SESSION OF 2026

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2793

As Amended by House Committee of the Whole

Brief*

HB 2793, as amended, would create the Kansas Sports Facilities Authority Act (Act) to provide for the construction of a sports facility and related infrastructure (Facilities) for a National Football League franchise team (Team) to play its home games.

Kansas Sports Facilities Authority

The Act would establish the Kansas Sports Facilities Authority (Authority) as a body corporate and politic and a political subdivision of the state. The Authority would not be an agency or instrumentality of any city or county. Any obligation, liability, or debt of the Authority would belong to the authority and not the State and any property owned, acquired, or used by the Authority under the Act would be deemed exclusively used for State purposes within the meaning of the *Kansas Constitution*.

Authority Membership

The Authority would consist of 11 voting members, subject to a criminal history and background check by the Kansas Bureau of Investigation, who are Kansas residents and have relevant education, training, and experience related to facility administration, accounting, law, marketing, or other pertinent fields.

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*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at https://klrd.gov/

Members would serve at the pleasure of the appointing entity and until a successor is appointed and takes office. Members appointed by the following entities would serve until December 31 of the third year following appointment:

- The Governor;
- The President of the Senate;
- The Speaker of the House of Representatives;
- The Majority and Minority Leaders of the Senate and House of Representatives; and
- The Team.

Each such appointment thereafter would serve a four-year term starting on January 1.

The Secretary of Commerce (Secretary), or acting Secretary, would be a voting member and serve at the pleasure of the Governor.

The mayors of up to two cities in which an Authority's Facility is located would be entitled to be voting members, provided the city participates in a STAR bond project in which pledged revenue does not impose conditions limiting the Secretary's authority to establish and implement the project or conflict with the terms and conditions agreed upon between the State and the Kansas City Chiefs.

The initial Authority members would be required to be appointed by August 31, 2026.

Compensation

Authority members would be authorized to receive compensation, including per diem and mileage reimbursement.

Chairperson and Other Officers

The Chairperson of the Authority would be elected by a majority of the voting members for a four-year term and would be required to preside at all Authority meetings, if present, and perform all other assigned duties and functions.

The Authority could appoint a voting member as Vice-chairperson to act for the Chairperson during a temporary absence or disability. The voting members could also elect a voting member to any other officer positions the Authority determines necessary or convenient.

Authority Rights, Responsibilities, and Powers

The Authority would have the right, as necessary to accomplish the purposes of the Act, to:

- Sue and be sued;
- Acquire and dispose of real property, air rights, and personal property;
- Enter into agreements;
- Contract for services and employment and enter into other agreements;
- Develop and control facilities constructed or acquired under the Act; and
- Procure insurance consistent with professional sports industry standards.

The Authority would be required to:

- Adopt bylaws;
- Annually contract for an independent financial audit with a new auditor selected every three years; and

- Establish a website to provide public information, to include, at minimum:
    - A current version of the bylaws;.
    - Notices of upcoming meetings;
    - Meeting minutes; and
    - A phone number and email address for public comments.

The Authority could appoint an Executive Director to serve at the pleasure of the Authority as its Chief Executive Officer and receive compensation as determined by the Authority and approved by the State Finance Council. The Executive Director would have powers to perform duties as required, but would not have authority to independently incur liability or make expenditures on the Authority's behalf. The Executive Director could hire, supervise, and dismiss additional employees as authorized by the Authority. The Executive Director's compensation would be required to be paid from rents paid to the Authority by the Team; public funds would be prohibited from being used for compensation.

The Authority would be authorized to fix, charge, and collect fees or rents to recover all or part of the operating expenses incurred in carrying out its functions.

The bill would grant the Authority all powers necessary or incidental to the expressly granted powers in the Act that do not conflict with any agreement between the Authority and the Team, including, but not limited to:

- Managing funds, including making investments and granting moneys of the Authority; and

- Borrowing money or pledging assets of the Authority or controlled affiliates for operating needs.

