

HOUSE BILL No. 2814

By Committee on Taxation

2-2

9 AN ACT concerning economic development; relating to the economic
10 development initiatives fund; creating the state affordable airfare fund
11 to support certain programs; amending K.S.A. 2005 Supp. 79-4804 and
12 repealing the existing section.
13

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

15 Section 1. K.S.A. 2005 Supp. 79-4804 is hereby amended to read as
16 follows: 79-4804. (a) After the transfer of moneys pursuant to K.S.A. 2005
17 Supp. 79-4806, and amendments thereto, an amount equal to 85% of the
18 balance of all moneys credited to the state gaming revenues fund shall
19 be transferred and credited to the state economic development initiatives
20 fund. Expenditures from the state economic development initiatives fund
21 shall be made in accordance with appropriations acts for the financing of
22 such programs supporting and enhancing the existing economic founda-
23 tion of the state and fostering growth through the expansion of current,
24 and the establishment and attraction of new, commercial and industrial
25 enterprises as provided by this section and as may be authorized by law
26 and not less than $\frac{1}{2}$ of such money shall be distributed equally among
27 the congressional districts of the state. Except as provided by subsection
28 (g), all moneys credited to the state economic development initiatives
29 fund shall be credited within the fund, as provided by law, to an account
30 or accounts of the fund which are created by this section.

31 (b) There is hereby created the Kansas capital formation account in
32 the state economic development initiatives fund. All moneys credited to
33 the Kansas capital formation account shall be used to provide, encourage
34 and implement capital development and formation in Kansas.

35 (c) There is hereby created the Kansas economic development re-
36 search and development account in the state economic development in-
37 itiatives fund. All moneys credited to the Kansas economic development
38 research and development account shall be used to promote, encourage
39 and implement research and development programs and activities in Kan-
40 sas and technical assistance funded through state educational institutions
41 under the supervision and control of the state board of regents or other
42 Kansas colleges and universities.

43 (d) There is hereby created the Kansas economic development en-

1 dowment account in the state economic development initiatives fund. All
2 moneys credited to the Kansas economic development endowment ac-
3 count shall be accumulated and invested as provided in this section to
4 provide an ongoing source of funds which shall be used for economic
5 development activities in Kansas, including but not limited to continuing
6 appropriations or demand transfers for programs and projects which shall
7 include, but are not limited to, specific community infrastructure projects
8 in Kansas that stimulate economic growth.

9 (e) Except as provided in subsection (f), the director of investments
10 may invest and reinvest moneys credited to the state economic develop-
11 ment initiatives fund in accordance with investment policies established
12 by the pooled money investment board under K.S.A. 75-4232, and
13 amendments thereto, in the pooled money investment portfolio. All mon-
14 eys received as interest earned by the investment of the moneys credited
15 to the state economic development initiatives fund shall be deposited in
16 the state treasury and credited to the Kansas economic development en-
17 dowment account of such fund.

18 (f) Moneys credited to the Kansas economic development endow-
19 ment account of the state economic development initiatives fund may be
20 invested in government guaranteed loans and debentures as provided by
21 law in addition to the investments authorized by subsection (e) or in lieu
22 of such investments. All moneys received as interest earned by the in-
23 vestment under this subsection of the moneys credited to the Kansas
24 economic development endowment account shall be deposited in the
25 state treasury and credited to the Kansas economic development endow-
26 ment account of the state economic development initiatives fund.

27 (g) In each fiscal year, the director of accounts and reports shall make
28 transfers in equal amounts on July 15 and January 15 which in the aggre-
29 gate equal \$2,000,000 from the state economic development initiatives
30 fund to the state water plan fund created by K.S.A. 82a-951, and amend-
31 ments thereto, except that the aggregate amount of the transfers on such
32 dates during state fiscal year 2004 shall not exceed \$1,900,000. No other
33 moneys credited to the state economic development initiatives fund shall
34 be used for: (1) Water-related projects or programs, or related technical
35 assistance; or (2) any other projects or programs, or related technical
36 assistance, which meet one or more of the long-range goals, objectives
37 and considerations set forth in the state water resource planning act.

38 (h) *In each fiscal year, commencing in 2006 and ending in 2010, the*
39 *director of accounts and reports shall make a transfer on July 15 of*
40 *\$5,000,000 from the state economic development initiatives fund to the*
41 *state affordable airfare fund which is hereby created. If sufficient moneys*
42 *from the state economic development initiatives fund are not available,*
43 *the director of accounts and reports on such date or as soon thereafter as*

1 *moneys become available, shall transfer an amount equal to such insuf-*
2 *iciency from the state general fund to the state affordable airfare fund in*
3 *accordance with appropriation acts. The moneys credited to the state*
4 *affordable airfare fund shall be used by REAP, regional economic area*
5 *partnership, for the development and implementation of a program to*
6 *provide more air flight options, more competition for air travel and af-*
7 *fordable air fares for Kansas. In order to receive such funding, REAP,*
8 *regional economic area partnership, shall have received at least*
9 *\$1,000,000 annually from local units of government or private entities.*
10 *The state affordable airfare fund shall be administered by the secretary*
11 *of commerce.*

12 Sec. 2. K.S.A. 2005 Supp. 79-4804 is hereby repealed.

13 Sec. 3. This act shall take effect and be in force from and after its
14 publication in the statute book.