

## SENATE BILL No. 10

By Joint Committee on Economic Development

12-12

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9 AN ACT concerning economic development; relating to tax increment  
10 financing and sales tax and revenue bonds; establishing the STAR bond  
11 act; amending K.S.A. 12-1776 and K.S.A. 2006 Supp. 12-1770a, 12-  
12 1771b, 12-1773, 12-1774 and 12-1774a and repealing the existing sec-  
13 tions; also repealing K.S.A. 2005 Supp. 12-1773, as amended by section  
14 3 of chapter 192 of the 2006 Session Laws of Kansas and K.S.A. 2006  
15 Supp. 12-1771d, 12-1780b, 12-1780c, 12-1780d, 12-1780e and 12-  
16 1780f.

17

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

19 Section 1. K.S.A. 2006 Supp. 12-1770a is hereby amended to read  
20 as follows: 12-1770a. As used in this act, and amendments thereto, the  
21 following words and phrases shall have the following meanings unless a  
22 different meaning clearly appears from the content:

23 (a) "Auto race track facility" means: (1) An auto race track facility and  
24 facilities directly related and necessary to the operation of an auto race  
25 track facility, including, but not limited to, grandstands, suites and viewing  
26 areas, concessions, souvenir facilities, catering facilities, visitor and retail  
27 centers, signage and temporary hospitality facilities, but excluding (2) ho-  
28 tels, motels, restaurants and retail facilities, not directly related to or nec-  
29 essary to the operation of such facility.

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

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

34 (1) Because of the presence of a majority of the following factors,  
35 substantially impairs or arrests the development and growth of the mu-  
36 nicipality or constitutes an economic or social liability or is a menace to  
37 the public health, safety, morals or welfare in its present condition and  
38 use:

- 39 (A) A substantial number of deteriorated or deteriorating structures;  
40 (B) predominance of defective or inadequate street layout;  
41 (C) unsanitary or unsafe conditions;  
42 (D) deterioration of site improvements;  
43 (E) tax or special assessment delinquency exceeding the fair market

- 1 value of the real property;
- 2 (F) defective or unusual conditions of title including but not limited
- 3 to cloudy or defective titles, multiple or unknown ownership interests to
- 4 the property;
- 5 (G) improper subdivision or obsolete platting or land uses;
- 6 (H) the existence of conditions which endanger life or property by
- 7 fire or other causes; or
- 8 (I) conditions which create economic obsolescence; or
- 9 (2) has been identified by any state or federal environmental agency
- 10 as being environmentally contaminated to an extent that requires a re-
- 11 medial investigation; feasibility study and remediation or other similar
- 12 state or federal action; or
- 13 (3) a majority of the property is a 100-year floodplain area; or
- 14 (4) previously was found by resolution of the governing body to be a
- 15 slum or a blighted area under K.S.A. 17-4742 et seq., and amendments
- 16 thereto.
- 17 (d) "Conservation area" means any improved area comprising 15%
- 18 or less of the land area within the corporate limits of a city in which 50%
- 19 or more of the structures in the area have an age of 35 years or more,
- 20 which area is not yet blighted, but may become a blighted area due to
- 21 the existence of a combination of two or more of the following factors:
- 22 (1) Dilapidation, obsolescence or deterioration of the structures;
- 23 (2) illegal use of individual structures;
- 24 (3) the presence of structures below minimum code standards;
- 25 (4) building abandonment;
- 26 (5) excessive vacancies;
- 27 (6) overcrowding of structures and community facilities; or
- 28 (7) inadequate utilities and infrastructure.
- 29 (e) "De minimus" means an amount less than 15% of the land area
- 30 within a redevelopment district.
- 31 (f) "Developer" means any person, firm, corporation, partnership or
- 32 limited liability company, other than a city and other than an agency,
- 33 political subdivision or instrumentality of the state or a county when re-
- 34 lating to a bioscience development district.
- 35 (g) "Eligible area" means a blighted area, conservation area, enter-
- 36 prise zone, ~~historic theater~~, major tourism area or a major commercial
- 37 entertainment and tourism area or bioscience development area as de-
- 38 termined by the secretary.
- 39 (h) "Enterprise zone" means an area within a city that was designated
- 40 as an enterprise zone prior to July 1, 1992, pursuant to K.S.A. 12-17,107
- 41 through 12-17,113, and amendments thereto, prior to its repeal and the
- 42 conservation, development or redevelopment of the area is necessary to
- 43 promote the general and economic welfare of such city.

- 1 (i) “Environmental increment” means the increment determined  
 2 pursuant to subsection (b) of K.S.A. 12-1771a, and amendments thereto.
- 3 (j) “Environmentally contaminated area” means an area of land hav-  
 4 ing contaminated groundwater or soil which is deemed environmentally  
 5 contaminated by the department of health and environment or the United  
 6 States environmental protection agency.
- 7 (k) (1) “Feasibility study” means:  
 8 (A) A study which shows whether a redevelopment project’s, ~~special~~  
 9 ~~bond project’s~~ or bioscience development project’s benefits and tax in-  
 10 crement revenue and other available revenues under subsection (a)(1) of  
 11 K.S.A. 12-1774, and amendments thereto, are expected to exceed or be  
 12 sufficient to pay for the redevelopment, ~~special bond~~ or bioscience de-  
 13 velopment project costs; and  
 14 (B) the effect, if any, the redevelopment project costs, ~~special bond~~  
 15 ~~project~~ or bioscience development project will have on any outstanding  
 16 special obligation bonds payable from the revenues described in ~~subse-~~  
 17 ~~tions~~ *subsection (a)(1)(D) and (a)(1)(G)* of K.S.A. 12-1774, and amend-  
 18 ments thereto *and subsections (a)(1)(C) and (a)(1)(E) of section 15, and*  
 19 *amendments thereto.*
- 20 (2) For a redevelopment project, ~~special bond project~~ or bioscience  
 21 project financed by bonds payable from revenues described in ~~subsections~~  
 22 *subsection (a)(1)(D) and (a)(1)(G)* of K.S.A. 12-1774, and amendments  
 23 thereto, the feasibility study must also include:  
 24 (A) ~~A description of any project submitted under K.S.A. 12-1771d,~~  
 25 ~~and amendments thereto, to satisfy the requirements of paragraph (i) of~~  
 26 ~~this section;~~  
 27 ~~(B)~~ statement of how the jobs and taxes obtained from the project  
 28 will contribute significantly to the economic development of the state and  
 29 region;  
 30 ~~(C)~~ (B) a statement concerning whether a portion of the local sales  
 31 and use taxes are pledged to other uses and are unavailable as revenue  
 32 for the redevelopment project. If a portion of local sales and use taxes is  
 33 so committed, the applicant shall describe the following:  
 34 (i) The percentage of sales and use taxes collected that are so com-  
 35 mitted; and  
 36 (ii) the date or dates on which the local sales and use taxes pledged  
 37 to other uses can be pledged for repayment of special obligation bonds;  
 38 *and*  
 39 ~~(D)~~ (C) ~~as a statement of the~~ anticipated principal and interest pay-  
 40 ment schedule on the bonds, ~~and~~.
- 41 ~~(E)~~ (3) Following approval of the redevelopment plan, the feasibility  
 42 study will be supplemented to include a copy of the minutes of the gov-  
 43 erning body meeting or meetings of any city whose bonding authority will

1 be utilized in the project, evidencing that a redevelopment plan has been  
 2 created, discussed, and adopted by the city in a regularly scheduled open  
 3 public meeting.

