

HOUSE BILL No. 2625

By Committee on Taxation

2-5

1 AN ACT concerning STAR bonds and tax increment financing; relating to
2 STAR bond urban redevelopment districts; STAR bond definitions;
3 STAR bond projects; bonds, pledge of tax increment revenue; tax
4 abatements or revenues, limitations; distribution of sales tax revenues
5 from within STAR bond districts; creating STAR bond administration
6 funds; economic impact studies; base year assessed valuation; STAR
7 bond financing limitations; tax increment financing, eligible areas;
8 amending K.S.A. 2015 Supp. 12-1770a, 12-17,162, 12-17,163, 12-
9 17,164, 12-17,166, 12-17,168, 12-17,169, 12-17,171, 12-17,172, 12-
10 17,174, 12-17,177, 79-3620, 79-3620b and 79-3710 and repealing the
11 existing sections.
12

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

14 Section 1. K.S.A. 2015 Supp. 12-1770a is hereby amended to read as
15 follows: 12-1770a. As used in this act, ~~and amendments thereto~~, the
16 following words and phrases shall have the following meanings unless a
17 different meaning clearly appears from the content:

18 (a) "Auto race track facility" means: (1) An auto race track facility
19 and facilities directly related and necessary to the operation of an auto race
20 track facility, including, but not limited to, grandstands, suites and viewing
21 areas, concessions, souvenir facilities, catering facilities, visitor and retail
22 centers, signage and temporary hospitality facilities, but excluding (2)
23 hotels, motels, restaurants and retail facilities, not directly related to or
24 necessary to the operation of such facility.

25 (b) "Base year assessed valuation" means the assessed valuation of all
26 real property within the boundaries of a redevelopment district on the date
27 the redevelopment district was established.

28 (c) "Blighted area" means an area which:

29 (1) Because of the presence of a majority of the following factors,
30 substantially impairs or arrests the development and growth of the
31 municipality or constitutes an economic or social liability or is a menace to
32 the public health, safety, morals or welfare in its present condition and use:

- 33 (A) A substantial number of deteriorated or deteriorating structures;
- 34 (B) predominance of defective or inadequate street layout;
- 35 (C) unsanitary or unsafe conditions;
- 36 (D) deterioration of site improvements;

- 1 (E) tax or special assessment delinquency exceeding the fair market
2 value of the real property;
- 3 (F) defective or unusual conditions of title including, but not limited
4 to, cloudy or defective titles, multiple or unknown ownership interests to
5 the property;
- 6 (G) improper subdivision or obsolete platting or land uses;
- 7 (H) the existence of conditions which endanger life or property by
8 fire or other causes; or
- 9 (I) conditions which create economic obsolescence; ~~or~~
- 10 (2) has been identified by any state or federal environmental agency
11 as being environmentally contaminated to an extent that requires a
12 remedial investigation; feasibility study and remediation or other similar
13 state or federal action; ~~or~~
- 14 (3) a majority of the property is a 100-year floodplain area; or
- 15 (4) previously was found by resolution of the governing body to be a
16 slum or a blighted area under K.S.A. 17-4742 et seq., and amendments
17 thereto.
- 18 (d) "Conservation area" means any improved area comprising 15% or
19 less of the land area within the corporate limits of a city in which 50% or
20 more of the structures in the area have an age of 35 years or more, which
21 area is not yet blighted, but may become a blighted area due to the
22 existence of a combination of two or more of the following factors:
- 23 (1) Dilapidation, obsolescence or deterioration of the structures;
- 24 (2) illegal use of individual structures;
- 25 (3) the presence of structures below minimum code standards;
- 26 (4) building abandonment;
- 27 (5) excessive vacancies;
- 28 (6) overcrowding of structures and community facilities; or
- 29 (7) inadequate utilities and infrastructure.
- 30 (e) "De minimus" means an amount less than 15% of the land area
31 within a redevelopment district.
- 32 (f) "Developer" means any person, firm, corporation, partnership or
33 limited liability company, other than a city and other than an agency,
34 political subdivision or instrumentality of the state or a county when
35 relating to a bioscience development district.
- 36 (g) "Eligible area" means a blighted area, conservation area,
37 enterprise zone, intermodal transportation area, major tourism area or a
38 major commercial entertainment and tourism area or bioscience
39 development area. *"Eligible area" also means a building or buildings*
40 *which are 65 years of age or older and any adjacent vacant or condemned*
41 *lots.*
- 42 (h) "Enterprise zone" means an area within a city that was designated
43 as an enterprise zone prior to July 1, 1992, pursuant to K.S.A. 12-17,107

1 through 12-17,113, and amendments thereto, prior to its repeal and the
2 conservation, development or redevelopment of the area is necessary to
3 promote the general and economic welfare of such city.

4 (i) "Environmental increment" means the increment determined
5 pursuant to K.S.A. 12-1771a(b), and amendments thereto.

6 (j) "Environmentally contaminated area" means an area of land
7 having contaminated groundwater or soil which is deemed
8 environmentally contaminated by the department of health and
9 environment or the United States environmental protection agency.

10 (k) (1) "Feasibility study" means:

11 (A) A study which shows whether a redevelopment project's or
12 bioscience development project's benefits and tax increment revenue and
13 other available revenues under K.S.A. 12-1774(a)(1), and amendments
14 thereto, are expected to exceed or be sufficient to pay for the
15 redevelopment or bioscience development project costs; and

16 (B) the effect, if any, the redevelopment project costs or bioscience
17 development project will have on any outstanding special obligation bonds
18 payable from the revenues described in K.S.A. 12-1774(a)(1)(D), and
19 amendments thereto.

20 (2) For a redevelopment project or bioscience project financed by
21 bonds payable from revenues described in K.S.A. 12-1774(a)(1)(D), and
22 amendments thereto, the feasibility study must also include:

23 (A) A statement of how the taxes obtained from the project will
24 contribute significantly to the economic development of the jurisdiction in
25 which the project is located;

26 (B) a statement concerning whether a portion of the local sales and
27 use taxes are pledged to other uses and are unavailable as revenue for the
28 redevelopment project. If a portion of local sales and use taxes is so
29 committed, the applicant shall describe the following:

30 (i) The percentage of sales and use taxes collected that are so
31 committed; and

32 (ii) the date or dates on which the local sales and use taxes pledged to
33 other uses can be pledged for repayment of special obligation bonds;

34 (C) an anticipated principal and interest payment schedule on the
35 bonds;

36 (D) following approval of the redevelopment plan, the feasibility
37 study shall be supplemented to include a copy of the minutes of the
38 governing body meeting or meetings of any city whose bonding authority
39 will be utilized in the project, evidencing that a redevelopment plan has
40 been created, discussed, and adopted by the city in a regularly scheduled
41 open public meeting; and

42 (E) the failure to include all information enumerated in this
43 subsection in the feasibility study for a redevelopment or bioscience

1 project shall not affect the validity of bonds issued pursuant to this act.

2 (l) "Major tourism area" means an area for which the secretary has
3 made a finding the capital improvements costing not less than
4 \$100,000,000 will be built in the state to construct an auto race track
5 facility.

6 (m) "Real property taxes" means all taxes levied on an ad valorem
7 basis upon land and improvements thereon, except that when relating to a
8 bioscience development district, as defined in this section, "real property
9 taxes" does not include property taxes levied for schools, pursuant to
10 K.S.A. 2015 Supp. 72-6470, and amendments thereto.

11 (n) "Redevelopment project area" means an area designated by a city
12 within a redevelopment district or, if the redevelopment district is
13 established for an intermodal transportation area, an area designated by a
14 city within or outside of the redevelopment district.

15 (o) "Redevelopment project costs" means: (1) Those costs necessary
16 to implement a redevelopment project plan or a bioscience development
17 project plan, including costs incurred for:

18 (A) Acquisition of property within the redevelopment project area;

19 (B) payment of relocation assistance pursuant to a relocation
20 assistance plan as provided in K.S.A. 12-1777, and amendments thereto;

21 (C) site preparation including utility relocations;

22 (D) sanitary and storm sewers and lift stations;

23 (E) drainage conduits, channels, levees and river walk canal facilities;

24 (F) street grading, paving, graveling, macadamizing, curbing,
25 guttering and surfacing;

26 (G) street light fixtures, connection and facilities;

27 (H) underground gas, water, heating and electrical services and
28 connections located within the public right-of-way;

29 (I) sidewalks and pedestrian underpasses or overpasses;

30 (J) drives and driveway approaches located within the public right-of-
31 way;

32 (K) water mains and extensions;

33 (L) plazas and arcades;

34 (M) major multi-sport athletic complex;

35 (N) museum facility;

36 (O) parking facilities including multilevel parking facilities;

37 (P) landscaping and plantings, fountains, shelters, benches,
38 sculptures, lighting, decorations and similar amenities;

39 (Q) related expenses to redevelop and finance the redevelopment
40 project;

41 (R) for purposes of an incubator project, such costs shall also include
42 wet lab equipment including hoods, lab tables, heavy water equipment and
43 all such other equipment found to be necessary or appropriate for a

1 commercial incubator wet lab facility by the city in its resolution
2 establishing such redevelopment district or a bioscience development
3 district;

4 (S) costs for the acquisition of land for and the construction and
5 installation of publicly-owned infrastructure improvements which serve an
6 intermodal transportation area and are located outside of a redevelopment
7 district; and

8 (T) costs for infrastructure located outside the redevelopment district
9 but contiguous to any portion of the redevelopment district and such
10 infrastructure is necessary for the implementation of the redevelopment
11 plan as determined by the city.

12 (2) Redevelopment project costs shall not include: (A) Costs incurred
13 in connection with the construction of buildings or other structures to be
14 owned by or leased to a developer, however, the "redevelopment project
15 costs" shall include costs incurred in connection with the construction of
16 buildings or other structures to be owned or leased to a developer which
17 includes an auto race track facility or a multilevel parking facility.

18 (B) In addition, for a redevelopment project financed with special
19 obligation bonds payable from the revenues described in K.S.A. 12-
20 1774(a)(1)(D), and amendments thereto, redevelopment project costs shall
21 not include:

22 (i) Fees and commissions paid to developers, real estate agents,
23 financial advisors or any other consultants who represent the developers or
24 any other businesses considering locating in or located in a redevelopment
25 district;

26 (ii) salaries for local government employees;

27 (iii) moving expenses for employees of the businesses locating within
28 the redevelopment district;

29 (iv) property taxes for businesses that locate in the redevelopment
30 district;

31 (v) lobbying costs;

32 (vi) a bond origination fee charged by the city pursuant to K.S.A. 12-
33 1742, and amendments thereto;

34 (vii) any personal property, as defined in K.S.A. 79-102, and
35 amendments thereto; and

36 (viii) travel, entertainment and hospitality.

37 (p) "Redevelopment district" means the specific area declared to be
38 an eligible area in which the city may develop one or more redevelopment
39 projects.

40 (q) "Redevelopment district plan" or "district plan" means the
41 preliminary plan that identifies all of the proposed redevelopment project
42 areas and identifies in a general manner all of the buildings, facilities and
43 improvements in each that are proposed to be constructed or improved in

1 each redevelopment project area or, if the redevelopment district is
2 established for an intermodal transportation area, in or outside of the
3 redevelopment district.

4 (r) "Redevelopment project" means the approved project to
5 implement a project plan for the development of the established
6 redevelopment district.

7 (s) "Redevelopment project plan" means the plan adopted by a
8 municipality for the development of a redevelopment project or projects
9 which conforms with K.S.A. 12-1772, and amendments thereto, in a
10 redevelopment district.

11 (t) "Substantial change" means, as applicable, a change wherein the
12 proposed plan or plans differ substantially from the intended purpose for
13 which the district plan or project plan was approved.

14 (u) "Tax increment" means that amount of real property taxes
15 collected from real property located within the redevelopment district that
16 is in excess of the amount of real property taxes which is collected from
17 the base year assessed valuation.

