(1) Serve in an advisory capacity to the governor, the standing  
committee on commerce of the senate and the standing committee on  
commerce, labor and economic development of the house of  
representatives.
(2) Assume central responsibility to develop, with the guidance of  
both the private and public sectors, all facets of a comprehensive long term  
economic development strategy.
(3) Coordinate the strategy development with all other state and local  
agencies and offices and state educational institutions which do research  
work, develop materials and programs, gather statistics, or which perform  
functions related to economic development; and such state and local  
agencies and offices and state educational institutions shall advise and  
cooperate with the secretary of commerce in the planning and  
accomplishment of the strategy.
(4) Evaluate and analyze the state's economy to guide the direction of  
future public and private actions, and report and make recommendations to  
the governor, the standing committee on commerce of the senate and the
standing committee on commerce, labor and economic development of the house of representatives with respect to the state's economy. The report to the committee on commerce of the senate and the committee on commerce, labor and economic development of the house of representatives under this subsection shall be made by the secretary of commerce, either: (A) By publishing such report on the internet and by notifying each member of the committees that the report is available and providing, as part of such notice, the uniform resource locator (URL) at which such report is available; or (B) by submitting copies of such report on CD-ROM or other electronically readable media to such committees.

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

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

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

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

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

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

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

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

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

(a) "Angel investor" and "investor" mean an accredited investor who is a natural person or an owner of a permitted entity investor, who is of high net worth, as defined in 17 C.F.R. § 230.501(a) as in effect on the effective date of this act, and who seeks high returns through private investments in start-up companies and may seek active involvement in
business, such as consulting and mentoring the entrepreneur. For the
purposes of this act, a person who serves as an executive, officer,
employee, vendor or independent contractor of the business in which an
otherwise qualified cash investment is made is not an angel investor and
such person shall not qualify for the issuance of tax credits for such
investment;
(b) "Bioscience business" means what is reflected in K.S.A. 2014
Supp. 74-99b82 74-99b03, and amendments thereto;
(c) "cash investment" means money or money equivalent in
consideration for qualified securities;
(d) "department" means the department of commerce;
(e) "Kansas business" means any business owned by an individual,
any partnership, association or corporation domiciled in Kansas, or any
corporation, even if a wholly owned subsidiary of a foreign corporation,
that does business primarily in Kansas or does substantially all of such
businesses' production in Kansas;
(f) "owner" means any natural person who is, directly or indirectly, a
partner, stockholder or member in a permitted entity investor;
(g) "permitted entity investor" means:
(A) Any general partnership,
limited partnership, corporation that has in effect a valid election to be
taxed as an S corporation under the United States internal revenue code, or
a limited liability company that has elected to be taxed as a partnership
under the United States internal revenue code; and (B) that was established
and is operated for the sole purpose of making investments in other
entities;
(h) "qualified Kansas business" means the Kansas businesses that are
approved and certified as qualified Kansas businesses as provided in
K.S.A. 2014 Supp. 74-8134, and amendments thereto;
(i) "qualified securities" means a cash investment through any one or
more forms of financial assistance as provided in this subsection that have
been approved in form and substance by the secretary. Such forms of
financial assistance are: (1) Any form of equity, such as: (A) A general or
limited, partnership interest; (B) common stock; (C) preferred stock, with
or without voting rights, without regard to seniority position, and whether
or not convertible into common stock; or (D) any form of subordinate or
convertible debt, or both, with warrants or other means of equity
conversion attached; or
(2) a debt instrument, such as a note or debenture that is secured or
unsecured, subordinated to the general creditors of the debtor and requires
no payments of principal, other than principal payments required to be
made out of any future profits of the debtor, for at least a seven-year period
after commencement of such debt instrument's term; and
(j) "secretary" means the secretary of commerce.
Sec. 19. K.S.A. 2014 Supp. 74-8964 is hereby amended to read as follows: 74-8964. The state hereby pledges and covenants with the holders of any bonds issued pursuant to K.S.A. 2014 Supp. 74-8963, and amendments thereto, that it will not limit or alter the rights or powers vested in the Kansas development finance authority by K.S.A. 2014 Supp. 74-8963, and amendments thereto, nor limit or alter the rights or powers of the Kansas development finance authority, the department of administration or the Kansas bioscience authority department of commerce in any manner which would jeopardize the interest of the holders or any trustee of such holders or inhibit or prevent performance or fulfillment by the Kansas development finance authority, the department of administration or the Kansas bioscience authority department of commerce with respect to the terms of any agreement made with the holders of the bonds or agreements made pursuant to this section, except that the failure of the legislature to appropriate moneys for debt service on any bonds issued pursuant to K.S.A. 2014 Supp. 74-8963, and amendments thereto, shall not be deemed a violation of this pledge and covenant. The department of administration is hereby specifically authorized to include this pledge and covenant in any agreement with the Kansas development finance authority. The Kansas development finance authority is hereby specifically authorized to include this pledge and covenant in any bond resolution, trust indenture or agreement for the benefit of the holders of the bonds.

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

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

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

(d) Each umbilical cord bank in Kansas may enter into agreements
with institutions conducting research for the purposes of providing umbilical cords, umbilical cord blood, amniotic fluid or placentas from the umbilical cord bank for purposes of research.

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

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

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


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