4 ~~(3) For a proposed major commercial entertainment and tourism~~  
 5 ~~area, the feasibility study must also include:~~

6 ~~—(A) Visitation expectations;~~

7 ~~—(B) economic impact;~~

8 ~~—(C) the unique quality of the project;~~

9 ~~—(D) the ability of the project to gain sufficient market share to:~~

10 ~~—(i) Remain profitable past the term of repayment, and~~

11 ~~—(ii) maintain status as a significant factor for travel decisions;~~

12 ~~—(E) integration and collaboration with other resources or businesses;~~

13 ~~—(F) the quality of service and experience provided, as measured~~  
 14 ~~against national consumer standards for the specific target market;~~

15 ~~—(G) project accountability, measured according to best industry prac-~~  
 16 ~~tices; and~~

17 ~~—(H) the expected return on state and local investment that the project~~  
 18 ~~is anticipated to produce.~~

19 (4) The failure to include all information enumerated in this subsec-  
 20 tion in the feasibility study for a redevelopment, ~~special bond~~ or biosci-  
 21 ence project shall not affect the validity of bonds issued pursuant to this  
 22 act.

23 ~~(l) “Historic theater” means a building constructed prior to 1940~~  
 24 ~~which was constructed for the purpose of staging entertainment, includ-~~  
 25 ~~ing motion pictures, vaudeville shows or operas, that is operated by a~~  
 26 ~~nonprofit corporation and is designated by the state historic preservation~~  
 27 ~~officer as eligible to be on the Kansas register of historic places or is a~~  
 28 ~~member of the Kansas historic theatre association.~~

29 ~~—(m) “Historic theater sales tax increment” means the amount of state~~  
 30 ~~and local sales tax revenue imposed pursuant to K.S.A. 12-187 et seq.,~~  
 31 ~~79-3601 et seq. and 79-3701 et seq., and amendments thereto, collected~~  
 32 ~~from taxpayers doing business within the historic theater that is in excess~~  
 33 ~~of the amount of such taxes collected prior to the designation of the~~  
 34 ~~building as a historic theater for purposes of this act.~~

35 ~~—(n) (l) “Major tourism area” means an area for which the secretary~~  
 36 ~~has made a finding the capital improvements costing not less than~~  
 37 ~~\$100,000,000 will be built in the state to construct an auto race track~~  
 38 ~~facility.~~

39 ~~(o) (m) “Real property taxes” means all taxes levied on an ad valorem~~  
 40 ~~basis upon land and improvements thereon, except that when relating to~~  
 41 ~~a bioscience development district, as defined in this section, “real prop-~~  
 42 ~~erty taxes” does not include property taxes levied for schools, pursuant to~~  
 43 ~~K.S.A. 72-6431, and amendments thereto.~~

- 1     ~~(p)~~ (n) “Redevelopment project area” means an area designated by a  
2 city within a redevelopment district.
- 3     ~~(q)~~ (o) “Redevelopment project costs” means those costs necessary  
4 to implement a redevelopment project plan or a bioscience development  
5 project plan, including costs incurred for:
- 6       (1) Acquisition of property within the redevelopment project area;
  - 7       (2) payment of relocation assistance pursuant to a relocation assis-  
8 tance plan as provided in K.S.A. 12-1777, and amendments thereto;
  - 9       (3) site preparation including utility relocations;
  - 10      (4) sanitary and storm sewers and lift stations;
  - 11      (5) drainage conduits, channels, levees and river walk canal facilities;
  - 12      (6) street grading, paving, graveling, macadamizing, curbing, gutter-  
13 ing and surfacing;
  - 14      (7) street light fixtures, connection and facilities;
  - 15      (8) underground gas, water, heating and electrical services and con-  
16 nections located within the public right-of-way;
  - 17      (9) sidewalks and pedestrian underpasses or overpasses;
  - 18      (10) drives and driveway approaches located within the public right-  
19 of-way;
  - 20      (11) water mains and extensions;
  - 21      (12) plazas and arcades;
  - 22      (13) parking facilities;
  - 23      (14) landscaping and plantings, fountains, shelters, benches, sculp-  
24 tures, lighting, decorations and similar amenities; and
  - 25      (15) related expenses to redevelop and finance the redevelopment  
26 project, except that for a redevelopment project financed with special  
27 obligation bonds payable from the revenues described in ~~subsections sub-~~  
28 ~~section~~ (a)(1)(D) ~~and (a)(1)(G)~~ of K.S.A. 12-1774, and amendments  
29 thereto, such expenses shall require prior approval by the secretary of  
30 commerce.
- 31     Redevelopment project costs shall not include costs incurred in con-  
32 nection with the construction of buildings or other structures to be owned  
33 by or leased to a developer, however, the “redevelopment project costs”  
34 shall include costs incurred in connection with the construction of build-  
35 ings or other structures to be owned or leased to a developer which in-  
36 cludes an auto race track facility. In addition, for a redevelopment project  
37 financed with special obligation bonds payable from the revenues de-  
38 scribed in ~~subsections sub-~~ ~~section~~ (a)(1)(D) ~~and (a)(1)(G)~~ of K.S.A. 12-  
39 1774, and amendments thereto, redevelopment project costs shall not  
40 include:
- 41       (1) Fees and commissions paid to real estate agents, financial advisors  
42 or any other consultants who represent the businesses considering locat-  
43 ing in a redevelopment district;

