

**HOUSE BILL No. 2184**

By Committee on Commerce, Labor and Economic Development

1-26

Proposed amendment to HB 2184  
House Appropriations Committee  
March 22, 2017  
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Office of Revisor of Statutes

1 AN ACT concerning economic development; relating to the STAR bonds  
2 financing act; historic theater project costs; establishment of district;  
3 adverse effects on county or school district; certain notices; approval  
4 for transient guest tax funding; sunset date of the act; amending K.S.A.  
5 2016 Supp. 12-17,162, 12-17,165, 12-17,166, 12-17,169, 12-17,171,  
6 12-17,177 and 12-17,179 and repealing the existing sections.  
7

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

9 Section 1. K.S.A. 2016 Supp. 12-17,162 is hereby amended to read as  
10 follows: 12-17,162. As used in the STAR bond financing act, the following  
11 words and phrases shall have the following meanings unless a different  
12 meaning clearly appears from the context:

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

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

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

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

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

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

1 receipt of such resolution pass an ordinance of resolution dissolving the  
 2 STAR bond project district. The provisions of this subsection shall not  
 3 apply if the STAR bond project plan provides that ad valorem property tax  
 4 revenues of the county or the school district levying taxes on such property  
 5 will not be adversely impacted.

6 ~~(6)~~ A STAR bond project shall not include a project for a gambling  
 7 casino.

8 Sec. 3. K.S.A. 2016 Supp. 12-17,166 is hereby amended to read as  
 9 follows: 12-17,166. (a) One or more projects may be undertaken by a city  
 10 or county within an established STAR bond project district. Any city or  
 11 county proposing to undertake a STAR bond project, shall prepare a STAR  
 12 bond project plan in consultation with the planning commission of the city,  
 13 and in consultation with the planning commission of the county, if any, if  
 14 such project is located wholly outside the boundaries of the city. Any such  
 15 project plan may be implemented in separate development stages.

16 (b) ~~Any city or county proposing to undertake a STAR bond project~~  
 17 ~~within a STAR bond project district established pursuant to K.S.A. 2016~~  
 18 ~~Supp. 12-17,165, and amendments thereto, shall prepare a~~ feasibility  
 19 study. The feasibility study shall contain the following:

20 (1) Whether a STAR bond project's revenue and tax increment  
 21 revenue and other available revenues under K.S.A. 2016 Supp. 12-17,169,  
 22 and amendments thereto, are expected to exceed or be sufficient to pay for  
 23 the project costs;

24 (2) the effect, if any, a STAR bond project will have on any  
 25 outstanding special obligation bonds payable from the revenues described  
 26 in K.S.A. 2016 Supp. 12-17,169, and amendments thereto;

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

30 (4) visitation expectations;

31 (5) the unique quality of the project;

32 (6) economic impact study;

33 (7) market study;

34 (8) market impact study;

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

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

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

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

42 (13) a statement concerning whether a portion of the local sales and  
 43 use taxes are pledged to other uses and are unavailable as revenue for the

Prior to final approval of

the secretary

commission an independent

1 (c) A city or county may divide the real property in a STAR bond  
 2 project district, including real property in different project areas within a  
 3 STAR bond project district, into separate STAR bond project districts. Any  
 4 division of real property within a STAR bond project district into more  
 5 than one STAR bond project district shall be subject to the same procedure  
 6 of public notice and hearing as is required for the establishment of the  
 7 STAR bond project district.

8 (d) Subject to the provisions of subsection (a), if a city or county has  
 9 undertaken a STAR bond project within a STAR bond project district, and  
 10 either the city or county wishes to subsequently remove more than a de-  
 11 minimus amount of real property from the STAR bond project district, or  
 12 the city or county wishes to subsequently divide the real property in the  
 13 STAR bond project district into more than one STAR bond project district,  
 14 then prior to any such removal or division the city or county must provide  
 15 a feasibility study which shows that the tax revenue from the resulting  
 16 STAR bond project district within which the STAR bond project is located  
 17 is expected to be sufficient to pay the project costs.