18 (v) "Taxing subdivision" means the county, city, unified school
19 district and any other taxing subdivision levying real property taxes, the
20 territory or jurisdiction of which includes any currently existing or
21 subsequently created redevelopment district including a bioscience
22 development district.

23 (w) "River walk canal facilities" means a canal and related water
24 features which flows through a redevelopment district and facilities related
25 or contiguous thereto, including, but not limited to pedestrian walkways
26 and promenades, landscaping and parking facilities.

27 (x) "Major commercial entertainment and tourism area" may include,
28 but not be limited to, a major multi-sport athletic complex.

29 (y) "Major multi-sport athletic complex" means an athletic complex
30 that is utilized for the training of athletes, the practice of athletic teams, the
31 playing of athletic games or the hosting of events. Such project may
32 include playing fields, parking lots and other developments including
33 grandstands, suites and viewing areas, concessions, souvenir facilities,
34 catering facilities, visitor centers, signage and temporary hospitality
35 facilities, but excluding hotels, motels, restaurants and retail facilities, not
36 directly related to or necessary to the operation of such facility.

37 (z) "Bioscience" means the use of compositions, methods and
38 organisms in cellular and molecular research, development and
39 manufacturing processes for such diverse areas as pharmaceuticals,
40 medical therapeutics, medical diagnostics, medical devices, medical
41 instruments, biochemistry, microbiology, veterinary medicine, plant
42 biology, agriculture, industrial environmental and homeland security
43 applications of bioscience and future developments in the biosciences.

- 1 Bioscience includes biotechnology and life sciences.
- 2 (aa) "Bioscience development area" means an area that:
- 3 (1) Is or shall be owned, operated, or leased by, or otherwise under
- 4 the control of the Kansas bioscience authority;
- 5 (2) is or shall be used and maintained by a bioscience company; or
- 6 (3) includes a bioscience facility.
- 7 (bb) "Bioscience development district" means the specific area,
- 8 created under K.S.A. 12-1771, and amendments thereto, where one or
- 9 more bioscience development projects may be undertaken.
- 10 (cc) "Bioscience development project" means an approved project to
- 11 implement a project plan in a bioscience development district.
- 12 (dd) "Bioscience development project plan" means the plan adopted
- 13 by the authority for a bioscience development project pursuant to K.S.A.
- 14 12-1772, and amendments thereto, in a bioscience development district.
- 15 (ee) "Bioscience facility" means real property and all improvements
- 16 thereof used to conduct bioscience research, including, without limitation,
- 17 laboratory space, incubator space, office space and any and all facilities
- 18 directly related and necessary to the operation of a bioscience facility.
- 19 (ff) "Bioscience project area" means an area designated by the
- 20 authority within a bioscience development district.
- 21 (gg) "Biotechnology" means those fields focusing on technological
- 22 developments in such areas as molecular biology, genetic engineering,
- 23 genomics, proteomics, physiomics, nanotechnology, biodefense,
- 24 biocomputing, bioinformatics and future developments associated with
- 25 biotechnology.
- 26 (hh) "Board" means the board of directors of the Kansas bioscience
- 27 authority.
- 28 (ii) "Life sciences" means the areas of medical sciences,
- 29 pharmaceutical sciences, biological sciences, zoology, botany, horticulture,
- 30 ecology, toxicology, organic chemistry, physical chemistry, physiology and
- 31 any future advances associated with life sciences.
- 32 (jj) "Revenue increase" means that amount of real property taxes
- 33 collected from real property located within the bioscience development
- 34 district that is in excess of the amount of real property taxes which is
- 35 collected from the base year assessed valuation.
- 36 (kk) "Taxpayer" means a person, corporation, limited liability
- 37 company, S corporation, partnership, registered limited liability
- 38 partnership, foundation, association, nonprofit entity, sole proprietorship,
- 39 business trust, group or other entity that is subject to the Kansas income
- 40 tax act, K.S.A. 79-3201 et seq., and amendments thereto.
- 41 (ll) "Floodplain increment" means the increment determined pursuant
- 42 to K.S.A. 2015 Supp. 12-1771e(b), and amendments thereto.
- 43 (mm) "100-year floodplain area" means an area of land existing in a

1 100-year floodplain as determined by either an engineering study of a
2 Kansas certified engineer or by the United States federal emergency
3 management agency.

4 (nn) "Major motorsports complex" means a complex in Shawnee
5 county that is utilized for the hosting of competitions involving motor
6 vehicles, including, but not limited to, automobiles, motorcycles or other
7 self-propelled vehicles other than a motorized bicycle or motorized
8 wheelchair. Such project may include racetracks, all facilities directly
9 related and necessary to the operation of a motorsports complex,
10 including, but not limited to, parking lots, grandstands, suites and viewing
11 areas, concessions, souvenir facilities, catering facilities, visitor and retail
12 centers, signage and temporary hospitality facilities, but excluding hotels,
13 motels, restaurants and retail facilities not directly related to or necessary
14 to the operation of such facility.

15 (oo) "Intermodal transportation area" means an area of not less than
16 800 acres to be developed primarily to handle the transfer, storage and
17 distribution of freight through railway and trucking operations.

18 (pp) "Museum facility" means a separate newly-constructed museum
19 building and facilities directly related and necessary to the operation
20 thereof, including gift shops and restaurant facilities, but excluding hotels,
21 motels, restaurants and retail facilities not directly related to or necessary
22 to the operation of such facility. The museum facility shall be owned by
23 the state, a city, county, other political subdivision of the state or a non-
24 profit corporation, shall be managed by the state, a city, county, other
25 political subdivision of the state or a non-profit corporation and may not
26 be leased to any developer and shall not be located within any retail or
27 commercial building.

28 Sec. 2. K.S.A. 2015 Supp. 12-17,162 is hereby amended to read as
29 follows: 12-17,162. As used in this act, and amendments thereto, the
30 following words and phrases shall have the following meanings unless a
31 different meaning clearly appears from the context:

32 (a) "Auto race track facility" means: (1) An auto race track facility
33 and facilities directly related and necessary to the operation of an auto race
34 track facility, including, but not limited to, grandstands, suites and viewing
35 areas, concessions, souvenir facilities, catering facilities, visitor and retail
36 centers, signage and temporary hospitality facilities, but excluding (2)
37 hotels, motels, restaurants and retail facilities, not directly related to or
38 necessary to the operation of such facility.

39 (b) *"Aquarium facility" means: (1) A separate newly-constructed*
40 *aquarium building and facilities directly related and necessary to the*
41 *operation thereof, including, but not limited to, aquatic life display and*
42 *holding facilities, theater and audio-visual facilities, classrooms or other*
43 *learning facilities, gift shops, lounge or restaurant facilities, but excluding*

1 (2) hotels, motels, restaurants and retail facilities not directly related to or
 2 necessary to the operation of such facility.

3 (c) "Athletic facility" means a separate newly-constructed athletic
 4 building or buildings and facilities utilized for training of athletes,
 5 practice of athletes or athletic teams, playing of athletic games,
 6 recreational athletic use by the public, or the hosting of athletic-related
 7 events or rental or leasing of athletic facilities to the public. "Athletic
 8 facility" includes: (1) All facilities directly related and necessary to the
 9 operation thereof, including, but not limited to, athletic game playing
 10 facilities, practice and training facilities, grandstands, suites and viewing
 11 areas, shower, sauna, locker room facilities, sports-related injury and
 12 medical facilities, meeting rooms, dormitories sufficient to house students
 13 or trainees, athletic performance film review facilities, exercise facilities,
 14 weight-room facilities, swimming pool facilities, gift shops, lounge
 15 facilities, restaurant facilities, office and staff facilities or sports and
 16 athletic retail sales or rental facilities and equipment thereto, but
 17 excluding (2) hotels, motels, restaurants and retail facilities not directly
 18 related to the operation or business of such facility.

19 (d) "Commence work" means the manifest commencement of actual
 20 operations on the development site, such as, erecting a building,
 21 excavating the ground to lay a foundation or a basement or work of like
 22 description which a person with reasonable diligence can see and
 23 recognize as being done with the intention and purpose to continue work
 24 until the project is completed.

25 (e) (e) "De minimus" means an amount less than 15% of the land area
 26 within a STAR bond project district.

27 (f) (f) "Developer" means any person, firm, corporation, partnership
 28 or limited liability company other than a city and other than an agency,
 29 political subdivision or instrumentality of the state.

30 (g) (g) "Economic impact study" means a study to project the
 31 financial benefit of the project to the local, regional and state economies.

32 (h) (h) "Eligible area" means a historic theater, major tourism area,
 33 major motorsports complex, auto race track facility, river walk canal
 34 facility, major multi-sport athletic complex, *major urban redevelopment*
 35 *district*, or a major commercial entertainment and tourism area as
 36 determined by the secretary.

37 (i) (i) "Feasibility study" means a feasibility study as defined in
 38 ~~subsection (b) of~~ K.S.A. 2015 Supp. 12-17,166(b), and amendments
 39 thereto.

40 (j) (j) "Historic theater" means a building constructed prior to 1940
 41 which was constructed for the purpose of staging entertainment, including
 42 motion pictures, vaudeville shows or operas, that is operated by a
 43 nonprofit corporation and is designated by the state historic preservation

1 officer as eligible to be on the Kansas register of historic places or is a
2 member of the Kansas historic theater association.

3 ~~(j)~~ (k) "Historic theater sales tax increment" means the amount of
4 state and local sales tax revenue imposed pursuant to K.S.A. 12-187 et
5 seq., 79-3601 et seq. and 79-3701 et seq., and amendments thereto,
6 collected from taxpayers doing business within the historic theater that is
7 in excess of the amount of such taxes collected prior to the designation of
8 the building as a historic theater for purposes of this act.

9 ~~(i)~~ (l) "Major commercial entertainment and tourism area" means an
10 area that may include, but not be limited to, a major multi-sport athletic
11 complex.

12 ~~(k)~~ (m) "Major motorsports complex" means a complex in Shawnee
13 county that is utilized for the hosting of competitions involving motor
14 vehicles, including, but not limited to, automobiles, motorcycles or other
15 self-propelled vehicles other than a motorized bicycle or motorized
16 wheelchair. Such project may include racetracks, all facilities directly
17 related and necessary to the operation of a motorsports complex,
18 including, but not limited to, parking lots, grandstands, suites and viewing
19 areas, concessions, souvenir facilities, catering facilities, visitor and retail
20 centers, signage and temporary hospitality facilities, but excluding hotels,
21 motels, restaurants and retail facilities not directly related to or necessary
22 to the operation of such facility.

23 ~~(h)~~ (n) "Major tourism area" means an area for which the secretary has
24 made a finding the capital improvements costing not less than
25 \$100,000,000 will be built in the state to construct an auto race track
26 facility.

27 ~~(m)~~ (o) "Major multi-sport athletic complex" means an athletic
28 complex that is utilized for the training of athletes, the practice of athletic
29 teams, the playing of athletic games or the hosting of events. Such project
30 may include playing fields, parking lots and other developments including
31 grandstands, suites and viewing areas, concessions, souvenir facilities,
32 catering facilities, visitor centers, signage and temporary hospitality
33 facilities, but excluding hotels, motels, restaurants and retail facilities, not
34 directly related to or necessary to the operation of such facility.

35 (p) "*Major urban redevelopment district*" means a STAR bond district
36 within the boundaries of a city and not exceeding the greater of 24
37 contiguous or noncontiguous square blocks or 50 acres in total size, that
38 shall include one or more major urban STAR bond projects.

39 ~~(n)~~ (q) "Market study" means a study to determine the ability of the
40 project to gain market share locally, regionally and nationally and the
41 ability of the project to gain sufficient market share to:

- 42 (1) Remain profitable past the term of repayment; and
- 43 (2) maintain status as a significant factor for travel decisions.