- 1 (2) salaries for local government employees;
- 2 (3) moving expenses for employees of the businesses locating within  
3 the redevelopment district;
- 4 (4) property taxes for businesses that locate in the redevelopment  
5 district;
- 6 (5) lobbying costs; and
- 7 (6) a bond origination fee charged by the city pursuant to K.S.A. 12-  
8 1742, and amendments thereto.
- 9 ~~(p)~~ (p) “Redevelopment district” means the specific area declared to  
10 be an eligible area in which the city may develop one or more redevelop-  
11 ment projects.
- 12 ~~(q)~~ (q) “Redevelopment district plan” or “district plan” means the  
13 preliminary plan that identifies all of the proposed redevelopment project  
14 areas and identifies in a general manner all of the buildings, facilities and  
15 improvements in each that are proposed to be constructed or improved  
16 in each redevelopment project area.
- 17 ~~(r)~~ (r) “Redevelopment project” means the approved project to im-  
18 plement a project plan for the development of the established redevelop-  
19 ment district.
- 20 ~~(s)~~ (s) “Redevelopment project plan” means the plan adopted by a  
21 municipality for the development of a redevelopment project or projects  
22 which conforms with K.S.A. 12-1772, and amendments thereto, in a re-  
23 development district.
- 24 ~~(t)~~ (t) “Secretary” means the secretary of commerce.
- 25 ~~(u)~~ (u) “Substantial change” means, as applicable, a change wherein  
26 the proposed plan or plans differ substantially from the intended purpose  
27 for which the district plan or project plan was approved.
- 28 ~~(v)~~ (v) “Tax increment” means that amount of real property taxes  
29 collected from real property located within the redevelopment district  
30 that is in excess of the amount of real property taxes which is collected  
31 from the base year assessed valuation.
- 32 ~~(w)~~ (w) “Taxing subdivision” means the county, city, unified school  
33 district and any other taxing subdivision levying real property taxes, the  
34 territory or jurisdiction of which includes any currently existing or sub-  
35 sequently created redevelopment district including a bioscience devel-  
36 opment district.
- 37 ~~(z)~~ “Special bond project” means a redevelopment project with:  
38 ~~(1) At least a \$50,000,000 capital investment and \$50,000,000 in pro-~~  
39 ~~jected gross annual sales revenues; or~~  
40 ~~(2) for areas outside of metropolitan statistical areas, as defined by~~  
41 ~~the federal office of management and budget, the secretary finds:~~  
42 ~~(A) The project meets the requirements of subsection (g); and~~  
43 ~~(B) would be of regional or statewide importance. A “special bond~~

- 1 project” shall not include a project for a gambling casino.
- 2 ~~(aa)~~ (x) “Marketing study” means a study conducted to examine the  
 3 impact of the redevelopment project or special bond project upon similar  
 4 businesses in the projected market area.
- 5 ~~(bb)~~ (y) “Projected market area” means any area within the state in  
 6 which the redevelopment project or special bond project is projected to  
 7 have a substantial fiscal or market impact upon businesses in such area.
- 8 ~~(cc)~~ (z) “River walk canal facilities” means a canal and related water  
 9 features located adjacent to a river which flows through a major com-  
 10 mercial entertainment and tourism area and facilities related or contig-  
 11 uous thereto, including, but not limited to pedestrian walkways and prom-  
 12 enades, landscaping and parking facilities.
- 13 ~~(dd)~~ (aa) “Commence work” means the manifest commencement of  
 14 actual operations on the development site, such as, erecting a building,  
 15 excavating the ground to lay a foundation or a basement or work of like  
 16 description which a person with reasonable diligence can see and rec-  
 17 ognize as being done with the intention and purpose to continue work  
 18 until the project is completed.
- 19 ~~(ee)~~ (bb) “Major commercial entertainment and tourism area” may  
 20 include, but not be limited to, a major multi-sport athletic complex.
- 21 ~~(ff)~~ (cc) “Major multi-sport athletic complex” means an athletic com-  
 22 plex that is utilized for the training of athletes, the practice of athletic  
 23 teams, the playing of athletic games or the hosting of events. Such project  
 24 may include playing fields, parking lots and other developments.
- 25 ~~(gg)~~ (dd) “Bioscience” means the use of compositions, methods and  
 26 organisms in cellular and molecular research, development and manufac-  
 27 turing processes for such diverse areas as pharmaceuticals, medical ther-  
 28 apeutics, medical diagnostics, medical devices, medical instruments, bi-  
 29 ochemistry, microbiology, veterinary medicine, plant biology, agriculture,  
 30 industrial environmental and homeland security applications of biosci-  
 31 ence and future developments in the biosciences. Bioscience includes  
 32 biotechnology and life sciences.
- 33 ~~(hh)~~ (ee) “Bioscience development area” means an area that:
- 34 (1) Is or shall be owned, operated, or leased by, or otherwise under  
 35 the control of the Kansas bioscience authority;
- 36 (2) is or shall be used and maintained by a bioscience company; or
- 37 (3) includes a bioscience facility.
- 38 ~~(ii)~~ (ff) “Bioscience development district” means the specific area,  
 39 created under K.S.A. 12-1771, and amendments thereto, where one or  
 40 more bioscience development projects may be undertaken.
- 41 ~~(jj)~~ (gg) “Bioscience development project” means an approved pro-  
 42 ject to implement a project plan in a bioscience development district.
- 43 ~~(kk)~~ (hh) “Bioscience development project plan” means the plan

- 1 adopted by the authority for a bioscience development project pursuant  
2 to K.S.A. 12-1772, and amendments thereto, in a bioscience development  
3 district.
- 4 ~~(ii)~~ (ii) “Bioscience facility” means real property and all improve-  
5 ments thereof used to conduct bioscience research, including, without  
6 limitation, laboratory space, incubator space, office space and any and all  
7 facilities directly related and necessary to the operation of a bioscience  
8 facility.
- 9 ~~(mm)~~ (jj) “Bioscience project area” means an area designated by the  
10 authority within a bioscience development district.
- 11 ~~(mm)~~ (kk) “Biotechnology” means those fields focusing on technolog-  
12 ical developments in such area as molecular biology, genetic engineering,  
13 genomics, proteomics, physiomics, nanotechnology, biodefense, biocom-  
14 puting, bioinformatics and future developments associated with  
15 biotechnology.
- 16 ~~(oo)~~ (ll) “Board” means the board of directors of the Kansas biosci-  
17 ence authority.
- 18 ~~(pp)~~ (mm) “Life sciences” means the areas of medical sciences, phar-  
19 maceutical sciences, biological sciences, zoology, botany, horticulture,  
20 ecology, toxicology, organic chemistry, physical chemistry, physiology and  
21 any future advances associated with life sciences.
- 22 ~~(qq)~~ (nn) “Revenue increase” means that amount of real property  
23 taxes collected from real property located within the bioscience devel-  
24 opment district that is in excess of the amount of real property taxes which  
25 is collected from the base year assessed valuation.
- 26 ~~(rr)~~ (oo) “Taxpayer” means a person, corporation, limited liability  
27 company, S corporation, partnership, registered limited liability partner-  
28 ship, foundation, association, nonprofit entity, sole proprietorship, busi-  
29 ness trust, group or other entity that is subject to the Kansas income tax  
30 act, K.S.A. 79-3201 et seq., and amendments thereto.
- 31 ~~(ss)~~ (pp) “Floodplain increment” means the increment determined  
32 pursuant to subsection (b) of K.S.A. 2006 Supp. 12-1771e, and amend-  
33 ments thereto.
- 34 ~~(tt)~~ (qq) “100-year floodplain area” means an area of land existing in  
35 a 100-year floodplain as determined by either an engineering study of a  
36 Kansas certified engineer or by the United States federal emergency man-  
37 agement agency.
- 38 ~~(uu)~~ (rr) “Major motorsports complex” means a complex in Shawnee  
39 county that is utilized for the hosting of competitions involving motor  
40 vehicles, including, but not limited to, automobiles, motorcycles or other  
41 self-propelled vehicles other than a motorized bicycle or motorized  
42 wheelchair. Such project may include racetracks, all facilities directly re-  
43 lated and necessary to the operation of a motorsports complex, including,