18 (e) Removal of real property from one STAR bond project district  
 19 and addition of all or a portion of that real property to another STAR bond  
 20 project district may be accomplished by the adoption of an ordinance or  
 21 resolution, and in such event the determination of the existence of  
 22 nonexistence of an adverse effect on the county or school district under  
 23 K.S.A. 2016 Sepp. 12-17, 165(F), and amendments thereto, shall apply to  
 24 both such removal and such addition of real property to a STAR bond  
 25 project district and approval of the secretary.

26 Sec. 6. K.S.A. 2016 Supp. 12-17, 177 is hereby amended to read as  
 27 follows: 12-17, 177. (a) The boundaries of any STAR bond project district  
 28 in a major tourism area including an auto-race track facility located in  
 29 Wyandotte county, shall, without regard to that portion of the district  
 30 pertaining to the auto-race track facility, be as follows: Beginning at the  
 31 intersection of Interstate 70 and Interstate 435; West along Interstate 70 to  
 32 118<sup>th</sup> Street; North along 118<sup>th</sup> Street to State Avenue; Northeastly along  
 33 proposed relocated State Avenue to 140<sup>th</sup> Street; North along 140<sup>th</sup> Street to  
 34 Parallel Parkway; East along Parallel Parkway to Interstate 435; South  
 35 along Interstate 435 to Interstate 70.

36 (b) Any major tourism area may include an additional area not  
 37 exceeding 400 acres of additional property, excluding roads and highways,  
 38 in addition to the property necessary for the auto-race track facility upon a  
 39 finding by the governor that the development plan and each project within  
 40 such additional 400-acre area will enhance the major tourism area. For the  
 41 development of each project within such additional 400-acre area the city  
 42 shall select qualified developers pursuant to a request for proposals in  
 43 accordance with written official procedures approved by the governing

request that the secretary commission an independent

1 STAR bond project. If a portion of local sales and use taxes is so  
2 committed, the applicant shall describe the following:

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

5 (B) the date or dates on which the city and county sales and use taxes  
6 pledged to other uses can be pledged for repayment of bonds;~~[and]~~

7 (14) ~~an anticipated principal and interest payment schedule on the~~  
8 ~~bond issue; and~~

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

12 (c) If the ~~city or county~~~~determines the project is feasible, the project~~  
13 ~~plan shall include:~~

(15) information from the developer that proves  
sufficient private capital exists to make such  
project feasible.

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

16 (2) a reference to the district plan established under K.S.A. 2016  
17 Supp. 12-17,165, and amendments thereto, that identifies the project area  
18 that is set forth in the project plan that is being considered;

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

20 (4) the relocation assistance plan as described in K.S.A. 2016 Supp.  
21 12-17,172, and amendments thereto;

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

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

26 (d) A copy of the STAR bond project plan prepared by a city shall be  
27 delivered to the board of county commissioners of the county and the  
28 board of education of any school district levying taxes on property within  
29 the STAR bond project area. A copy of the STAR bond project plan  
30 prepared by a county shall be delivered to the board of education of any  
31 school district levying taxes on property within the STAR bond project  
32 area.

33 (e) Upon a finding by the planning commission that the STAR bond  
34 project plan is consistent with the intent of the comprehensive plan for the  
35 development of the city, and a finding by the planning commission of the  
36 county, if any, with respect to a STAR bond project located wholly outside  
37 the boundaries of the city, that the STAR bond project plan is consistent  
38 with the intent of the comprehensive plan for the development of the  
39 county, the governing body of the city or county shall adopt a resolution  
40 stating that the city or county is considering the adoption of the STAR  
41 bond project plan. Such resolution shall:

42 (1) Give notice that a public hearing will be held to consider the  
43 adoption of the STAR bond project plan and fix the date, hour and place of

secretary