1 ~~(r)~~ (r) "Market impact study" means a study to measure the impact of
2 the proposed project on similar businesses in the project's market area.

3 (s) *"Meeting space" means a separate newly-constructed building*
4 *and facilities for the purpose of hosting events and meetings, including,*
5 *but not limited to, conventions, business or other group meetings involving*
6 *small or large groups and for renting or leasing facilities for such events*
7 *or meetings to the public. Such facilities may include, but not be limited*
8 *to: (1) Meeting halls, rooms or suites, auditoriums, stages, catering or*
9 *kitchen facilities, office and staff facilities, dining facilities, restaurant*
10 *facilities, lounge facilities or gift shop facilities, but excluding (2) hotels,*
11 *motels, restaurants and retail facilities not directly related to or necessary*
12 *to the operation of such facility.*

13 ~~(t)~~ (t) "Museum facility" means a separate newly-constructed
14 museum building and facilities directly related and necessary to the
15 operation thereof, including gift shops and restaurant facilities, but
16 excluding hotels, motels, restaurants and retail facilities not directly related
17 to or necessary to the operation of such facility. The museum facility shall
18 be owned by the state, a city, county, other political subdivision of the state
19 or a non-profit corporation, shall be managed by the state, a city, county,
20 other political subdivision of the state or a non-profit corporation and,
21 *except for a museum facility that is part of an urban redevelopment*
22 *complex, may not be leased to any developer and shall not be located*
23 *within any retail or commercial building.*

24 ~~(u)~~ (u) "Project" means a STAR bond project.

25 ~~(v)~~ (v) "Project costs" means those costs necessary to implement a
26 STAR bond project plan, including costs incurred for:

- 27 (1) Acquisition of real property within the STAR bond project area;
- 28 (2) payment of relocation assistance pursuant to a relocation
29 assistance plan as provided in K.S.A. 2015 Supp. 12-17,173, and
30 amendments thereto;
- 31 (3) site preparation including utility relocations;
- 32 (4) sanitary and storm sewers and lift stations;
- 33 (5) drainage conduits, channels, levees and river walk canal facilities;
- 34 (6) street grading, paving, graveling, macadamizing, curbing,
35 guttering and surfacing;
- 36 (7) street light fixtures, connection and facilities;
- 37 (8) underground gas, water, heating and electrical services and
38 connections located within the public right-of-way;
- 39 (9) sidewalks and pedestrian underpasses or overpasses;
- 40 (10) drives and driveway approaches located within the public right-
41 of-way;
- 42 (11) water mains and extensions;
- 43 (12) plazas and arcades;

- 1 (13) parking facilities and multilevel parking structures devoted to
2 parking only;
- 3 (14) landscaping and plantings, fountains, shelters, benches,
4 sculptures, *statues*, lighting, decorations and similar amenities;
- 5 (15) auto race track facility;
- 6 (16) major multi-sport athletic complex;
- 7 (17) museum facility;
- 8 (18) major motorsports complex;
- 9 (19) *urban redevelopment complex*;
- 10 (20) *aquarium facility*;
- 11 (21) *athletic facility*;
- 12 (22) *meeting space, if part of a major urban STAR bond project*;
- 13 (23) *the following personal property, as specified by a major urban*
14 *STAR bond project plan for an urban redevelopment complex and*
15 *approved by the secretary, up to a maximum of \$3,000,000 in total for the*
16 *project:*
- 17 (A) *For an aquarium facility, personal property directly related to*
18 *enabling the aquarium facility to carry out the aquarium facility's*
19 *functions and intended for use over a period of years, including, but not*
20 *limited to, chairs, pedestals or other display furniture, tanks and related*
21 *equipment, lighting, video monitors, computers, audio-visual or other*
22 *major electronic equipment, major appliances or furniture;*
- 23 (B) *for an athletic facility, personal property directly related to*
24 *enabling the athletic facility to carry out the athletic facility's functions*
25 *and intended for use over a period of years, including, but not limited to,*
26 *chairs, athletic equipment, exercise equipment, video monitors, computers,*
27 *audio-visual or other major electronic equipment, major appliances or*
28 *furniture; or*
- 29 (C) *for a museum facility, personal property directly related to*
30 *enabling the museum facility to carry out the museum facility's functions*
31 *and intended for use over a period of years, including, but not limited to,*
32 *pedestals, stands, glass enclosures and other exhibit and display*
33 *equipment, furniture or set-ups, exhibit and display lighting, chairs,*
34 *furniture, video monitors, audio-visual or other major electronic*
35 *equipment or major appliances;*
- 36 (24) *within a major urban STAR bond project area, the purchase of*
37 *any real estate or buildings owned by a city or county;*
- 38 (25) *an economic impact study;*
- 39 (26) *historic theater;*
- 40 (27) *for a historic theater, personal property as approved by the*
41 *secretary;*
- 42 (28) related expenses to redevelop and finance the project, except that
43 for a STAR bond project financed with special obligation bonds payable

1 from the revenues described in ~~subsection (a)(1)~~ of K.S.A. 2015 Supp. 12-
 2 17,169(a)(1), and amendments thereto, such expenses shall require prior
 3 approval by the secretary of commerce; and

4 ~~(20)~~ (29) except as specified in subsections (1) through ~~(19)~~ (28)
 5 above, project costs shall not include:

6 (A) Costs incurred in connection with the construction of buildings or
 7 other structures;

8 (B) fees and commissions paid to developers, real estate agents,
 9 financial advisors or any other consultants who represent the developers or
 10 any other businesses considering locating in or located in a STAR bond
 11 project district;

12 (C) salaries for local government employees;

13 (D) moving expenses for employees of the businesses locating within
 14 the STAR bond project district;

15 (E) property taxes for businesses that locate in the STAR bond project
 16 district;

17 (F) lobbying costs;

18 (G) any bond origination fee charged by the city or county;

19 (H) any personal property as defined in K.S.A. 79-102, and
 20 amendments thereto; and

21 (I) travel, entertainment and hospitality.

22 ~~(s)~~ (w) "Projected market area" means any area within the state in
 23 which the project is projected to have a substantial fiscal or market impact
 24 upon businesses in such area.

25 ~~(t)~~ (x) "River walk canal facilities" means a canal and related water
 26 features which flow through a major commercial entertainment and
 27 tourism area and facilities related or contiguous thereto, including, but not
 28 limited to, pedestrian walkways and promenades, landscaping and parking
 29 facilities.

30 ~~(u)~~ (y) "Sales tax and revenue" are those revenues available to finance
 31 the issuance of special obligation bonds as identified in K.S.A. 2015 Supp.
 32 12-17,168, and amendments thereto.

33 ~~(v)~~ (z) "STAR bond" means a sales tax and revenue bond.

34 ~~(w)~~ (aa) "STAR bond project" means an approved project to
 35 implement a project plan for the development of the established STAR
 36 bond project district with:

37 (1) At least a \$50,000,000 capital investment and \$50,000,000 in
 38 projected gross annual sales; or

39 (2) for areas outside of metropolitan statistical areas, as defined by
 40 the federal office of management and budget, the secretary finds:

41 (A) The project is an eligible area as defined in subsection ~~(f)~~, and
 42 ~~amendments thereto~~ (h); and

43 (B) would be of regional or statewide importance; or

1 (3) is a major tourism area as defined in subsection ~~(l)~~, and
 2 ~~amendments thereto (n); or~~

3 (4) is a major motorsports complex, as defined in subsection ~~(k)~~, and
 4 ~~amendments thereto (m);~~

5 (5) *is a major urban STAR bond project, as defined in subsection (ii);*
 6 *or*

7 (6) *for areas in metropolitan statistical areas which are "blighted*
 8 *areas" as defined by K.S.A. 12-177b, and amendments thereto, with at*
 9 *least a \$25,000,000 capitol investment and \$25,000,000 in projected gross*
 10 *annual sales and which the secretary finds the project meets the*
 11 *requirements in subsection (aa)(2)(A) and (B).*

12 ~~(x)~~ (bb) "STAR bond project area" means the geographic area within
 13 the STAR bond project district in which there may be one or more
 14 projects.

15 ~~(y)~~ (cc) "STAR bond project district" means the specific area declared
 16 to be an eligible area as determined by the secretary in which the city or
 17 county may develop one or more STAR bond projects. A STAR bond
 18 project district includes a redevelopment district, as defined in K.S.A. 12-
 19 1770a, and amendments thereto, created prior to the effective date of this
 20 act for the Wichita Waterwalk project in Wichita, Kansas, provided, the
 21 city creating such redevelopment district submits an application for
 22 approval for STAR bond financing to the secretary on or before July 31,
 23 2007, and receives a final letter of determination from the secretary
 24 approving or disapproving the request for STAR bond financing on or
 25 before November 1, 2007. *A STAR bond project district includes a major*
 26 *urban redevelopment district, as defined in subsection (p).*

27 ~~(z)~~ (dd) "STAR bond project district plan" means the preliminary plan
 28 that identifies all of the proposed STAR bond project areas and identifies
 29 in a general manner all of the buildings, facilities and improvements in
 30 each that are proposed to be constructed or improved in each STAR bond
 31 project area.

32 ~~(aa)~~ (ee) "STAR bond project plan" means the plan adopted by a city
 33 or county for the development of a STAR bond project or projects in a
 34 STAR bond project district.

35 ~~(bb)~~ (ff) "Secretary" means the secretary of commerce.

36 ~~(cc)~~ (gg) "Substantial change" means, as applicable, a change
 37 wherein the proposed plan or plans differ substantially from the intended
 38 purpose for which the STAR bond project district plan was approved.

39 ~~(dd)~~ (hh) "Tax increment" means that portion of the revenue derived
 40 from state and local sales, use and transient guest tax imposed pursuant to
 41 K.S.A. 12-187 et seq., 12-1692 et seq., 79-3601 et seq. and 79-3701 et
 42 seq., and amendments thereto, collected from taxpayers doing business
 43 within that portion of a STAR bond project district occupied by a project

1 that is in excess of the amount of base year revenue. For purposes of this
2 subsection, the base year shall be the 12-month period immediately prior
3 to the month in which the STAR bond project district is established. The
4 department of revenue shall determine base year revenue by reference to
5 the revenue collected during the base year from taxpayers doing business
6 within the specific area in which a STAR bond project district is
7 subsequently established. *The base year of a STAR bond project district*
8 *following the addition of area to the STAR bond project district shall be*
9 *the base year of the original area.* For purposes of this subsection, revenue
10 collected from taxpayers doing business within a STAR bond project
11 district, or within a specific area in which a STAR bond project district is
12 subsequently established shall not include local sales and use tax revenue
13 that is sourced to jurisdictions other than those in which the project is
14 located. *The secretary of revenue and the secretary of commerce shall*
15 *certify the appropriate amount of base year revenue for taxpayers*
16 *relocating from within the state into a STAR bond district. For purposes of*
17 *determining the tax increment within a major urban redevelopment district*
18 *occupied by a major urban STAR bond project, the base year revenue shall*
19 *be set to zero for specific areas constituting real estate or buildings*
20 *acquired by a developer from a city or county.*

21 (ii) *"Major urban STAR bond project" means a STAR bond project for*
22 *the purpose of commercially redeveloping either contiguous or separate*
23 *noncontiguous STAR bond project areas within the boundaries of a major*
24 *urban redevelopment district where the secretary has determined that for*
25 *the project as a whole, visitation is projected to be at least 100,000 people*
26 *per year, projected gross annual sales will be at least \$10,000,000, and*
27 *capital investment, including all non-STAR bond-funded new development*
28 *within the major urban redevelopment district occurring in connection*
29 *with the project located within the boundaries of such major urban*
30 *redevelopment district, will be at least \$25,000,000. Such a project may*
31 *include an urban redevelopment complex. In the secretary's discretion,*
32 *such a project may include an urban commercial redevelopment project if*
33 *the secretary has additionally determined that the project is of significant*
34 *local area importance or of regional importance and would be unlikely to*
35 *meet the requirements of a STAR bond project not a major urban STAR*
36 *bond project, but shall not include a major tourism area or major motor*
37 *sports complex.*

38 (jj) *"Urban redevelopment complex" means a building or buildings*
39 *and facilities that may be in one or more noncontiguous areas within a*
40 *major urban redevelopment district and are part of a major urban STAR*
41 *bond project and that may include a museum facility, athletic facility,*
42 *aquarium facility or meeting space facility and all facilities directly*
43 *related and necessary to the operation of an urban redevelopment*

1 *complex, but excluding hotels, motels, restaurants and retail facilities not*
2 *directly related to or necessary to the operation of such facility.*

3 ~~(ee)~~(kk) "Taxpayer" means a person, corporation, limited liability
4 company, S corporation, partnership, registered limited liability
5 partnership, foundation, association, nonprofit entity, sole proprietorship,
6 business trust, group or other entity that is subject to the Kansas income
7 tax act, K.S.A. 79-3201 et seq., and amendments thereto.