1 but not limited to, parking lots, grandstands, suites and viewing areas,  
2 concessions, souvenir facilities, catering facilities, visitor and retail cen-  
3 ters, signage and temporary hospitality facilities, but excluding hotels,  
4 motels, restaurants and retail facilities not directly related to or necessary  
5 to the operation of such facility.

6 Sec. 2. K.S.A. 2006 Supp. 12-1771b is hereby amended to read as  
7 follows: 12-1771b. (a) The boundaries of any redevelopment district in a  
8 major tourism area including an auto race track facility located in Wy-  
9 andotte county, shall, without regard to that portion of the district per-  
10 taining to the auto race track facility, be as follows: Beginning at the  
11 intersection of Interstate 70 and Interstate 435; West along Interstate 70  
12 to 118th Street; North along 118th Street to State Avenue; Northeasterly  
13 along proposed relocated State Avenue to 110th Street; North along  
14 110th Street to Parallel Parkway; East along Parallel Parkway to Interstate  
15 435; South along Interstate 435 to Interstate 70.

16 (b) Any major tourism area may include an additional area not ex-  
17 ceeding 400 acres of additional property, excluding roads and highways,  
18 in addition to the property necessary for the auto race track facility upon  
19 a finding by the governor that the development plan and each project  
20 within such additional 400 acre area will enhance the major tourism area.  
21 For the development of each project within such additional 400 acre area  
22 the city shall select qualified developers pursuant to a request for propo-  
23 sals in accordance with written official procedures approved by the  
24 governing body of the city. Any project within such additional 400 acre  
25 area that is financed in whole or in part by special obligation bonds pay-  
26 able from revenues derived from subsection (a)(1)(D) ~~or (a)(1)(G)~~ of  
27 K.S.A. 12-1774, and amendments thereto *or subsections (a)(1)(C) and*  
28 *(a)(1)(E) of section 15, and amendments thereto*, shall not be entitled to  
29 any real property tax abatements or the revenues described in K.S.A. 12-  
30 1775, and amendments thereto. Any project within such additional 400  
31 acre area must be approved by the governor and construction must be  
32 commenced by July 1, 2002. The maximum principal amount of special  
33 obligation bonds issued to fund redevelopment projects within a major  
34 tourism area, including any such additional 400 acre area, shall not exceed  
35 \$308,000,000, unless the city has secured prior approval from the secre-  
36 tary of commerce and the secretary of revenue. Any special obligation  
37 bonds issued for the following purposes shall not be counted toward such  
38 limit on the principal amount:

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

42 (2) special obligation bonds issued solely to fund reserve funds for  
43 such bond refunding.

1 Prior to issuing any special obligation bonds for any purpose, the city  
2 must have the approval of the secretary of commerce and the secretary  
3 of revenue. The city shall prepare and submit annually to the secretary  
4 of commerce by October 1 of each year, a report describing the status of  
5 any projects within a major tourism area, including any such additional  
6 400 acre area, any expenditures of the proceeds of special obligation  
7 bonds that have occurred since the last annual report and any expendi-  
8 tures of the proceeds of such bonds expected to occur in the future,  
9 including the amount of sales tax revenue, how it has been spent, the  
10 projected amount of such revenue and the anticipated use of such reve-  
11 nue. The department of commerce shall compile this information and  
12 submit a report annually to the governor, Kansas, Inc. and the legislature  
13 by February 1 of each year. Any business located in Kansas within 50  
14 miles of a major tourism area that relocates into a major tourism area,  
15 including such additional 400 acre area, shall not receive any of the ben-  
16 efits of K.S.A. 12-1770 et seq., and amendments thereto.

17 (c) If a city determines that revenues from sources other than prop-  
18 erty taxes will be sufficient to pay any special obligation bonds issued to  
19 finance a redevelopment project for an auto race track facility as de-  
20 scribed in subsection (a) of K.S.A. 12-1770a, and amendments thereto,  
21 and the secretary of commerce makes a finding that such project will  
22 create a major tourism area pursuant to subsection ~~(a)~~ (l) of K.S.A. 12-  
23 1770a, and amendments thereto, all real and personal property, consti-  
24 tuting an auto race track facility described in subsection (a) of K.S.A. 12-  
25 1770a, and amendments thereto, in such redevelopment district shall be  
26 exempt from property taxation for a period ending on the earlier of (1)  
27 the date which is 30 years after the date of the finding by the secretary  
28 of commerce with respect to such major tourism area; or (2) the date on  
29 which no such special obligation bonds issued to finance such auto race  
30 track facility in a major tourism area remain outstanding.

31 (d) The city which is authorized to issue bonds pursuant to the pro-  
32 visions of K.S.A. 12-1770 et seq. in order to finance a redevelopment  
33 project in a major tourism area as defined by K.S.A. 12-1770a, and  
34 amendments thereto, shall obtain underwriting services required by the  
35 city for the issuance of such bonds pursuant to written proposals received  
36 in accordance with this section.

37 (e) Each city which is authorized to issue such bonds shall establish  
38 written official procedures for obtaining underwriting services required  
39 for the issuance of such bonds, including specifications for requests for  
40 proposals and criteria for evaluation of proposals on a competitive basis.  
41 The proposal evaluation criteria shall include factors based on cost, ca-  
42 pacity to provide the required services, qualifications and experience.

