

**74-8903. Kansas development finance authority; creation; board of directors, composition, appointment, terms, chairperson, vice-chairperson; president; officers and employees; meetings; surety bonds, requirements; expenses; use of funds; dissolution.** (a) There is hereby created, with such duties and powers as are hereinafter set forth to carry out the provisions of this act, a public body politic and corporate, with corporate succession, to be an independent instrumentality of this state exercising essential public functions, and to be known as the Kansas development finance authority.

(b) The board of directors of the authority shall consist of the five members to be appointed by the governor. Not less than three voting members of such board shall be representative of the general public and not more than three voting members shall be members of the same political party.

(c) Members appointed by the governor shall be subject to confirmation by the senate as provided by K.S.A. 75-4315b, and amendments thereto. Except as provided by K.S.A. 46-2601, and amendments thereto, no person appointed to the board, whose appointment is subject to confirmation shall exercise any power, duty or function as a member of the authority until confirmed by the senate. Except as provided by subsection (d), such members shall serve for terms of four years and until their successors are appointed and confirmed. Any vacancy in the board occurring other than by expiration of term shall be filled by the appointment of the governor, but for the unexpired term only.

(d) The terms of members who are appointed by the governor and who are serving on the authority on the effective date of this act shall expire on January 15, of the year in which such member's term would have expired under the provisions of this section prior to amendment by this act. Thereafter, members shall be appointed for terms of four years and until their successors are appointed and confirmed.

(e) The governor shall designate the chairperson and vice-chairperson of the board from the members of such board.

(f) The authority shall have such rights, powers and privileges and shall be subject to such duties as provided by this act.

(g) The governor shall appoint a president who shall serve at the will of the governor. The president shall appoint and employ such additional officers, accountants, financial advisors or experts, bond counsel or other attorneys, agents and employees as it may require and shall determine their qualifications, duties and compensation subject to the approval of the board of directors. The president shall be an ex officio nonvoting member of the board and may be elected secretary of the board. The powers of the authority shall be vested in the members of the board of directors and three members of the board shall constitute a quorum at any meeting thereof. Action may be taken and motions and resolutions adopted by the board at any meeting thereof by the affirmative vote of a majority of present and voting board members. Any motion and resolution to authorize an issue of bonds, to approve a loan application, to authorize a lease transaction or to approve a bond guaranty shall have the affirmative vote of at least three board members.

(h) Before the issuance of any bonds, each member of the board of directors of the authority shall execute a surety bond in the penal sum of \$250,000 and the president of the authority shall execute a surety bond in the penal sum of \$250,000, each surety bond to be conditioned upon the faithful performance of the duties of the office by such board member or president, as the case may be, to be executed by a surety company authorized to transact business in the state of Kansas, as surety, and to be approved by the attorney general. At all times after the issuance of any bonds by the authority, each member of the board of directors of the authority shall maintain such surety bonds in full force and effect. All costs of such surety bonds shall be borne by the authority.

(i) The members of the board of directors of the authority shall serve without compensation, but the authority may reimburse its board members for mileage and subsistence expenses incurred in the discharge of their official duties as provided by subsections (b) and (c) of K.S.A. 75-3223, and amendments thereto.

(j) No part of the funds of the authority shall inure to the benefit of, or be distributed to, its employees, officers or board of directors, except that the authority shall be authorized and empowered to pay its employees reasonable compensation.

(k) The authority may be dissolved by act of the legislature on condition that the authority has no debts or obligations outstanding or provision has been made for the payment or retirement of such debts or obligations. Upon any such dissolution of the authority, all property, funds and assets thereof shall be vested in the state.

**History:** L. 1987, ch. 57, § 3; L. 1995, ch. 241, § 20; L. 1997, ch. 51, § 1; July 1.