8 Sec. 3. K.S.A. 2015 Supp. 12-17,163 is hereby amended to read as
9 follows: 12-17,163. The governing body of any city or county may
10 designate a building within such municipality to be an historic theater if
11 the governing body of the municipality and the secretary of commerce
12 agree that the building satisfies the requirements of ~~subsection (h) of~~
13 K.S.A. 2015 Supp. 12-17,162(j), and amendments thereto, and will
14 contribute significantly to the economic development of the city and
15 surrounding area or the county.

16 Sec. 4. K.S.A. 2015 Supp. 12-17,164 is hereby amended to read as
17 follows: 12-17,164. (a) The governing body of a city may establish one or
18 more STAR bond projects in any area within such city or wholly outside
19 the boundaries of such city. A STAR bond project wholly outside the
20 boundaries of such city must be approved by the board of county
21 commissioners by the passage of a county resolution.

22 The governing body of a county may establish one or more STAR bond
23 projects in any unincorporated area of the county.

24 The projects shall be eligible for financing by special obligation bonds
25 payable from revenues described by ~~subsection (a)(1) of~~ K.S.A. 2015
26 Supp. 12-17,169(a)(1), and amendments thereto.

27 (b) Each STAR bond project shall first be approved by the secretary,
28 if the secretary determines that the proposed project or complex
29 sufficiently promotes, stimulates and develops the general and economic
30 welfare of the state as described in K.S.A. 2015 Supp. 12-17,160, and
31 amendments thereto. The secretary, upon approving the project, may
32 approve such financing in an amount not to exceed 50% of the total costs
33 including all project costs and any other costs related to the project. The
34 proceeds of such STAR bond financing may only be used to pay for
35 incurred project costs.

36 (c) For a city proposing to finance a major motorsports complex
37 pursuant to ~~subsection (a)(1)(C) or (a)(1)(E) of~~ K.S.A. 2015 Supp. 12-
38 17,169(a)(1)(C) or (a)(1)(E), and amendments thereto, the secretary, upon
39 approving the project, may approve such financing in an amount not to
40 exceed 50% of the STAR bond project costs.

41 (d) The secretary may approve a STAR bond project located in a
42 STAR bond project district established by a city prior to May 1, 2003.

43 (e) ~~A project shall not be granted to any business that proposes to~~

1 ~~relocate its business from another area of the state into such city or county,~~
2 ~~for the purpose of consideration for a STAR bond project provided by~~
3 ~~K.S.A. 2015 Supp. 12-17,160 et seq., and amendments thereto~~ *For a*
4 *period of five years from the date the STAR bond project district is*
5 *established, no business, other than a business owned by the property*
6 *owner or in which the property owner has a majority ownership, may*
7 *relocate its business to a STAR bond project district unless the business to*
8 *be relocated is located more than 50 miles from the proposed relocation*
9 *site. The foregoing does not apply to any businesses located outside the*
10 *state of Kansas.*

11 (f) A project shall not be approved by the secretary if the market
12 study required by K.S.A. 2015 Supp. 12-17,166, and amendments thereto,
13 indicates a substantial negative impact upon businesses in the project or
14 complex market area or the granting of such project or complex would
15 cause a default in the payment of any outstanding special obligation bond
16 payable from revenues authorized pursuant to ~~subsection (a)(1) of~~ K.S.A.
17 2015 Supp. 12-17,169(a)(1), and amendments thereto.

18 (g) The maximum maturity of special obligation bonds payable
19 primarily from revenues described by ~~subsection (a)(1) of~~ K.S.A. 2015
20 Supp. 12-17,169(a)(1), and amendments thereto, to finance STAR bond
21 projects pursuant to this section shall not exceed 20 years.

22 (h) The secretary shall not approve any application for STAR bond
23 project financing which is submitted by a city or county more than one
24 year after the STAR bond project district in which the STAR bond project
25 is located has been established.

26 (i) *Any approval by the secretary of an application by a city or county*
27 *for STAR bond project financing pursuant to this section shall specify that*
28 *should the financing exceed 50% of the total costs, including all project*
29 *costs and any other costs related to the project, or in the case of a major*
30 *motorsports complex pursuant to K.S.A. 2015 Supp. 12-17,169(a)(1)(c) or*
31 *(a)(1)(E), and amendments thereto, exceed 50% of the STAR bond project*
32 *costs, the city or county shall remit to the state treasurer in accordance*
33 *with the provisions of K.S.A. 75-4215, and amendments thereto, an*
34 *amount equal to the amount of financing that exceeded such limit. Upon*
35 *receipt of each such remittance, the state treasurer shall deposit the entire*
36 *amount in the state treasury to the credit of the state general fund.*

37 Sec. 5. K.S.A. 2015 Supp. 12-17,166 is hereby amended to read as
38 follows: 12-17,166. (a) One or more projects may be undertaken by a city
39 or county within an established STAR bond project district. Any city or
40 county proposing to undertake a STAR bond project, shall prepare a STAR
41 bond project plan in consultation with the planning commission of the city,
42 and in consultation with the planning commission of the county, if any, if
43 such project is located wholly outside the boundaries of the city. Any such

1 project plan may be implemented in separate development stages.

2 (b) Any city or county proposing to undertake a STAR bond project
3 within a STAR bond project district established pursuant to K.S.A. 2015
4 Supp. 12-17,165, and amendments thereto, shall prepare a feasibility
5 study. The feasibility study shall contain the following:

6 (1) Whether a STAR bond project's revenue and tax increment
7 revenue and other available revenues under K.S.A. 2015 Supp. 12-17,169,
8 and amendments thereto, are expected to exceed or be sufficient to pay for
9 the project costs;

10 (2) the effect, if any, a STAR bond project will have on any
11 outstanding special obligation bonds payable from the revenues described
12 in K.S.A. 2015 Supp. 12-17,169, and amendments thereto;

13 (3) a statement of how the jobs and taxes obtained from the STAR
14 bond project will contribute significantly to the economic development of
15 the state and region;

16 (4) visitation expectations;

17 (5) the unique quality of the project;

18 (6) economic impact study *pursuant to the following requirements:*

19 (A) *The economic impact study shall be commissioned and directed*
20 *by the secretary and conducted by an independent economic consultant*
21 *selected by the secretary. Prior to the secretary initiating the process of*
22 *selecting and engaging an independent economic consultant for the*
23 *economic impact study, the secretary and the city or county proposing to*
24 *undertake the STAR bond project shall consult for the limited purpose of*
25 *determining an acceptable range of fees or costs for the economic impact*
26 *study; and*

27 (B) *the secretary shall solely procure, negotiate and execute an*
28 *agreement with an independent economic consultant for the purpose of*
29 *performing the economic impact study and shall solely make payment for*
30 *services rendered by the independent economic consultant in providing the*
31 *economic impact study in accordance with such agreement. The secretary*
32 *shall advise the city or county proposing to undertake the STAR bond*
33 *project of costs or fees and when such costs or fees are due under the*
34 *secretary's agreement with the independent economic consultant. At the*
35 *secretary's request, the city or county proposing to undertake the STAR*
36 *bond project shall timely pay over to the secretary the amount of such*
37 *costs or fees before such costs or fees are due. The secretary shall then*
38 *make payment to the independent consultant in accordance with the*
39 *secretary's agreement with the independent consultant. In the secretary's*
40 *discretion, any costs or fees, including, but not limited to, costs that are*
41 *not certain in time or amount, pursuant to the secretary's agreement with*
42 *the independent consultant may be paid to the independent economic*
43 *consultant by the secretary and shall be reimbursed to the secretary by the*

1 *city or county proposing to undertake the STAR bond project within 15*
2 *days of the secretary's payment thereof to the independent consultant.*
3 *Upon approval of the STAR bond project plan, the city or county*
4 *proposing to undertake the STAR bond project may recover the costs of the*
5 *economic impact study from the STAR bond proceeds;*

6 (7) market study;

7 (8) market impact study;

8 (9) integration and collaboration with other resources or businesses;

9 (10) the quality of service and experience provided, as measured
10 against national consumer standards for the specific target market;

11 (11) project accountability, measured according to best industry
12 practices;

13 (12) the expected return on state and local investment that the project
14 is anticipated to produce;

15 (13) a statement concerning whether a portion of the local sales and
16 use taxes are pledged to other uses and are unavailable as revenue for the
17 STAR bond project. If a portion of local sales and use taxes is so
18 committed, the applicant shall describe the following:

19 (A) The percentage of city and county sales and use taxes collected
20 that are so committed; and

21 (B) the date or dates on which the city and county sales and use taxes
22 pledged to other uses can be pledged for repayment of bonds; and

23 (14) an anticipated principal and interest payment schedule on the
24 bond issue.

25 The failure to include all information enumerated in this subsection in
26 the feasibility study for a STAR bond project shall not affect the validity of
27 bonds issued pursuant to this act.

28 (c) If the city or county determines the project is feasible, the project
29 plan shall include:

30 (1) A summary of the feasibility study done as defined in subsection
31 (b) of this section, and amendments thereto;

32 (2) a reference to the district plan established under K.S.A. 2015
33 Supp. 12-17,165, and amendments thereto, that identifies the project area
34 that is set forth in the project plan that is being considered;

35 (3) a description and map of the project area to be redeveloped;

36 (4) the relocation assistance plan as described in K.S.A. 2015 Supp.
37 12-17,172, and amendments thereto;

38 (5) a detailed description of the buildings and facilities proposed to be
39 constructed or improved in such area; and

40 (6) any other information the governing body of the city or county
41 deems necessary to advise the public of the intent of the project plan.

42 (d) A copy of the STAR bond project plan prepared by a city shall be
43 delivered to the board of county commissioners of the county and the

1 board of education of any school district levying taxes on property within
2 the STAR bond project area. A copy of the STAR bond project plan
3 prepared by a county shall be delivered to the board of education of any
4 school district levying taxes on property within the STAR bond project
5 area.

6 (e) Upon a finding by the planning commission that the STAR bond
7 project plan is consistent with the intent of the comprehensive plan for the
8 development of the city, and a finding by the planning commission of the
9 county, if any, with respect to a STAR bond project located wholly outside
10 the boundaries of the city, that the STAR bond project plan is consistent
11 with the intent of the comprehensive plan for the development of the
12 county, the governing body of the city or county shall adopt a resolution
13 stating that the city or county is considering the adoption of the STAR
14 bond project plan. Such resolution shall:

15 (1) Give notice that a public hearing will be held to consider the
16 adoption of the STAR bond project plan and fix the date, hour and place of
17 such public hearing;

18 (2) describe the boundaries of the STAR bond project district within
19 which the STAR bond project will be located and the date of establishment
20 of such district;

21 (3) describe the boundaries of the area proposed to be included within
22 the STAR bond project area; and

23 (4) state that the STAR bond project plan, including a summary of the
24 feasibility study, market study, relocation assistance plan and financial
25 guarantees of the prospective developer and a description and map of the
26 area to be redeveloped or developed are available for inspection during
27 regular office hours in the office of the city clerk or county clerk,
28 respectively.