43 (f) Prior to the issuance of any such bonds to finance a redevelopment

1 project in a major tourism area after April 26, 2001, the city shall publish  
2 notice of a request for proposals to provide the underwriting services that  
3 are required by the city with regard to the proposed bond issuance and  
4 shall mail requests for proposals to qualified interested parties upon re-  
5 quest for such notice. The city shall award contracts for such underwriting  
6 services from the proposals received in accordance with the procedures  
7 and evaluation criteria adopted by the city for such purpose. A city shall  
8 publish such notice in the official newspaper of the city.

9 (g) A redevelopment project in a major tourism area for an auto race  
10 track facility, shall be completed within 30 years from the date the sec-  
11 retary makes the finding that the redevelopment project will create a  
12 major tourism area pursuant to subsection (n) of K.S.A. 12-1770a, and  
13 amendments thereto.

14 (h) The maximum maturity on bonds issued to finance projects pur-  
15 suant to this act shall not exceed 20 years except that: (1) Such maximum  
16 period of special obligation bonds not payable from revenues described  
17 by subsections (a)(1)(D) ~~and (a)(1)(G)~~ of K.S.A. 12-1774, and amend-  
18 ments thereto, *or subsection (a)(1)(C) and (a)(1)(E) of section 15, and*  
19 *amendments thereto*, issued to finance an auto race track facility shall not  
20 exceed 30 years; and (2) such maximum period, if the governor deter-  
21 mines and makes and submits a finding to the speaker of the house of  
22 representatives and the president of the senate that a maturity greater  
23 than 20 years, but in no event exceeding 30 years, is necessary for the  
24 economic feasibility of the financing of an auto race track facility with  
25 special obligation bonds payable primarily from revenues described by  
26 ~~subsections subsection (a)(1)(D) and (a)(1)(G)~~ of K.S.A. 12-1774, and  
27 amendments thereto *and subsections (a)(1)(C) or (a)(1)(E) of section 15,*  
28 *and amendments thereto*, may be extended in accordance with such de-  
29 termination and finding.

30 (i) The secretary of revenue shall determine when the amount of sales  
31 tax and other revenues that have been collected and distributed to the  
32 bond debt service or reserve fund is sufficient to satisfy all principal and  
33 interest costs to the maturity date or dates, of any special obligation bonds  
34 issued by a city to finance a redevelopment project in a major tourism  
35 area. Thereafter, all sales tax and other revenues shall be collected and  
36 distributed in accordance with applicable law.

37 Sec. 3. K.S.A. 2006 Supp. 12-1773 is hereby amended to read as  
38 follows: 12-1773. (a) Any city which has adopted a redevelopment project  
39 plan in accordance with the provisions of this act may purchase or oth-  
40 erwise acquire real property in connection with such project plan. Upon  
41 a  $\frac{2}{3}$  vote of the members of the governing body thereof a city may acquire  
42 by condemnation any interest in real property, including a fee simple title  
43 thereto, which it deems necessary for or in connection with any project

1 plan of an area located within the redevelopment district; *however, em-*  
2 *inent domain may be used only as authorized by K.S.A. 2006 Sup. 26-*  
3 *501b, and amendments thereto.* Prior to the exercise of such eminent  
4 domain power, the city shall offer to the owner of any property which  
5 will be subject to condemnation with respect to any redevelopment pro-  
6 ject, other than one which includes an auto race track facility ~~or a special~~  
7 ~~bond project~~, compensation in an amount equal to the highest appraised  
8 valuation amount determined for property tax purposes by the county  
9 appraiser for any of the three most recent years next preceding the year  
10 of condemnation, except that, if in the year next preceding the year of  
11 condemnation any such property had been damaged or destroyed by fire,  
12 flood, tornado, lightning, explosion or other catastrophic event, the  
13 amount offered should be equal to the appraised valuation of the property  
14 which would have been determined taking into account such damage or  
15 destruction unless such property has been restored, renovated or other-  
16 wise improved. However no city shall exercise such eminent domain  
17 power to acquire real property in a conservation area. Any such city may  
18 exercise the power of eminent domain in the manner provided by K.S.A.  
19 26-501 et seq., and amendments thereto. In addition to the compensation  
20 or damage amount finally awarded thereunder with respect to any prop-  
21 erty subject to proceedings thereunder as a result of the construction of  
22 an auto race track facility or a special bond project, such city shall provide  
23 for the payment of an amount equal to 25% of such compensation or  
24 damage amount. In addition to any compensation or damages allowed  
25 under the eminent domain procedure act, such city shall also provide for  
26 the payment of relocation assistance as provided in K.S.A. 12-1777, and  
27 amendments thereto.

28 (b) Any real property acquired by a city under the provisions of this  
29 section may be sold, transferred or leased to a developer, in accordance  
30 with the redevelopment project plan and under such other conditions as  
31 may be agreed upon. Any real property sold, transferred or leased to a  
32 redevelopment project developer for a specific redevelopment project  
33 shall be sold, transferred or leased to such developer on the condition  
34 that such property shall be used only for that specific approved redevelop-  
35 ment project. If the developer does not utilize the entire tract of the  
36 real property sold, transferred or leased, that portion of property not used  
37 shall not be sold, transferred or leased by the developer to another de-  
38 veloper or party, but shall be deeded back to the city. If the developer  
39 paid the city for the land, a percentage of the original purchase price paid  
40 to the city which represents the percentage of the entire tract being  
41 deeded back to the city shall be reimbursed to the developer upon the  
42 deeding of the property back to the city.

43 (c) Any transfer by the redevelopment project developer of real prop-

erty acquired pursuant to this section shall be valid only if approved by a  $\frac{2}{3}$  majority vote of the members-elect of the governing body.

Sec. 4. K.S.A. 2006 Supp. 12-1774 is hereby amended to read as follows: 12-1774. (a) (1) Any city shall have the power to issue special obligation bonds in one or more series to finance the undertaking of any redevelopment project in accordance with the provisions of this act. Such special obligation bonds shall be made payable, both as to principal and interest:

(A) From tax increments allocated to, and paid into a special fund of the city under the provisions of K.S.A. 12-1775, and amendments thereto;

(B) from revenues of the city derived from or held in connection with the undertaking and carrying out of any redevelopment project or projects under this act including ~~historic theater sales tax increments and environmental increments;~~

