

SENATE BILL No. 395

By Committee on Ways and Means

4-30

9 AN ACT establishing the Kansas rural policy authority.

10

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

12 Section 1. (a) Sections 1 through 5, and amendments thereto, shall
13 be known and may be cited as the Kansas rural policy authority act.

14 (b) The legislature of the state of Kansas hereby finds and declares
15 that:

16 (1) Rural communities provide employment, education, services and
17 opportunities for social interaction and play a critical role in the economic
18 viability of the state of Kansas;

19 (2) decline in these communities has resulted in the need for focused
20 efforts by the state of Kansas to ensure their future prosperity and ability
21 to continue to contribute to the welfare and economy of the state;

22 (3) the universities, colleges, nonprofit institutions and private enter-
23 prises in the state of Kansas will be able to further educate and train
24 community leaders, entrepreneurs, health care professionals, educators
25 and others to provide a supportive environment promoting economic and
26 community development through increased targeted investments;

27 (4) manufacturing, licensing and commercialization of products de-
28 rived from agriculture and community entrepreneurial activities will ben-
29 efit the state's economy and will facilitate the development of the rural
30 economy and rural communities in the state of Kansas;

31 (5) the needs of the citizens of the state of Kansas and the public and
32 private entities engaged in rural and community development will be best
33 served by an independent public authority charged with the mission of
34 facilitating, supporting, funding and performing rural development pro-
35 jects for the benefit of its citizens to promote the state's research, devel-
36 opment and entrepreneurial objectives.

37 (c) The purpose for which the Kansas rural policy authority is created
38 is to make rural Kansas the most desirable area in which to conduct,
39 facilitate, support and fund rural business and cultural development and
40 entrepreneurship, and to make Kansas a national leader in the creation
41 and implementation of strategies to foster leadership, the retention of
42 youth, development of entrepreneurship and encouragement of local
43 wealth generation, to create new jobs, foster economic growth, advance

1 knowledge and improve the quality of life for the citizens of the state of
2 Kansas.

3 Sec. 2. (a) There is hereby established a body politic and corporate
4 to be known as the Kansas rural policy authority. The authority shall be
5 an independent instrumentality of the state. The exercise by the authority
6 of the powers conferred by this act shall be deemed and held to be the
7 performance of an essential governmental function.

8 (b) (1) The Kansas rural policy authority shall be governed by a board
9 of directors consisting of 11 members.

10 (2) Nine members of the board of directors shall be voting members
11 appointed as follows: Two shall be appointed by the governor, two shall
12 be appointed by the speaker of the house of representatives, two shall be
13 appointed by the president of the senate, one shall be appointed by the
14 minority leader of the house of representatives, one shall be appointed
15 by the minority leader of the senate and one shall be appointed by Kansas,
16 Inc. All voting members appointed to the board shall be subject to senate
17 confirmation as provided in K.S.A. 75-4315b, and amendments thereto.
18 Any voting member appointed to the board whose nomination is subject
19 to confirmation during a regular session of the legislature shall be deemed
20 terminated when the senate rejects the nomination. No such termination
21 shall affect the validity of any action taken by such member of the board
22 before such termination.

23 (3) All voting members appointed to the board of directors shall be
24 representatives of the general public who are recognized for outstanding
25 knowledge and leadership in the fields of agriculture, finance, business,
26 health care, legal affairs, education or government. Of the nine voting
27 members appointed to the board, six members must be residents of the
28 state with their principal place of residence in a rural community. As used
29 in this paragraph, "rural community" means any city having a population
30 of fewer than 15,000 located in a county that is not part of a metropolitan
31 statistical area, as defined by the federal office of management and
32 budget; however, any such city located in a county defined as a metro-
33 politan statistical area shall be deemed a rural community if a substantial
34 number of persons in such county derive their income from agriculture
35 and, in any county where there is only one city within the county which
36 has a population of more than 15,000 and which classifies as a metropol-
37 itan statistical area, all other cities in that county having a population of
38 less than 15,000 shall be deemed a rural community. No more than three
39 voting members appointed to the board shall be from the same congress-
40 sional district.

41 (4) The terms of the nine voting members first appointed to the board
42 of directors shall be as follows: four years for members appointed by the
43 governor, three years for members appointed by the speaker of the house

1 of representatives and the president of the senate, two years for members
2 appointed by the minority leader of the house of representatives and the
3 minority leader of the senate and one year for the member appointed by
4 Kansas, Inc. Members of the first board shall be appointed by August 1,
5 2008. Subsequent terms of all voting members appointed to the board
6 shall be for four years.

7 (5) The other two members of the board of directors shall be non-
8 voting members with research and rural development expertise and shall
9 be appointed by majority vote of the nine voting members of the board.
10 Nonvoting members shall serve at the pleasure of the board.

11 (c) The Kansas rural policy authority board of directors shall elect
12 annually from among its voting members a chairperson, vice-chairperson
13 and secretary. Five voting members of the board shall constitute a quo-
14 rum and the affirmative vote of five members shall be necessary for any
15 action taken by the board. No vacancy in the membership of the board
16 shall impair the right of a quorum to exercise all the rights and perform
17 all the duties of the board.