29 (f) (1) The date fixed for the public hearing to consider the adoption
30 of the STAR bond project plan shall be not less than 30 nor more than 70
31 days following the date of the adoption of the resolution fixing the date of
32 the hearing.

33 (2) A copy of the city or county resolution providing for the public
34 hearing shall be by certified mail, return receipt requested, sent by the city
35 to the board of county commissioners of the county and by the city or
36 county to the board of education of any school district levying taxes on
37 property within the proposed STAR bond project area. Copies also shall be
38 sent by certified mail, return receipt requested to each owner and occupant
39 of land within the proposed STAR bond project area not more than 10 days
40 following the date of the adoption of the resolution. The resolution shall be
41 published once in the official city or county newspaper not less than one
42 week nor more than two weeks preceding the date fixed for the public
43 hearing. A sketch clearly delineating the area in sufficient detail to advise

1 the reader of the particular land proposed to be included within the STAR
2 bond project area shall be published with the resolution.

3 (3) At the public hearing, a representative of the city or county shall
4 present the city's or county's proposed STAR bond project plan. Following
5 the presentation of the STAR bond project area, all interested persons shall
6 be given an opportunity to be heard. The governing body for good cause
7 shown may recess such hearing to a time and date certain, which shall be
8 fixed in the presence of persons in attendance at the hearing.

9 (g) The public hearing records and feasibility study shall be subject to
10 the open records act, K.S.A. 45-215, and amendments thereto.

11 (h) Upon conclusion of the public hearing, the governing body may
12 adopt the STAR bond project plan by ordinance or resolution passed upon
13 a two-thirds vote of the members.

14 (i) After the adoption by the city or county governing body of a
15 STAR bond project plan, the clerk of the city or county shall transmit a
16 copy of the description of the land within the STAR bond project district, a
17 copy of the ordinance or resolution adopting the plan and a map or plat
18 indicating the boundaries of the district to the clerk, appraiser and treasurer
19 of the county in which the district is located and to the governing bodies of
20 the county and school district which levy taxes upon any property in the
21 district. Such documents shall be transmitted following the adoption or
22 modification of the plan or a revision of the plan on or before January 1 of
23 the year in which the increment is first allocated to the taxing subdivision.

24 (j) If the STAR bond project plan is approved, the feasibility study
25 shall be supplemented to include a copy of the minutes of the governing
26 body meetings of any city or county whose bonding authority will be
27 utilized in the STAR bond project, evidencing that a STAR bond project
28 plan has been created, discussed and adopted by the city or county in a
29 regularly scheduled open public meeting.

30 (k) Any substantial changes as defined in K.S.A. 2015 Supp. 12-
31 17,162, and amendments thereto, to the STAR bond project plan as
32 adopted shall be subject to a public hearing following publication of notice
33 thereof at least twice in the official city or county newspaper.

34 (l) Any STAR bond project shall be completed within 20 years from
35 the date of the approval of the STAR bond project plan. The maximum
36 maturity on bonds issued to finance projects pursuant to this act shall not
37 exceed 20 years.

38 (m) Kansas resident employees shall be given priority consideration
39 for employment in construction projects located in a STAR bond project
40 area.

41 (n) Any developer of a STAR bond project shall commence work on
42 the project within two years from the date of adoption of the STAR bond
43 project plan. Should the developer fail to commence work on the STAR

1 bond project within the two-year period, funding for such project shall
2 cease and the developer of such project or complex shall have one year to
3 appeal to the secretary for reapproval of such project and the funding for
4 it. Should the project be reapproved, the two-year period for
5 commencement shall apply.

6 Sec. 6. K.S.A. 2015 Supp. 12-17,168 is hereby amended to read as
7 follows: 12-17,168. (a) Any city or county which has received approval for
8 a STAR bond project may request STAR bond issuance authority to issue
9 additional STAR bonds in an amount in excess of the amount previously
10 approved by the secretary. Any city or county requesting such additional
11 STAR bond issuance authority shall make application for approval to the
12 secretary. Such application shall include all information required to be
13 submitted to the secretary for initial approval of a STAR bond project,
14 including, but not limited to, a feasibility study as required by K.S.A. 2015
15 Supp. 12-17,166, and amendments thereto.

16 (b) The secretary shall review all of the information submitted by the
17 city or county in the request for additional STAR bond issuance authority
18 and determine whether to approve a request, and, if approved, issue an
19 approval letter for additional STAR bond issuance authority based upon
20 the requirements within this act and rules and regulations developed by the
21 secretary.

22 (c) The secretary may approve such additional STAR bond issuance
23 authority in an amount not to exceed 50% of the total costs of the addition
24 or expansion to the STAR bond project for which the additional STAR
25 bond issuance authority is sought, including all project costs and any other
26 costs related to the project addition or expansion. The proceeds of such
27 additional STAR bond financing may only be used to pay for incurred
28 project costs of such addition or expansion.

29 (d) *Any approval by the secretary of an application by a city or*
30 *county for additional STAR bond project financing pursuant to this section*
31 *shall specify that should the financing exceed 50% of the total costs of the*
32 *addition or expansion to the STAR bond project for which the additional*
33 *STAR bond issuance authority is sought, including all project costs and*
34 *any other costs related to the project addition or expansion, the city or*
35 *county shall remit to the state treasurer in accordance with the provisions*
36 *of K.S.A. 75-4215, and amendments thereto, an amount equal to the*
37 *amount of financing that exceeded such limit. Upon receipt of each such*
38 *remittance, the state treasurer shall deposit the entire amount in the state*
39 *treasury to the credit of the state general fund.*

40 Sec. 7. K.S.A. 2015 Supp. 12-17,169 is hereby amended to read as
41 follows: 12-17,169. (a) (1) Any city or county shall have the power to
42 issue special obligation bonds in one or more series to finance the
43 undertaking of any STAR bond project in accordance with the provisions

1 of this act. Such special obligation bonds shall be made payable, both as to
2 principal and interest:

3 (A) From revenues of the city or county derived from or held in
4 connection with the undertaking and carrying out of any STAR bond
5 project or projects under this act including historic theater sales tax
6 increments;

7 (B) from any private sources, contributions or other financial
8 assistance from the state or federal government;

9 (C) from a pledge of 100% of the tax increment revenue received by
10 the city from any local sales and use taxes, including the city's share of any
11 county sales tax, which are collected from taxpayers doing business within
12 that portion of the city's STAR bond project district established pursuant to
13 K.S.A. 2015 Supp. 12-17,165, and amendments thereto, occupied by a
14 STAR bond project, except for amounts committed to other uses by
15 election of voters or pledged to bond repayment prior to the approval of
16 the STAR bond project;

17 (D) at the option of the county in a city STAR bond project district,
18 from a pledge of all of the tax increment revenues received by the county
19 from any local sales and use taxes which are collected from taxpayers
20 doing business within that portion of the city's STAR bond project district
21 established pursuant to K.S.A. 2015 Supp. 12-17,165, and amendments
22 thereto, except for amounts committed to other uses by election of voters
23 or pledged to bond repayment prior to the approval of a STAR bond
24 project;

25 (E) in a county STAR bond project district, from a pledge of 100% of
26 the tax increment revenue received by the county from any county sales
27 and use tax, but excluding any portions of such taxes that are allocated to
28 the cities in such county pursuant to K.S.A. 12-192, and amendments
29 thereto, which are collected from taxpayers doing business within that
30 portion of the county's STAR bond project district established pursuant to
31 K.S.A. 2015 Supp. 12-17,165, and amendments thereto, occupied by a
32 STAR bond project;

33 (F) from a pledge of all *or a portion* of the tax increment revenue
34 received from any state sales taxes which are collected from taxpayers
35 doing business within that portion of the city's or county's STAR bond
36 project district occupied by a STAR bond project;

37 (G) at the option of the city or county and with approval of the
38 secretary, from all or a portion of the transient guest tax of such city or
39 county;

40 (H) at the option of the city or county and with approval of the
41 secretary: (i) From a pledge of all or a portion of increased revenue
42 received by the city or county from franchise fees collected from utilities
43 and other businesses using public right-of-way within the STAR bond

1 project district; or (ii) from a pledge of all or a portion of the revenue
2 received by a city or county from local sales taxes or local transient guest
3 and local use taxes; ~~or~~

4 (I) *for purposes of financing a major urban STAR bond project, from*
5 *a pledge of all or a portion of revenues from any source or financing*
6 *method or combination of sources or financing methods permitted by this*
7 *section and in addition, from any source or financing method or*
8 *combination of sources or financing methods permitted by this section,*
9 *pledged, received, derived from or held by the city in connection with any*
10 *other STAR bond project, in another STAR bond district within the same*
11 *city, where such revenues exceed revenue required to satisfy project costs*
12 *of such other STAR bond project and the secretary of revenue has*
13 *determined, as provided by K.S.A. 2015 Supp. 12-17,174(b), and*
14 *amendments thereto, that the amount of sales tax and other revenues that*
15 *have been collected and distributed to the bond debt service or reserve*
16 *fund for such other STAR bond project is sufficient to satisfy all principal*
17 *and interest costs, to the maturity date or dates, of any special obligation*
18 *bonds issued by a city or county to finance such other STAR bond project;*
19 *or*

20 (J) by any combination of these methods.

21 The city or county may pledge such revenue to the repayment of such
22 special obligation bonds prior to, simultaneously with, or subsequent to the
23 issuance of such special obligation bonds.

24 (2) Bonds issued under ~~paragraph (1) of this subsection (a)(1)~~ shall
25 not be general obligations of the city or the county, nor in any event shall
26 they give rise to a charge against its general credit or taxing powers, or be
27 payable out of any funds or properties other than any of those set forth in
28 ~~paragraph (1) of this subsection (a)(1)~~ and such bonds shall so state on
29 their face.

30 (3) Bonds issued under the provisions of ~~paragraph (1) of this~~
31 ~~subsection (a)(1)~~ shall be special obligations of the city or county and are
32 declared to be negotiable instruments. Such bonds shall be executed by the
33 mayor and clerk of the city or the chairperson of the board of county
34 commissioners and the county clerk and sealed with the corporate seal of
35 the city or county. All details pertaining to the issuance of such special
36 obligation bonds and terms and conditions thereof shall be determined by
37 ordinance of the city or by resolution of the county.

38 All special obligation bonds issued pursuant to this act and all income
39 or interest therefrom shall be exempt from all state taxes. Such special
40 obligation bonds shall contain none of the recitals set forth in K.S.A. 10-
41 112, and amendments thereto. Such special obligation bonds shall,
42 however, contain the following recitals: (i) The authority under which such
43 special obligation bonds are issued; (ii) such bonds are in conformity with

1 the provisions, restrictions and limitations thereof; and (iii) that such
2 special obligation bonds and the interest thereon are to be paid from the
3 money and revenue received as provided in ~~paragraph (1) of this~~
4 subsection (a) (1).

5 (4) Any city or county issuing special obligation bonds under the
6 provisions of this act may refund all or part of such issue pursuant to the
7 provisions of K.S.A. 10-116a, and amendments thereto.

8 (b) (1) Subject to the provisions of ~~paragraph (2) of this~~ subsection
9 (b)(2), any city shall have the power to issue full faith and credit tax
10 increment bonds to finance the undertaking, establishment or
11 redevelopment of any major motorsports complex, as defined in
12 ~~subsection (k) of K.S.A. 2015 Supp. 12-17,162(m)~~, and amendments
13 thereto. Such full faith and credit tax increment bonds shall be made
14 payable, both as to principal and interest: (A) From the revenue sources
15 identified in ~~paragraph (1) of subsection (a)(1)~~ or by any combination of
16 these sources; and (B) subject to the provisions of ~~paragraph (2) of this~~
17 subsection (b)(2), from a pledge of the city's full faith and credit to use its
18 ad valorem taxing authority for repayment thereof in the event all other
19 authorized sources of revenue are not sufficient.