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

(D) from a pledge of all of the revenue received by the city from any transient guest and local sales and use taxes which are collected from taxpayers doing business within that portion of the city's redevelopment district established pursuant to K.S.A. 12-1771, and amendments thereto, occupied by a redevelopment project if there first is a finding by the secretary that based upon the feasibility study the redevelopment project will create a major tourism area for the state; ~~is the restoration of a historic theater as defined in subsection (l) of K.S.A. 12-1770a, and amendments thereto; has been designated as a special bond project as defined in subsection (z) of K.S.A. 12-1770a, and amendments thereto; or is a major motorsports complex as defined in subsection (uu) (rr) of K.S.A. 12-1770a, and amendments thereto.~~ The proceeds of special obligation bonds issued pursuant to this paragraph after June 3, 2004, shall not be used to finance personal property as defined in K.S.A. 79-102, and amendments thereto. A city proposing to finance a major motorsports complex pursuant to this paragraph shall prepare a project plan ~~as required in K.S.A. 12-1780c, and amendments thereto; which shall include:~~

(1) *A summary of the feasibility study done as defined in K.S.A. 12-1770a, and amendments thereto, which will be an open record;*

(2) *a summary of the marketing study done as defined in K.S.A. 12-1770a, and amendments thereto, which will be an open record;*

(3) *a reference to the district plan established under K.S.A. 12-1771, and amendments thereto, that identifies the project area that is set forth in the project plan that is being considered;*

(4) *a description and map of the location of the facility that is the subject of the special bond project or major motorsports complex;*

(5) *the relocation assistance plan required by K.S.A. 12-1777, and*

1 *amendments thereto;*

2 (6) *a detailed description of the buildings and facilities proposed to*  
3 *be constructed or improved; and*

4 (7) *any other information the governing body deems necessary to ad-*  
5 *vice the public of the intent of the special bond project or major motors-*  
6 *sports complex plan.*

7 *The project plan shall be prepared in consultation with the planning*  
8 *commission of the city. Such project plan shall also be prepared in con-*  
9 *sultation with the planning commission of the county, if any, if a major*  
10 *motorsports complex is located wholly outside the boundaries of the city.*

11  
12 (E) (i) From a pledge of a portion or all increased revenue received  
13 by the city from franchise fees collected from utilities and other busi-  
14 nesses using public right-of-way within the redevelopment district; (ii)  
15 from a pledge of all or a portion of the revenue received by the city from  
16 sales taxes;

17 (F) with the approval of the county, from a pledge of all of the rev-  
18 enues received by the county from any transient guest, local sales and use  
19 taxes which are collected from taxpayers doing business within that por-  
20 tion of the redevelopment district established pursuant to K.S.A. 12-1771,  
21 and amendments thereto;

22 ~~(G) from a pledge of all of the revenue received from any state sales~~  
23 ~~taxes which are collected from taxpayers doing business within that por-~~  
24 ~~tion of the city's redevelopment district occupied by a redevelopment~~  
25 ~~project if the secretary finds that, based upon the feasibility study, the~~  
26 ~~redevelopment project will create a major tourism area for the state, is~~  
27 ~~the restoration of a historic theater as defined in subsection (1) of K.S.A.~~  
28 ~~12-1770a, and amendments thereto, has been designated a special bond~~  
29 ~~project as defined in subsection (z) of K.S.A. 12-1770a, and amendments~~  
30 ~~thereto, or is a major motorsports complex as defined in subsection (uu)~~  
31 ~~of K.S.A. 12-1770a, and amendments thereto. The proceeds of special~~  
32 ~~obligation bonds issued pursuant to this paragraph after June 3, 2004,~~  
33 ~~shall not be used to finance personal property as defined in K.S.A. 79-~~  
34 ~~102, and amendments thereto;~~

35 ~~—(H) by any combination of these methods except that for a project~~  
36 ~~which has been designated as a special bond project as defined in sub-~~  
37 ~~section (z) of K.S.A. 12-1770a and amendments thereto, 100% of city and~~  
38 ~~county sales taxes shall be pledged for such project except for amounts~~  
39 ~~committed to other use by election of voters or pledged to bond repay-~~  
40 ~~ment prior to the approval of a project using special obligation bonds~~  
41 ~~payable from the revenues described in subsections (a)(1)(D) and~~  
42 ~~(a)(1)(G) of K.S.A. 12-1774, and amendments thereto.~~

43 The city may pledge such revenue to the repayment of such special

1 obligation bonds prior to, simultaneously with, or subsequent to the is-  
2 suance of such special obligation bonds.

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

8 (3) Bonds issued under the provisions of paragraph (1) of this sub-  
9 section shall be special obligations of the city and are declared to be  
10 negotiable instruments. They shall be executed by the mayor and clerk  
11 of the city and sealed with the corporate seal of the city. All details per-  
12 taining to the issuance of such special obligation bonds and terms and  
13 conditions thereof shall be determined by ordinance of the city. All special  
14 obligation bonds issued pursuant to this act and all income or interest  
15 therefrom shall be exempt from all state taxes except inheritance taxes.  
16 Such special obligation bonds shall contain none of the recitals set forth  
17 in K.S.A. 10-112, and amendments thereto. Such special obligation bonds  
18 shall, however, contain the following recitals, namely, the authority under  
19 which such special obligation bonds are issued, they are in conformity  
20 with the provisions, restrictions and limitations thereof, and that such  
21 special obligation bonds and the interest thereon are to be paid from the  
22 money and revenue received as provided in paragraph (1) of this  
23 subsection.

24 (b) (1) Subject to the provisions of paragraph (2) of this subsection,  
25 any city shall have the power to issue full faith and credit tax increment  
26 bonds to finance the undertaking of any redevelopment project in ac-  
27 cordance with the provisions of K.S.A. 12-1770 et seq., and amendments  
28 thereto, other than a project that will create a major tourism area, is a  
29 ~~special star~~ bond project *as defined in section 8, and amendments thereto,*  
30 or result in the renovation of an historic theater. Such full faith and credit  
31 tax increment bonds shall be made payable, both as to principal and in-  
32 terest: (A) From the revenue sources identified in paragraph (1)(A), (B),  
33 (C), (D), ~~(E) or (G)~~ or (E) of subsection (a) or by any combination of  
34 these sources; and (B) subject to the provisions of paragraph (2) of this  
35 subsection, from a pledge of the city's full faith and credit to use its ad  
36 valorem taxing authority for repayment thereof in the event all other  
37 authorized sources of revenue are not sufficient.

38 (2) Except as provided in paragraph (3) of this subsection, before the  
39 governing body of any city proposes to issue full faith and credit tax in-  
40 crement bonds as authorized by this subsection, the feasibility study re-  
41 quired by K.S.A. 12-1772, and amendments thereto, shall demonstrate  
42 that the benefits derived from the project will exceed the cost and that  
43 the income therefrom will be sufficient to pay the costs of the project.