The bill would prohibit the Authority from entering into any contract, agreement, or business relationship with any

other professional sport or franchise other than the Team. Any such action taken by the Authority would be in violation of the Act and considered null and void.

Authority Meetings

Any seven voting members would constitute a quorum and action could be taken upon the vote of a majority of members present at a meeting duly called and held. The bill would specify the Authority would be subject to provisions of the Kansas Open Meetings Act (KOMA) and Kansas Open Records Act (KORA).

Sports Facilities

Any Facilities constructed or acquired by the Authority would be part of the Authority, and other sports facilities could be acquired as part of the Authority, provided:

- The governing body of the other sports facility has requested to become part of the Authority;
- The governing body and the Authority have negotiated an agreement to transfer such other facility;
- The governing body provides information or meets additional requirements requested by the Authority;
- The governing body and the Team have made a joint recommendation to the Authority that such other facility should become a part of the Authority; and
- The Authority finds that inclusion of the other facility would not negatively effect the Authority or the State General Fund, or become a State obligation.

The Facilities under the Act would be required to be operated in a manner similar to other comparable sports facilities. The Authority and the Team would be required to agree to minimum annual sports facility use requirements by the State and its designees in order to host noncompeting community events subject to Facility availability, with the Team having scheduling priority.

Facility Usage

The bill would authorize the Authority to enter into agreements for the use, lease, license, occupation, and availability of part or all of any of its premises, property, or facilities that will provide athletic, cultural, entertainment, instruction, or activity for Kansas citizens and visitors. Such agreements could grant contracting parties exclusive use of the premises at times agreed upon, as well retention of some or all revenues from:

- Ticket sales;
- Suites, club seats, or personalized seat licenses;
- Concessions;
- Advertising and signage;
- Naming rights;
- Team designated broadcast or media; and
- Other revenues derived from a sports facility.

Facility Wind Down

The bill would require any lease or use agreement between the Authority and the Team to provide for the disposition of the Facility upon expiration or nonrenewal of the agreement and relocation of the Team outside Kansas in a manner that ensures the Authority has no ongoing financial obligation, liability, or maintenance responsibility.

Tax Exemptions

The Authority would be exempt from any property or general ad valorem taxes levied upon any property acquired by the Authority and used for the Facilities, or such taxes levied upon any Authority property used for the Authority's public purposes.

The bill would exempt the Authority from any taxes or assessments levied upon any project, property, or local obligation acquired or used by the Authority under the Act.

All sales of tangible personal property or services purchased for the purpose of, and in conjunction with, the constructing, equipping, or furnishing of the Facilities would be exempt from state and local sales and use taxes.

When contracting for such purposes, an exemption certificate for the project would be required to be obtained for the contractor to be furnished to suppliers and referenced in applicable invoices to obtain the exemption.

Upon completion of a project, the contractor would be required to provide a sworn statement, on a form provided by the Director of Taxation, that all purchases made were entitled to the exemption. All invoices would be required to be held for five years and subject to an audit by the Director of Taxation.

Any contractor or their agent, employee, or subcontractor who makes a purchase under a certificate for any purpose other than that for which the certificate was issued, without payment of sales or use tax, would be guilty of a misdemeanor.

Other Exemptions

The Authority would be exempted from the competitive bidding requirements in continuing law that apply to state

agencies, but the bill would require the Authority to utilize competition among contractors and vendors to the extent practicable under the circumstances, at the discretion of the Authority.

The Authority would also be exempted from the Kansas Administrative Procedures Act, the Kansas Civil Service Act, and various statutes related to development, procurement, property, and financing that pertain to operations of state agencies and other governmental subdivisions.

Funding

The bill would authorize the Authority to accept monetary contributions, pledges of revenues, services, and grants, or loans of money or other property from any source. The Authority would be required to hold and dispose of the money, property, or services according to the terms of any required agreements in connection with such contributions.