20 (2) Except as provided in ~~paragraph (3) of this~~ subsection (b)(3),
21 before the governing body of any city proposes to issue full faith and
22 credit tax increment bonds as authorized by this subsection, the feasibility
23 study required by ~~subsection (b) of K.S.A. 2015 Supp. 12-17,166(b)~~, and
24 amendments thereto, shall demonstrate that the benefits derived from the
25 project will exceed the cost and that the income therefrom will be
26 sufficient to pay the costs of the project. No full faith and credit tax
27 increment bonds shall be issued unless the governing body states in the
28 resolution required by ~~subsection (e) of K.S.A. 2015 Supp. 12-17,166(e)~~,
29 and amendments thereto, that it may issue such bonds to finance the
30 proposed STAR bond project. The governing body may issue the bonds
31 unless within 60 days following the conclusion of the public hearing on
32 the proposed STAR bond project plan a protest petition signed by 3% of
33 the qualified voters of the city is filed with the city clerk in accordance
34 with the provisions of K.S.A. 25-3601 et seq., and amendments thereto. If
35 a sufficient petition is filed, no full faith and credit tax increment bonds
36 shall be issued until the issuance of the bonds is approved by a majority of
37 the voters voting at an election thereon. Such election shall be called and
38 held in the manner provided by the general bond law. The failure of the
39 voters to approve the issuance of full faith and credit tax increment bonds
40 shall not prevent the city from issuing special obligation bonds in
41 accordance with this section. No such election shall be held in the event
42 the board of county commissioners or the board of education determines,
43 as provided in K.S.A. 2015 Supp. 12-17,165, and amendments thereto, that

1 the proposed STAR bond project district will have an adverse effect on the
2 county or school district.

3 (3) As an alternative to ~~paragraph (2) of this subsection (b)(2)~~, any
4 city which adopts a STAR bond project plan for a major motorsports
5 complex, but does not state its intent to issue full faith and credit tax
6 increment bonds in the resolution required by ~~subsection (e) of K.S.A.~~
7 2015 Supp. 12-17,166(e), and amendments thereto, and has not acquired
8 property in the STAR bond project area may issue full faith and credit tax
9 increment bonds if the governing body of the city adopts a resolution
10 stating its intent to issue the bonds and the issuance of the bonds is
11 approved by a majority of the voters voting at an election thereon. Such
12 election shall be called and held in the manner provided by the general
13 bond law. The failure of the voters to approve the issuance of full faith and
14 credit tax increment bonds shall not prevent the city from issuing special
15 obligation bonds pursuant to ~~paragraph (1) of subsection (a)(1)~~. Any
16 project plan adopted by a city prior to the effective date of this act in
17 accordance with K.S.A. 12-1772, and amendments thereto, shall not be
18 invalidated by any requirements of this act.

19 (4) During the progress of any major motorsports complex project in
20 which the project costs will be financed, in whole or in part, with the
21 proceeds of full faith and credit tax increment bonds, the city may issue
22 temporary notes in the manner provided in K.S.A. 10-123, and
23 amendments thereto, to pay the project costs for the major motorsports
24 complex project. Such temporary notes shall not be issued and the city
25 shall not acquire property in the STAR bond project area until the
26 requirements of ~~paragraph (2) or (3) of this subsection (b)(2) or (b)(3)~~,
27 whichever is applicable, have been met.

28 (5) Full faith and credit tax increment bonds issued under this
29 subsection shall be general obligations of the city and are declared to be
30 negotiable instruments. Such bonds shall be issued in accordance with the
31 general bond law. All such bonds and all income or interest therefrom shall
32 be exempt from all state taxes. The amount of the full faith and credit tax
33 increment bonds issued and outstanding which exceeds 3% of the assessed
34 valuation of the city shall be within the bonded debt limit applicable to
35 such city.

36 (6) Any city issuing full faith and credit tax increment bonds under
37 the provisions of this subsection may refund all or part of such issue
38 pursuant to the provisions of K.S.A. 10-116a, and amendments thereto.

39 (c) For each project financed with special obligation bonds payable
40 from the revenues described in subsection (a)(1), the city or county shall
41 prepare and submit to the secretary by October 1 of each year, a report
42 describing the status of any projects within such STAR bond project area,
43 any expenditures of the proceeds of special obligation bonds that have

1 occurred since the last annual report and any expenditures of the proceeds
2 of such bonds expected to occur in the future, including the amount of
3 sales tax revenue, how such revenue has been spent, the projected amount
4 of such revenue and the anticipated use of such revenue. The department
5 of commerce shall compile this information and submit a report annually
6 to the governor and the legislature by February 1 of each year.

7 (d) A city or county may use the proceeds of special obligation bonds
8 or any uncommitted funds derived from sources set forth in this section to
9 pay the bond project costs as defined in K.S.A. 2015 Supp. 12-17,162, and
10 amendments thereto, to implement the STAR bond project plan.

11 (e) With respect to a STAR bond project district established prior to
12 January 1, 2003, for which, prior to January 1, 2003, the secretary made a
13 finding as provided in subsection (a) ~~of this section~~ that a STAR bond
14 project would create a major tourism area for the state, such special
15 obligation bonds shall be payable both as to principal and interest, from a
16 pledge of all of the revenue from any transient guest, state and local sales
17 and use taxes collected from taxpayers as provided in subsection (a) ~~of this~~
18 ~~section~~ whether or not revenues from such taxes are received by the city.

19 Sec. 8. K.S.A. 2015 Supp. 12-17,171 is hereby amended to read as
20 follows: 12-17,171. (a) Any addition of area to the STAR bond project
21 district, or any substantial change as defined in K.S.A. 2015 Supp. 12-
22 17,162, and amendments thereto, to the STAR bond project district plan
23 shall be subject to the same procedure for public notice and hearing as is
24 required for the establishment of the STAR bond project district. *The base*
25 *year of a STAR bond project district following the addition of area to the*
26 *STAR bond project district shall be revised to reflect the base year of the*
27 *original area.*

28 (b) A city or county may remove real property from a STAR bond
29 project district by an ordinance or resolution of the governing body
30 respectively.

31 (c) A city or county may divide the real property in a STAR bond
32 project district, including real property in different project areas within a
33 STAR bond project district, into separate STAR bond project districts. Any
34 division of real property within a STAR bond project district into more
35 than one STAR bond project district shall be subject to the same procedure
36 of public notice and hearing as is required for the establishment of the
37 STAR bond project district.

38 (d) If a city or county has undertaken a STAR bond project within a
39 STAR bond project district, and either the city or county wishes to
40 subsequently remove more than a de minimus amount of real property
41 from the STAR bond project district, or the city or county wishes to
42 subsequently divide the real property in the STAR bond project district
43 into more than one STAR bond project district, then prior to any such

1 removal or division the city or county must provide a feasibility study
2 which shows that the tax revenue from the resulting STAR bond project
3 district within which the STAR bond project is located is expected to be
4 sufficient to pay the project costs.

5 (e) Removal of real property from one STAR bond project district
6 and addition of all or a portion of that real property to another STAR bond
7 project district may be accomplished by the adoption of an ordinance or
8 resolution, and in such event the determination of the existence or
9 nonexistence of an adverse effect on the county or school district under
10 ~~subsection (f) of~~ K.S.A. 2015 Supp. 12-17,165(f), and amendments
11 thereto, shall apply to both such removal and such addition of real property
12 to a STAR bond project district.

13 Sec. 9. K.S.A. 2015 Supp. 12-17,172 is hereby amended to read as
14 follows: 12-17,172. (a) Any city or county which has adopted a STAR
15 bond project plan in accordance with the provisions of this act may
16 purchase or otherwise acquire real property in connection with such
17 project plan. Upon a $\frac{2}{3}$ vote of the members of the governing body
18 thereof, a city or county may acquire by condemnation any interest in real
19 property, including a fee simple title thereto, which it deems necessary for
20 or in connection with any project plan of an area located within the project
21 district; however, eminent domain may be used only as authorized by
22 K.S.A. 26-501b, and amendments thereto.

23 Any such city or county may exercise the power of eminent domain in
24 the manner provided by K.S.A. 26-501 et seq., and amendments thereto. In
25 addition to any compensation or damages allowed under the eminent
26 domain procedure act, such city or county shall also provide for the
27 payment of relocation assistance as provided in K.S.A. 2015 Supp. 12-
28 17,173, and amendments thereto.

29 (b) Any real property acquired by a city or county under the
30 provisions of K.S.A. 26-501 et seq., and amendments thereto, may be sold,
31 transferred or leased to a developer, in accordance with the STAR bond
32 project plan and under such other conditions as may be agreed upon. Any
33 real property acquired pursuant to this section that is sold, transferred or
34 leased to a project developer for a specific project shall be sold, transferred
35 or leased to such developer on the condition that such property shall be
36 used only for that specific approved project. If the developer does not
37 utilize the entire tract of the real property acquired pursuant to this section
38 that is sold, transferred or leased in accordance with the STAR bond
39 project plan, that portion of property not used shall not be sold, transferred
40 or leased by the developer to another developer party, but shall be deeded
41 back to the city or county. If the developer paid the city or county for the
42 land, a percentage of the original purchase price paid to the city or county
43 which represents the percentage of the entire tract being deeded back to

1 the city or county shall be reimbursed to the developer upon the deeding of
2 the property back to the city or county.

3 (c) Any transfer by the project developer of real property acquired
4 pursuant to this section shall be valid only if approved by a $\frac{2}{3}$ majority
5 vote of the members of the governing body of this city or county.

6 (d) *Within a major urban redevelopment STAR bond district, as*
7 *defined by K.S.A. 2015 Supp. 12-17,162, and amendments thereto, any*
8 *real property, land or building owned by a city or county may be sold by*
9 *the city or county to a developer at a price equal to a current appraisal, in*
10 *accordance with a major urban STAR bond project plan. Any real*
11 *property, land or building sold to a project developer by the city or county*
12 *for a specific project shall be sold to such developer on the condition that*
13 *such property shall be used only for that specific approved project. If the*
14 *developer does not utilize the entire tract of the real property or land or*
15 *utilize the building acquired pursuant to this section that is sold by the city*
16 *or county in accordance with the major urban STAR bond project plan, the*
17 *building or that portion of real property or land not used shall not be sold,*
18 *transferred or leased by the developer to another developer party without*
19 *the express permission of the city and, if the prior owner, the county, but*
20 *shall be deeded back to the city or county. If deeded back to the city or*
21 *county and the developer paid the city or county for the property, a*
22 *percentage of the original purchase price paid to the city or county which*
23 *represents the percentage of the entire property being deeded back to the*
24 *city or county shall be reimbursed to the developer upon the deeding of the*
25 *property back to the city or county.*

26 Sec. 10. K.S.A. 2015 Supp. 12-17,174 is hereby amended to read as
27 follows: 12-17,174. (a) Notwithstanding any other provisions of law to the
28 contrary, copies of all retailers' sales, use and transient guest tax returns
29 filed with the secretary of revenue in connection with a STAR bond project
30 area or STAR bond project, for which sales, use and transient guest tax
31 revenues are pledged or otherwise intended to be used in whole or in part
32 for the payment of bonds issued to finance project costs in such STAR
33 bond project area, shall be provided by the secretary of revenue to the
34 bond trustee, escrow agent or paying agent for such bonds upon the written
35 request of the city or county within 15 days of receipt by the secretary of
36 revenue. The bond trustee, escrow agent or paying agent shall keep such
37 retailers' sales, use and transient guest tax returns and the information
38 contained therein confidential, but may use such information for purposes
39 of allocating and depositing such sales, use and transient guest tax
40 revenues in connection with the bonds used to finance project costs in such
41 STAR bond project area. Except as otherwise provided herein, the sales,
42 use and transient guest tax returns received by the bond trustee, escrow
43 agent or paying agent shall be subject to the provisions of K.S.A. 79-3614,

1 and amendments thereto.