1 No full faith and credit tax increment bonds shall be issued unless the  
2 governing body states in the resolution required by K.S.A. 12-1772, and  
3 amendments thereto, that it may issue such bonds to finance the proposed  
4 redevelopment project. The governing body may issue the bonds unless  
5 within 60 days following the date of the public hearing on the proposed  
6 project plan a protest petition signed by 3% of the qualified voters of the  
7 city is filed with the city clerk in accordance with the provisions of K.S.A.  
8 25-3601 et seq., and amendments thereto. If a sufficient petition is filed,  
9 no full faith and credit tax increment bonds shall be issued until the  
10 issuance of the bonds is approved by a majority of the voters voting at an  
11 election thereon. Such election shall be called and held in the manner  
12 provided by the general bond law. The failure of the voters to approve  
13 the issuance of full faith and credit tax increment bonds shall not prevent  
14 the city from issuing special obligation bonds in accordance with this  
15 section. No such election shall be held in the event the board of county  
16 commissioners or the board of education determines, as provided in  
17 K.S.A. 12-1771, and amendments thereto, that the proposed redevelop-  
18 ment district will have an adverse effect on the county or school district.

19 (3) As an alternative to paragraph (2) of this subsection, any city which  
20 adopts a redevelopment project plan but does not state its intent to issue  
21 full faith and credit tax increment bonds in the resolution required by  
22 K.S.A. 12-1772, and amendments thereto, and has not acquired property  
23 in the redevelopment project area may issue full faith and credit tax in-  
24 crement bonds if the governing body of the city adopts a resolution stating  
25 its intent to issue the bonds and the issuance of the bonds is approved by  
26 a majority of the voters voting at an election thereon. Such election shall  
27 be called and held in the manner provided by the general bond law. The  
28 failure of the voters to approve the issuance of full faith and credit tax  
29 increment bonds shall not prevent the city from issuing special obligation  
30 bonds pursuant to paragraph (1) of subsection (a). Any project plan  
31 adopted by a city prior to the effective date of this act in accordance with  
32 K.S.A. 12-1772, and amendments thereto, shall not be invalidated by any  
33 requirements of this act.

34 (4) During the progress of any redevelopment project in which the  
35 redevelopment project costs will be financed, in whole or in part, with  
36 the proceeds of full faith and credit tax increment bonds, the city may  
37 issue temporary notes in the manner provided in K.S.A. 10-123, and  
38 amendments thereto, to pay the redevelopment project costs for the pro-  
39 ject. Such temporary notes shall not be issued and the city shall not ac-  
40 quire property in the redevelopment project area until the requirements  
41 of paragraph (2) or (3) of this subsection, whichever is applicable, have  
42 been met.

43 (5) Full faith and credit tax increment bonds issued under this sub-

1 section shall be general obligations of the city and are declared to be  
2 negotiable instruments. They shall be issued in accordance with the gen-  
3 eral bond law. All such bonds and all income or interest therefrom shall  
4 be exempt from all state taxes except inheritance taxes. The amount of  
5 the full faith and credit tax increment bonds issued and outstanding which  
6 exceeds 3% of the assessed valuation of the city shall be within the bonded  
7 debt limit applicable to such city.

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

11 (c) Any increment in ad valorem property taxes resulting from a re-  
12 development project in the established redevelopment district under-  
13 taken in accordance with the provisions of this act, shall be apportioned  
14 to a special fund for the payment of the redevelopment project costs,  
15 including the payment of principal and interest on any special obligation  
16 bonds or full faith and credit tax increment bonds issued to finance such  
17 project pursuant to this act and may be pledged to the payment of prin-  
18 cipal and interest on such bonds.

19 (d) For each project financed with special obligation bonds payable  
20 from the revenues described in subsections (a)(1)(D) ~~and (a)(1)(G)~~, the  
21 city shall prepare and submit annually to the secretary of commerce by  
22 October 1 of each year, a report describing the status of any projects  
23 within such redevelopment area, any expenditures of the proceeds of  
24 special obligation bonds that have occurred since the last annual report  
25 and any expenditures of the proceeds of such bonds expected to occur in  
26 the future, including the amount of sales tax revenue, how it has been  
27 spent, the projected amount of such revenue and the anticipated use of  
28 such revenue. The department of commerce shall compile this informa-  
29 tion and submit a report annually to the governor, Kansas, Inc. and the  
30 legislature by February 1 of each year.

31 (e) A city may use the proceeds of special obligation bonds or full  
32 faith and credit tax increment bonds, or any uncommitted funds derived  
33 from sources set forth in this section to pay the redevelopment project  
34 costs as defined in K.S.A. 12-1770a, and amendments thereto, to imple-  
35 ment the redevelopment project plan.

36 (f) With respect to a redevelopment district established prior to Jan-  
37 uary 1, 2003, for which, prior to January 1, 2003, the secretary of com-  
38 merce made a finding as provided in subsection (a) of this section that a  
39 redevelopment project would create a major tourism area for the state,  
40 such special obligation bonds shall be payable both as to principal and  
41 interest, from a pledge of all of the revenue from any transient guest,  
42 state and local sales and use taxes collected from taxpayers as provided  
43 in subsection (a) of this section whether or not revenues from such taxes

1 are received by the city.

2 Sec. 5. K.S.A. 2006 Supp. 12-1774a is hereby amended to read as  
3 follows: 12-1774a. In the event that the city shall default in the payment  
4 of any special obligation bonds payable from revenues authorized pur-  
5 suant to subsection (a)(1)(D) ~~or (a)(1)(G)~~ of K.S.A. 12-1774, and amend-  
6 ments thereto, no public funds shall be used to pay the holders thereof  
7 except as otherwise specifically authorized in this act.

8 Sec. 6. K.S.A. 12-1776 is hereby amended to read as follows: 12-  
9 1776. (a) After the adoption by the city governing body of a project plan,  
10 the clerk of the city shall transmit a copy of the description of the land  
11 within the redevelopment district, a copy of the ordinance adopting the  
12 plan and a map or plat indicating the boundaries of the district to the  
13 clerk, assessor and treasurer of the county in which the district is located  
14 and to the governing bodies of the county and school district which levy  
15 taxes upon any property in the district. Such documents shall be trans-  
16 mitted following the adoption or modification of the plan or a revision of  
17 the plan on or before the January 1 of the year in which the increment  
18 is first allocated to the taxing subdivision pursuant to K.S.A. 12-1775, and  
19 amendments thereto.

20 (b) For any year in which taxes are to be paid to the special fund  
21 established under subsection ~~(c)(2)~~ (b)(2) of K.S.A. 12-1775, and amend-  
22 ments thereto, any increase in assessed valuation of taxable tangible real  
23 property within the redevelopment district in excess of an amount equal  
24 to the total assessed value of such real property on the date of the estab-  
25 lishment of the redevelopment district shall not be considered by any  
26 taxing subdivision in computing any debt limitation or for any other pur-  
27 pose except for the levy of taxes and in determining the amount to be  
28 paid to such special fund.