18 (d) All resolutions and orders of the Kansas rural policy authority
19 board of directors shall be recorded and authenticated by the signature
20 of the secretary or a person designated by the secretary. The book of
21 resolutions, orders, minutes of open meetings, annual reports and annual
22 financial statements of the authority shall be public records as defined by
23 K.S.A. 45-215 et seq., and amendments thereto. All public records shall
24 be subject to regular audit as provided in K.S.A. 46-1106, and amend-
25 ments thereto.

26 Sec. 3. (a) The Kansas rural policy authority shall have all the powers
27 necessary to carry out the purposes and provisions of this act, including,
28 without limitation:

29 (1) Having the duties, privileges, immunities, rights, liabilities and
30 disabilities of a body corporate and a political instrumentality of the state;

31 (2) having perpetual existence and succession;

32 (3) adopting, having and using a seal and altering the same at its
33 pleasure;

34 (4) suing and being sued in its own name;

35 (5) adopting bylaws for the regulation of its affairs and the conduct
36 of its business;

37 (6) adopting such rules and regulations as the authority deems nec-
38 essary for the conduct of the business of the authority;

39 (7) employing consultants, attorneys, accountants, construction and
40 financial experts, superintendents, managers and such other employees
41 and agents as the authority deems necessary and fixing the compensation
42 thereof;

43 (8) making and executing all contracts and agreements necessary or

- 1 incidental to the performance of the authority's duties and the execution
2 of the authority's powers under this act;
- 3 (9) receiving and accepting from any federal agency grants, or any
4 other form of assistance, for or in aid of the planning, financing, construc-
5 tion, development, acquisition or ownership of any property, structures,
6 equipment, facilities and works of public improvement necessary or use-
7 ful for the accomplishment of the purposes for which the authority was
8 created and receiving and accepting aid or contributions from any source
9 of either money, property, labor or other things of value, to be held, used
10 and applied only for the purposes for which such grants and contributions
11 may be made;
- 12 (10) borrowing funds to carry out the purposes of the authority and
13 mortgaging and pledging any lease or leases granted, assigned or sub-
14 leased by the authority;
- 15 (11) purchasing, leasing, trading, exchanging or otherwise acquiring,
16 maintaining, holding, improving, mortgaging, selling, leasing and dispos-
17 ing of personal property, whether tangible or intangible, and any interest
18 therein; and purchasing, leasing, trading, exchanging or otherwise ac-
19 quiring real property or any interest therein, and maintaining, holding,
20 improving, mortgaging, leasing and otherwise transferring such real prop-
21 erty, so long as such transactions do not conflict with the mission of the
22 authority as specified in this act; and
- 23 (12) appointing, supervising and setting the salary and compensation
24 of an executive director, who shall be appointed by and serve at the plea-
25 sure of the board of directors.
- 26 (b) The Kansas rural policy authority may enter into agreements with
27 the Kansas development finance authority to issue revenue bonds or pro-
28 vide other financing pursuant to the Kansas development finance au-
29 thority act, K.S.A. 74-8901 et seq., and amendments thereto, and to pro-
30 vide for payment of the bonds.
- 31 (c) The Kansas rural policy authority may create, own in whole or in
32 part, or otherwise acquire or dispose of any entity organized for a purpose
33 related to or in support of the mission of the authority.
- 34 (d) The Kansas rural policy authority may participate in joint ventures
35 and collaborate with any taxpayer, governmental body or agency, insurer,
36 university and college of the state, or any other entity to facilitate any
37 activities or programs consistent with the purpose and intent of this act.
- 38 (e) (1) The Kansas rural policy authority may create a nonprofit en-
39 tity or entities for the purpose of soliciting, accepting and administering
40 grants, outright gifts and bequests, endowment gifts and bequests, and
41 gifts and bequests in trust, which entity or entities shall not engage in
42 trust business. The nonprofit entity created in this subsection may expend
43 such funds through grants or loans to further the purpose of Kansas rural

1 policy authority activities.

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

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

9 (f) In carrying out any activities authorized by this act, the Kansas
10 rural policy authority may provide appropriate assistance to any taxpayer,
11 governmental body or agency, insurer, university and college of the state,
12 or any other entity, whether or not any such taxpayer, governmental body
13 or agency, insurer, university and college of the state, or any other entity
14 is owned or controlled in whole or in part, directly or indirectly, by the
15 authority.

16 (g) On or before the first day of the regular legislative session each
17 year, the Kansas rural policy authority shall submit to the governor and
18 to the legislature a written report of the authority's activities for the pre-
19 ceding fiscal year.

20 (h) The Kansas rural policy authority shall be subject to review by
21 Kansas, Inc. In the review, Kansas, Inc. shall evaluate and report on the
22 effectiveness of the activities of the Kansas rural policy authority in the
23 manner provided in K.S.A. 74-8010, and amendments thereto.

24 Sec. 4. (a) The Kansas rural policy authority shall be exempt from all
25 tax under the Kansas state income tax act.

26 (b) Purchases by the Kansas rural policy authority shall not be subject
27 to sales or use tax under subsection (b) of K.S.A. 79-3606 et seq., K.S.A.
28 79-3601 et seq. or K.S.A. 79-3701 et seq., and amendments thereto.

29 Sec. 5. If any provision of this act or the application thereof is held
30 invalid, the invalidity shall not affect other provisions or applications of
31 the act which can be given effect without the invalid provision or appli-
32 cation, and to this end the provisions of this act are severable.

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