2 (b) The secretary of revenue shall determine when the amount of
3 sales tax and other revenues that have been collected and distributed to the
4 bond debt service or reserve fund is sufficient to satisfy all principal and
5 interest costs to the maturity date or dates, of any special obligation bonds
6 issued by a city or county to finance a STAR bond project, *including the*
7 *financing of a major urban STAR bond project as permitted by K.S.A.*
8 *2015 Supp. 12-17,169(a)(1)(I), and amendments thereto.* Thereafter, all
9 sales tax and other revenues shall be collected and distributed in
10 accordance with applicable law.

11 Sec. 11. K.S.A. 2015 Supp. 12-17,177 is hereby amended to read as
12 follows: 12-17,177. (a) The boundaries of any STAR bond project district
13 in a major tourism area including an auto race track facility located in
14 Wyandotte county, shall, without regard to that portion of the district
15 pertaining to the auto race track facility, be as follows: Beginning at the
16 intersection of Interstate 70 and Interstate 435; West along Interstate 70 to
17 118th Street; North along 118th Street to State Avenue; Northeasterly along
18 proposed relocated State Avenue to 110th Street; North along 110th Street to
19 Parallel Parkway; East along Parallel Parkway to Interstate 435; South
20 along Interstate 435 to Interstate 70.

21 (b) Any major tourism area may include an additional area not
22 exceeding 400 acres of additional property, excluding roads and highways,
23 in addition to the property necessary for the auto race track facility upon a
24 finding by the governor that the development plan and each project within
25 such additional 400 acre area will enhance the major tourism area. For the
26 development of each project within such additional 400 acre area the city
27 shall select qualified developers pursuant to a request for proposals in
28 accordance with written official procedures approved by the governing
29 body of the city.

30 ~~(c) Any project within such additional 400 acre area that is financed~~
31 ~~in whole or in part by special obligation bonds payable from revenues~~
32 ~~derived from subsection (a)(1)(C), (a)(1)(F) or (a)(1)(G) of K.S.A. 2015-~~
33 ~~Supp. 12-17,169, and amendments thereto, shall not be entitled to any real~~
34 ~~property tax abatements or the revenues described in K.S.A. 12-1775, and~~
35 ~~amendments thereto.~~

36 ~~(d)~~ Any project within such additional 400 acre area must be
37 approved by the governor and construction must be commenced by July 1,
38 2002.

39 ~~(e)~~ (d) The maximum principal amount of special obligation bonds
40 issued to fund STAR bond projects within a major tourism area, including
41 any such additional 400 acre area, shall not exceed \$308,000,000, unless
42 the city has secured prior approval from the secretary of commerce and the
43 secretary of revenue. Any special obligation bonds issued for the following

1 purposes shall not be counted toward such limit on the principal amount:

2 (1) Special obligation bonds issued solely for the purpose of
3 refunding such bonds, either at maturity or in advance of maturity,
4 pursuant to the provisions of K.S.A. 10-116a, and amendments thereto;
5 and

6 (2) special obligation bonds issued solely to fund reserve funds for
7 such refunding bonds.

8 ~~(f)~~ (e) Prior to issuing any special obligation bonds for any purpose,
9 the city or county must have the approval of the secretary and the secretary
10 of revenue.

11 ~~(g)~~ (f) The city or county shall prepare and submit annually to the
12 secretary by October 1 of each year, a report describing the status of any
13 projects within a major tourism area and all other STAR bond projects,
14 including any such additional 400 acre area, any expenditures of the
15 proceeds of special obligation bonds that have occurred since the last
16 annual report and any expenditures of the proceeds of such bonds expected
17 to occur in the future, including the amount of sales tax revenue, how it
18 has been spent, the projected amount of such revenue and the anticipated
19 use of such revenue. The department of commerce shall compile this
20 information and submit a report annually to the governor and the
21 legislature by February 1 of each year.

22 ~~(h)~~ (g) Any business located in Kansas within 50 miles of a major
23 tourism area that relocates into a major tourism area, including such
24 additional 400 acre area, shall not receive any of the benefits of K.S.A.
25 2015 Supp. 12-17,160 et seq., and amendments thereto.

26 ~~(i)~~ (h) If a city determines that revenues from sources other than
27 property taxes will be sufficient to pay any special obligation bonds issued
28 to finance a STAR bond project for an auto race track facility as described
29 in K.S.A. 2015 Supp. 12-17,162, and amendments thereto, and the
30 secretary makes a finding that such project will create a major tourism area
31 as defined in K.S.A. 2015 Supp. 12-17,162, and amendments thereto, all
32 real and personal property, constituting an auto race track facility
33 described in K.S.A. 2015 Supp. 12-17,162, and amendments thereto, in
34 such STAR bond project district shall be exempt from property taxation
35 for a period ending on the earlier of:

36 (1) The date which is 30 years after the date of the finding by the
37 secretary with respect to such major tourism area; or

38 (2) the date on which no such special obligation bonds issued to
39 finance such auto race track facility in a major tourism area remain
40 outstanding.

41 ~~(j)~~ (i) The city which is authorized to issue bonds pursuant to the
42 provisions of K.S.A. 2015 Supp. 12-17,160 et seq., and amendments
43 thereto, in order to finance a STAR bond project in a major tourism area as

1 defined by K.S.A. 2015 Supp. 12-17,162, and amendments thereto, shall
 2 obtain underwriting services required by the city for the issuance of such
 3 bonds pursuant to written proposals received in accordance with this
 4 section.

5 Each city which is authorized to issue such bonds shall establish
 6 written official procedures for obtaining underwriting services required for
 7 the issuance of such bonds, including specifications for requests for
 8 proposals and criteria for evaluation of proposals on a competitive basis.
 9 The proposal evaluation criteria shall include factors based on cost,
 10 capacity to provide the required services, qualifications and experience.

11 Prior to the issuance of any such bond to finance a STAR bond project
 12 in a major tourism area, the city shall publish notice of a request for
 13 proposals to provide the underwriting services that are required by the city
 14 with regard to the proposed bond issuance and shall mail requests for
 15 proposals to qualified interested parties upon request for such notice. The
 16 city shall award contracts for such underwriting services from the
 17 proposals received in accordance with the procedures and evaluation
 18 criteria adopted by the city for such purpose. A city shall publish such
 19 notice in the official newspaper of the city.

20 ~~(j)~~ (j) A STAR bond project in a major tourism area for an auto race
 21 track facility, shall be completed within 30 years from the date the
 22 secretary makes the finding that the STAR bond project will create a major
 23 tourism area pursuant to ~~subsection (l)~~ of K.S.A. 2015 Supp. 12-17,162(n),
 24 and amendments thereto.

25 ~~(k)~~ (k) The maximum maturity on bonds issued to finance projects
 26 pursuant to this act shall not exceed 20 years as provided in K.S.A. 2015
 27 Supp. 12-17,166, and amendments thereto, except that:

28 (1) Such maximum period of special obligation bonds not payable
 29 from revenues described by ~~subsections (a)(1)(C), (a)(1)(F) and (a)(1)(G)~~
 30 of K.S.A. 2015 Supp. 12-17,169(a)(1)(C), (a)(1)(F) and (a)(1)(G), and
 31 amendments thereto, issued to finance an auto race track facility shall not
 32 exceed 30 years; and

33 (2) such maximum period, if the governor determines and makes and
 34 submits a finding to the speaker of the house of representatives and the
 35 president of the senate that a maturity greater than 20 years, but in no
 36 event exceeding 30 years, is necessary for the economic feasibility of the
 37 financing of an auto race track facility with special obligation bonds
 38 payable primarily from revenues described by ~~subsections (a)(1)(C), (a)(1)~~
 39 ~~(F) and (a)(1)(G)~~ of K.S.A. 2015 Supp. 12-17,169(a)(1)(C), (a)(1)(F) and
 40 (a)(1)(G), and amendments thereto, may be extended in accordance with
 41 such determination and finding.

42 ~~(l)~~ (l) The secretary of revenue shall determine when the amount of
 43 sales tax and other revenues that have been collected and distributed to the

1 bond debt service or reserve fund is sufficient to satisfy all principal and
2 interest costs to the maturity date or dates, of any special obligation bonds
3 issued by a city or county to finance a STAR bond project in a major
4 tourism area. Thereafter, all sales tax and other revenues shall be collected
5 and distributed in accordance with applicable law.

6 Sec. 12. K.S.A. 2015 Supp. 79-3620 is hereby amended to read as
7 follows: 79-3620. (a) All revenue collected or received by the director of
8 taxation from the taxes imposed by this act shall be remitted to the state
9 treasurer in accordance with the provisions of K.S.A. 75-4215, and
10 amendments thereto. Upon receipt of each such remittance, the state
11 treasurer shall deposit the entire amount in the state treasury, less amounts
12 withheld as provided in subsection (b) and amounts credited as provided in
13 subsections (c), (d) and (e), to the credit of the state general fund.

14 (b) A refund fund, designated as "sales tax refund fund" not to exceed
15 \$100,000 shall be set apart and maintained by the director from sales tax
16 collections and estimated tax collections and held by the state treasurer for
17 prompt payment of all sales tax refunds. Such fund shall be in such
18 amount, within the limit set by this section, as the director shall determine
19 is necessary to meet current refunding requirements under this act. In the
20 event such fund as established by this section is, at any time, insufficient to
21 provide for the payment of refunds due claimants thereof, the director shall
22 certify the amount of additional funds required to the director of accounts
23 and reports who shall promptly transfer the required amount from the state
24 general fund to the sales tax refund fund, and notify the state treasurer,
25 who shall make proper entry in the records.

26 (c) (1) On July 1, 2010, the state treasurer shall credit 11.427% of the
27 revenue collected and received from the tax imposed by K.S.A. 79-3603,
28 and amendments thereto, at the rate of 6.3%, and deposited as provided by
29 subsection (a), exclusive of amounts credited pursuant to subsection (d), in
30 the state highway fund.

31 (2) On July 1, 2011, the state treasurer shall credit 11.26% of the
32 revenue collected and received from the tax imposed by K.S.A. 79-3603,
33 and amendments thereto, at the rate of 6.3%, and deposited as provided by
34 subsection (a), exclusive of amounts credited pursuant to subsection (d), in
35 the state highway fund.

36 (3) On July 1, 2012, the state treasurer shall credit 11.233% of the
37 revenue collected and received from the tax imposed by K.S.A. 79-3603,
38 and amendments thereto, at the rate of 6.3%, and deposited as provided by
39 subsection (a), exclusive of amounts credited pursuant to subsection (d), in
40 the state highway fund.

41 (4) On July 1, 2013, the state treasurer shall credit 17.073% of the
42 revenue collected and received from the tax imposed by K.S.A. 79-3603,
43 and amendments thereto, at the rate of 6.15%, and deposited as provided

1 by subsection (a), exclusive of amounts credited pursuant to subsection
2 (d), in the state highway fund.

3 (5) On July 1, 2015, the state treasurer shall credit 16.226% of the
4 revenue collected and received from the tax imposed by K.S.A. 79-3603,
5 and amendments thereto, at the rate of 6.5%, and deposited as provided by
6 subsection (a), exclusive of amounts credited pursuant to subsection (d), in
7 the state highway fund.

8 (6) On July 1, 2016, and thereafter, the state treasurer shall credit
9 16.154% of the revenue collected and received from the tax imposed by
10 K.S.A. 79-3603, and amendments thereto, at the rate of 6.5%, and
11 deposited as provided by subsection (a), exclusive of amounts credited
12 pursuant to subsection (d), in the state highway fund.

