

74-8303. Definitions. For the purposes of this act, the following terms shall have the meanings provided herein, unless the context clearly indicates otherwise:

(a) "Department" means the department of commerce;

(b) "equity" means all forms of equity such as common stock, preferred stock with or without voting rights and without regard to seniority of equity position, forms of subordinate or convertible debt, or both, with warrants or other means of equity conversion attached, or any other means of financing which meet generally accepted national standards for venture capital investment in the United States;

(c) "Kansas business" means any small 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 its production in Kansas;

(d) "Kansas venture capital company" means any for-profit partnership, limited liability company or corporation that has as its primary business activity the investment of funds in return for equity in ventures that are in need of capital for expansion, new product development or similar business purposes and that may be certified by the secretary as meeting the criteria of this act and thus eligible for the tax credit provided in this act;

(e) "secretary" means the secretary of the department of commerce;

(f) "cash investment" means money or its equivalent in consideration for:

(1) An equity interest, such as a general or limited partnership interest, common or preferred stock with or without voting rights and without regard to seniority position, forms 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, which is 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 such debtor) for at least a seven-year period after commencement of its term.

History: L. 1986, ch. 285, § 3; L. 1987, ch. 320, § 1; L. 1998, ch. 108, § 4; July 1.