

74-8135. Same; designation upon determination that criteria satisfied; reporting requirements. (a)

The designation of a business as a qualified Kansas business shall be made by the secretary, and such designation must be renewed annually. A business shall be so designated if the secretary determines, based upon the application submitted by the business and any additional investigation the staff of the department shall make, that the following criteria have been or shall be satisfied:

- (1) The business has a reasonable chance of success;
- (2) the business has the reasonable potential to create measurable employment within the state;
- (3) the business has an innovative and proprietary technology, product and service;
- (4) the existing owners of the business and other founders have made or are committed to make a substantial financial and time commitment to the business;
- (5) the securities to be issued and purchased are qualified securities; and
- (6) binding commitments have been made by the business to the department for adequate reporting of financial data, including a requirement for an annual report, or, if required by the secretary, an annual audit of the financial and operational records of the business, the right of access to the financial records of the business and the right of the department to record and publish normal and customary data and information related to the issuance of tax credits that are not otherwise determined to be trade or business secrets.

(b) In addition to reports by the businesses to the department, the secretary will also provide an annual report, on or before February 1, to the governor, to the senate committee on commerce and the house committee on commerce, labor and economic development and any successor committees thereto, on the marketing and use of the angel investor tax credits. This report will include the following: The amount of tax credits used in the previous fiscal year including what percentage was claimed by individuals and what percentage was claimed by investment firms; the types of businesses that benefited from the tax credits; and any aggregate job creation or capital investment in Kansas that resulted from the use of the tax credits for a period of five years beginning from the date on which the tax credits were awarded. In addition, the annual report will provide information regarding what businesses which derived benefit from the tax credits remained in Kansas and what businesses ceased in business, what businesses were purchased and what businesses may have moved out-of-state and why.

History: L. 2004, ch. 112, § 78; L. 2005, ch. 134, § 5; L. 2007, ch. 184, § 10; L. 2011, ch. 104, § 30; L. 2013, ch. 134, § 14; July 1.