The bill would provide the Authority the power to issue special obligation bonds as authorized by the Secretary to finance or refinance the acquisition, construction, development, improvement, or operation of any Facilities project. Such bonds and interest would not be an obligation or debt of the State.

Legislative Oversight

The bill would require a written report be submitted to the Legislative Coordinating Council, Senate Committee on Commerce, and House Committee on Commerce, Labor and Economic Development by January 15, 2027, and on January 15 each year thereafter.

At the request of any such committee, the Authority's chairperson and Executive Director would be required to

appear before the committee and provide testimony on the report.

The report would be required to include, at the level of detail as requested by the respective committee or chairperson:

- The current status of the Facility;
- The Authority's actions and operations during the previous year with respect to the acquisition, construction, and development of the Facility;
- Projected construction and development of the Facility and planned Authority operations and actions in the current year ahead;
- Any other Authority actions taken under the Act; and
- Any other information requested by the committee or chairperson pertaining to the Authority.

Other Provisions

Liability

The bill would subject the Authority and its members to the Kansas Tort Claims Act. Participation in an insurance plan or self-insurance fund by the Authority would not be deemed to be a waiver of any sovereign immunity for the Authority or its directors, employees, or agents.

Severability

The bill's provisions would be severable. If any provision of the bill, or its application to any person or circumstance, is found to be unconstitutional or invalid, the rest of the Act would continue to stand and would be enforceable so long as

it could be enforced without the unconstitutional or invalid provisions.

Background

The bill was introduced by the House Committee on Appropriations at the request of Representative Tarwater.

House Committee on Commerce, Labor and Economic Development

In the House committee hearing, **proponent** testimony was provided by representatives of the Unified Government Wyandotte County and Kansas City, Kansas (UG); Department of Commerce (Department); Kansas Chamber of Commerce; Kansas City Chiefs; Kansas Speedway; Kansas State High School Activities Association; Scoop and Score; and Working Kansas Alliance.

The proponents generally stated the bill would be another step to bring professional sports to Kansas, grow the State's economy, and protect the State during the process of building out the facilities. The Department and the UG requested mayors have voting membership. The UG also requested modification to the conditions placed on mayor membership. The Speedway asked to expand the Authority's power to include the Speedway.

Written-only proponent testimony was provided by representatives of the City of Olathe, Olathe Chamber of Commerce, and USD 233 (Olathe Public Schools).

Opponent testimony was provided by two private citizens. The opponents generally stated the bill would raise taxes on Kansans.

No other testimony was provided.

House Committee of the Whole

The House Committee of the Whole amended the bill to:

- Restrict the sources of the Executive Director's compensation to non-public funds;
- Increase Authority membership and make the mayors of cities in which Facilities are located voting members;
- Modify requirements for Authority meetings and clarify the Authority is subject to provisions of KOMA and KORA; and
- Prohibit the Authority from entering into contracts or business relationships with professional sports or franchises other than the Team.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Office of the Attorney General states there could be some litigation risk with passage of the bill; however, the Office is not able to estimate the associated litigation cost. The Kansas Department of Revenue indicates the bill would have foregone tax revenue that would occur as a result of the various tax exemptions authorized by the bill but it is unable to provide an estimate.

The Office of Judicial Administration states the bill could increase the time spent by judicial personnel and also increase the collection of docket fees, fines, and supervision fees that would be deposited into the State General Fund but it did not provide an estimate of the fiscal effect.

The Kansas Bureau of Investigation and the Department of Commerce both state the bill would not have a fiscal effect.

Any fiscal effect associated with the bill is not reflected in *The FY 2027 Governor's Budget Report*.

The Kansas Association of Counties indicates the bill would not have a fiscal effect on counties but cities could incur costs if they assist with the local infrastructure located around the sports facility. Cities could also experience increased economic activity associated with the sports facility. However, the League is unable to estimate a precise fiscal effect.

Kansas Sports Facility Authority Act; professional sports; major professional sports complex; sports facility; commerce