13 (d) *Except as provided in subsection (f)(1) and (2)*, the state treasurer
14 shall credit all revenue collected or received from the tax imposed by
15 K.S.A. 79-3603, and amendments thereto, as certified by the director, from
16 taxpayers doing business within that portion of a STAR bond project
17 district occupied by a STAR bond project or taxpayers doing business with
18 such entity financed by a STAR bond project as defined in K.S.A. 2015
19 Supp. 12-17,162, and amendments thereto, that was determined by the
20 secretary of commerce to be of statewide as well as local importance or
21 will create a major tourism area for the state or the project was designated
22 as a STAR bond project as defined in K.S.A. 2015 Supp. 12-17,162, and
23 amendments thereto, to the city bond finance fund, which fund is hereby
24 created. The provisions of this subsection shall expire when the total of all
25 amounts credited hereunder and under K.S.A. 79-3710(d), and
26 amendments thereto, is sufficient to retire the special obligation bonds
27 issued for the purpose of financing all or a portion of the costs of such
28 STAR bond project *or of a major urban STAR bond project as defined in*
29 *K.S.A. 2015 Supp. 12-17,162, and amendments thereto, as permitted by*
30 *K.S.A. 2015 Supp. 12-17,169(a)(1)(I), and amendments thereto.*

31 (e) All revenue certified by the director of taxation as having been
32 collected or received from the tax imposed by K.S.A. 79-3603(c), and
33 amendments thereto, on the sale or furnishing of gas, water, electricity and
34 heat for use or consumption within the intermodal facility district
35 described in this subsection, shall be credited by the state treasurer to the
36 state highway fund. Such revenue may be transferred by the secretary of
37 transportation to the rail service improvement fund pursuant to law. The
38 provisions of this subsection shall take effect upon certification by the
39 secretary of transportation that a notice to proceed has been received for
40 the construction of the improvements within the intermodal facility
41 district, but not later than December 31, 2010, and shall expire when the
42 secretary of revenue determines that the total of all amounts credited
43 hereunder and pursuant to K.S.A. 79-3710(e), and amendments thereto, is

1 equal to \$53,300,000, but not later than December 31, 2045. Thereafter, all
2 revenues shall be collected and distributed in accordance with applicable
3 law. For all tax reporting periods during which the provisions of this
4 subsection are in effect, none of the exemptions contained in K.S.A. 79-
5 3601 et seq., and amendments thereto, shall apply to the sale or furnishing
6 of any gas, water, electricity and heat for use or consumption within the
7 intermodal facility district. As used in this subsection, "intermodal facility
8 district" shall consist of an intermodal transportation area as defined by
9 K.S.A. 12-1770a(oo), and amendments thereto, located in Johnson county
10 within the polygonal-shaped area having Waverly Road as the eastern
11 boundary, 191st Street as the southern boundary, Four Corners Road as the
12 western boundary, and Highway 56 as the northern boundary, and the
13 polygonal-shaped area having Poplar Road as the eastern boundary, 183rd
14 Street as the southern boundary, Waverly Road as the western boundary,
15 and the BNSF mainline track as the northern boundary, that includes
16 capital investment in an amount exceeding \$150 million for the
17 construction of an intermodal facility to handle the transfer, storage and
18 distribution of freight through railway and trucking operations.

19 *(f) (1) The state treasurer shall credit 0.05% of all revenue collected*
20 *or received from the tax imposed by K.S.A. 79-3603, and amendments*
21 *thereto, as certified by the director; from taxpayers as described in*
22 *subsection (d), to the department of commerce STAR bond administration*
23 *fund, which is hereby created in the state treasury. All expenditures from*
24 *such fund shall be made in accordance with appropriation acts upon*
25 *warrants of the director of accounts and reports issued pursuant to*
26 *vouchers approved by the secretary of commerce or a person designated*
27 *by the secretary.*

28 *(2) The state treasurer shall credit 0.05% of all revenue collected or*
29 *received from the tax imposed by K.S.A. 79-3603, and amendments*
30 *thereto, as certified by the director; from taxpayers as described in*
31 *subsection (d), to the department of revenue STAR bond administration*
32 *fund, which is hereby created in the state treasury. All expenditures from*
33 *such fund shall be made in accordance with appropriation acts upon*
34 *warrants of the director of accounts and reports issued pursuant to*
35 *vouchers approved by the secretary of revenue or a person designated by*
36 *the secretary.*

37 Sec. 13. K.S.A. 2015 Supp. 79-3620b is hereby amended to read as
38 follows: 79-3620b. Moneys credited to the city bond finance fund in
39 accordance with the provisions of ~~subsections (d) of K.S.A. 79-3620(d)~~
40 ~~and (d) of K.S.A. 79-3710(d)~~, and amendments thereto, shall be distributed
41 biannually to cities which have issued special obligation bonds to finance,
42 in whole or in part, a STAR bond project which was determined by the
43 secretary of commerce to be of statewide as well as local importance or

1 will create a major tourism area for the state *or the project was designated*
2 *as a STAR bond project* as defined in K.S.A. 2015 Supp. 12-17,162, and
3 amendments thereto. The state treasurer shall make such biannual
4 distributions on such dates as mutually agreed to by the city and the state
5 treasurer. The total of all distributions under this section shall not exceed
6 an amount determined to be sufficient to retire the principal and interest
7 payable on such special obligation bonds. Moneys paid to cities hereunder
8 shall be deposited in a special fund of the city to pay the costs described
9 herein.

10 Sec. 14. K.S.A. 2015 Supp. 79-3710 is hereby amended to read as
11 follows: 79-3710. (a) All revenue collected or received by the director
12 under the provisions of this act shall be remitted to the state treasurer in
13 accordance with the provisions of K.S.A. 75-4215, and amendments
14 thereto. Upon receipt of each such remittance, the state treasurer shall
15 deposit the entire amount in the state treasury, less amounts set apart as
16 provided in subsection (b) and amounts credited as provided in subsection
17 (c), (d) and (e), to the credit of the state general fund.

18 (b) A revolving fund, designated as "compensating tax refund fund"
19 not to exceed \$10,000 shall be set apart and maintained by the director
20 from compensating tax collections and estimated tax collections and held
21 by the state treasurer for prompt payment of all compensating tax refunds.
22 Such fund shall be in such amount, within the limit set by this section, as
23 the director shall determine is necessary to meet current refunding
24 requirements under this act.

25 (c) (1) On July 1, 2010, the state treasurer shall credit 11.427% of the
26 revenue collected and received from the tax imposed by K.S.A. 79-3703,
27 and amendments thereto, at the rate of 6.3%, and deposited as provided by
28 subsection (a), exclusive of amounts credited pursuant to subsection (d), in
29 the state highway fund.

30 (2) On July 1, 2011, the state treasurer shall credit 11.26% of the
31 revenue collected and received from the tax imposed by K.S.A. 79-3703,
32 and amendments thereto, at the rate of 6.3%, and deposited as provided by
33 subsection (a), exclusive of amounts credited pursuant to subsection (d), in
34 the state highway fund.

35 (3) On July 1, 2012, the state treasurer shall credit 11.233% of the
36 revenue collected and received from the tax imposed by K.S.A. 79-3703,
37 and amendments thereto, at the rate of 6.3%, and deposited as provided by
38 subsection (a), exclusive of amounts credited pursuant to subsection (d), in
39 the state highway fund.

40 (4) On July 1, 2013, the state treasurer shall credit 17.073% of the
41 revenue collected and received from the tax imposed by K.S.A. 79-3703,
42 and amendments thereto, at the rate of 6.15%, and deposited as provided
43 by subsection (a), exclusive of amounts credited pursuant to subsection

1 (d), in the state highway fund.

2 (5) On July 1, 2015, the state treasurer shall credit 16.226% of the
3 revenue collected and received from the tax imposed by K.S.A. 79-3703,
4 and amendments thereto, at the rate of 6.5%, and deposited as provided by
5 subsection (a), exclusive of amounts credited pursuant to subsection (d), in
6 the state highway fund.

7 (6) On July 1, 2016, and thereafter, the state treasurer shall credit
8 16.154% of the revenue collected and received from the tax imposed by
9 K.S.A. 79-3703, and amendments thereto, at the rate of 6.5%, and
10 deposited as provided by subsection (a), exclusive of amounts credited
11 pursuant to subsection (d), in the state highway fund.

12 (d) The state treasurer shall credit all revenue collected or received
13 from the tax imposed by K.S.A. 79-3703, and amendments thereto, as
14 certified by the director, from taxpayers doing business within that portion
15 of a redevelopment district occupied by a redevelopment project that was
16 determined by the secretary of commerce to be of statewide as well as
17 local importance or will create a major tourism area for the state as defined
18 in K.S.A. 12-1770a, and amendments thereto, to the city bond finance
19 fund created by K.S.A. 79-3620(d), and amendments thereto. The
20 provisions of this subsection shall expire when the total of all amounts
21 credited hereunder and under K.S.A. 79-3620(d), and amendments thereto,
22 is sufficient to retire the special obligation bonds issued for the purpose of
23 financing all or a portion of the costs of such redevelopment project *or*
24 *sufficient to retire the special obligation bonds issued for the purpose of*
25 *financing all or a portion of the costs of a major urban STAR bond project*
26 *as defined in K.S.A. 2015 Supp. 12-17,162, and amendments thereto, as*
27 *permitted by K.S.A. 2015 Supp. 12-17,169(a)(1)(I), and amendments*
28 *thereto.*

29 This subsection shall not apply to a project designated as a special bond
30 project as defined in K.S.A. 12-1770a(z), and amendments thereto.

31 (e) All revenue certified by the director of taxation as having been
32 collected or received from the tax imposed by K.S.A. 79-3603(c), and
33 amendments thereto, on the sale or furnishing of gas, water, electricity and
34 heat for use or consumption within the intermodal facility district
35 described in this subsection, shall be credited by the state treasurer to the
36 state highway fund. Such revenue may be transferred by the secretary of
37 transportation to the rail service improvement fund pursuant to law. The
38 provisions of this subsection shall take effect upon certification by the
39 secretary of transportation that a notice to proceed has been received for
40 the construction of the improvements within the intermodal facility
41 district, but not later than December 31, 2010, and shall expire when the
42 secretary of revenue determines that the total of all amounts credited
43 hereunder and pursuant to K.S.A. 79-3620(e), and amendments thereto, is

1 equal to \$53,300,000, but not later than December 31, 2045. Thereafter, all
2 revenues shall be collected and distributed in accordance with applicable
3 law. For all tax reporting periods during which the provisions of this
4 subsection are in effect, none of the exemptions contained in K.S.A. 79-
5 3601 et seq., and amendments thereto, shall apply to the sale or furnishing
6 of any gas, water, electricity and heat for use or consumption within the
7 intermodal facility district. As used in this subsection, "intermodal facility
8 district" shall consist of an intermodal transportation area as defined by
9 K.S.A. 12-1770a(oo), and amendments thereto, located in Johnson county
10 within the polygonal-shaped area having Waverly Road as the eastern
11 boundary, 191st Street as the southern boundary, Four Corners Road as the
12 western boundary, and Highway 56 as the northern boundary, and the
13 polygonal-shaped area having Poplar Road as the eastern boundary, 183rd
14 Street as the southern boundary, Waverly Road as the western boundary,
15 and the BNSF mainline track as the northern boundary, that includes
16 capital investment in an amount exceeding \$150 million for the
17 construction of an intermodal facility to handle the transfer, storage and
18 distribution of freight through railway and trucking operations.

19 Sec. 15. K.S.A. 2015 Supp. 12-1770a, 12-17,162, 12-17,163, 12-
20 17,164, 12-17,166, 12-17,168, 12-17,169, 12-17,171, 12-17,172, 12-
21 17,174, 12-17,177, 79-3620, 79-3620b and 79-3710 are hereby repealed.

22 Sec. 16. This act shall take effect and be in force from and after its
23 publication in the statute book.