29 (c) The appraiser of any county in which a redevelopment district is  
30 authorized by a city shall certify the amount of such increase in assessed  
31 valuation of real and personal property within the redevelopment district  
32 to the county clerk on or before July 1 of each year.

33 New Sec. 7. It is hereby declared to be the purpose of this act to  
34 promote, stimulate and develop the general and economic welfare of the  
35 state of Kansas and its communities and to assist in the development and  
36 redevelopment of eligible areas within and without a city thereby pro-  
37 moting the general welfare of the citizens of this state, by authorizing  
38 cities to acquire certain property and to issue sales tax and revenue  
39 (STAR) bonds for the financing of STAR bond projects as defined in  
40 section 2, and amendments thereto. It is further found and declared that  
41 the powers conferred by this act are for public uses and purposes for  
42 which public money may be expended and the power of eminent domain  
43 exercised. The necessity in the public interest for the provisions of this

- 1 act is hereby declared as a matter of legislative determination.
- 2 New Sec. 8. As used in sections 7 through 25, and amendments  
3 thereto, the following words and phrases shall have the following mean-  
4 ings unless a different meaning clearly appears from the content:
- 5 (a) “Auto race track facility” means: (1) An auto race track facility and  
6 facilities directly related and necessary to the operation of an auto race  
7 track facility, including, but not limited to, grandstands, suites and viewing  
8 areas, concessions, souvenir facilities, catering facilities, visitor and retail  
9 centers, signage and temporary hospitality facilities, but excluding (2) ho-  
10 tels, motels, restaurants and retail facilities, not directly related to or nec-  
11 essary to the operation of such facility.
- 12 (b) “Bioscience” means the use of compositions, methods and organ-  
13 isms in cellular and molecular research, development and manufacturing  
14 processes for such diverse areas as pharmaceuticals, medical therapeutics,  
15 medical diagnostics, medical devices, medical instruments, biochemistry,  
16 microbiology, veterinary medicine, plant biology, agriculture, industrial  
17 environmental and homeland security applications of bioscience and fu-  
18 ture developments in the biosciences. Bioscience includes biotechnology  
19 and life sciences.
- 20 (c) “Bioscience development area” means an area that:
- 21 (1) Is or shall be owned, operated or leased by, or otherwise under  
22 the control of the Kansas bioscience authority;
- 23 (2) is or shall be used and maintained by a bioscience company; or
- 24 (3) includes a bioscience facility.
- 25 (d) “Bioscience development district” means the specific area, cre-  
26 ated under K.S.A. 12-1771, and amendments thereto, where one or more  
27 bioscience development projects may be undertaken.
- 28 (e) “Bioscience development project” means an approved project to  
29 implement a project plan in a bioscience development district.
- 30 (f) “Bioscience development project plan” means the plan adopted  
31 by the authority for a bioscience development project pursuant to K.S.A.  
32 12-1772, and amendments thereto, in a bioscience development district.
- 33 (g) “Bioscience facility” means real property and all improvements  
34 thereof used to conduct bioscience research, including, without limita-  
35 tion, laboratory space, incubator space, office space and any and all fa-  
36 cilities directly related and necessary to the operation of a bioscience  
37 facility.
- 38 (h) “Bioscience project area” means an area designated by the au-  
39 thority within a bioscience development district.
- 40 (i) “Biotechnology” means those fields focusing on technological de-  
41 velopments in such areas as molecular biology, genetic engineering, gen-  
42 omics, proteomics, physiomics, nanotechnology, biodefense, biocomput-  
43 ing, bioinformatics and future developments associated with

1 biotechnology.

2 (j) “Board” means the board of directors of the Kansas bioscience  
3 authority.

4 (k) “Commence work” means the manifest commencement of actual  
5 operations on the development site, such as, erecting a building, exca-  
6 vating the ground to lay a foundation or a basement or work of like de-  
7 scription which a person with reasonable diligence can see and recognize  
8 as being done with the intention and purpose to continue work until the  
9 project is completed.

10 (l) “De minimus” means an amount less than 15% of the land area  
11 within a STAR bond project district.

12 (m) “Developer” means any person, firm, corporation, partnership or  
13 limited liability company other than a city and other than an agency,  
14 political subdivision or instrumentality of the state.

15 (n) “Economic impact study” means a study to project the financial  
16 benefit of the STAR bond project to the local, regional and state  
17 economies.

18 (o) “Eligible area” means a historic theater, major tourism area, major  
19 motorsports complex, auto race track facility, river walk canal facility,  
20 major multi-sport athletic complex, or a major commercial entertainment  
21 and tourism area as determined by the secretary.

22 (p) “Historic theater” means a building constructed prior to 1940  
23 which was constructed for the purpose of staging entertainment, includ-  
24 ing motion pictures, vaudeville shows or operas, that is operated by a  
25 nonprofit corporation and is designated by the state historic preservation  
26 officer as eligible to be on the Kansas register of historic places or is a  
27 member of the Kansas historic theater association.

28 (q) “Historic theater sales tax increment” means the amount of state  
29 and local sales tax revenue imposed pursuant to K.S.A. 12-187 et seq.,  
30 79-3601 et seq. and 79-3701 et seq., and amendments thereto, collected  
31 from taxpayers doing business within the historic theater that is in excess  
32 of the amount of such taxes collected prior to the designation of the  
33 building as a historic theater for purposes of sections 7 through 25, and  
34 amendments thereto.

35 (r) “Life sciences” means the areas of medical sciences, pharmaceu-  
36 tical sciences, biological sciences, zoology, botany, horticulture, ecology,  
37 toxicology, organic chemistry, physical chemistry, physiology and any fu-  
38 ture advances associated with life sciences.

39 (s) “Major commercial entertainment and tourism area” means an  
40 area that may include, but not be limited to, a major multi-sport athletic  
41 complex.

42 (t) “Major motorsports complex” means a complex in Shawnee  
43 county that is utilized for the hosting of competitions involving motor

- 1 vehicles, including, but not limited to, automobiles, motorcycles or other  
2 self-propelled vehicles other than a motorized bicycle or motorized  
3 wheelchair. Such project may include racetracks, all facilities directly re-  
4 lated and necessary to the operation of a motorsports complex, including,  
5 but not limited to, parking lots, grandstands, suites and viewing areas,  
6 concessions, souvenir facilities, catering facilities, visitor and retail cen-  
7 ters, signage and temporary hospitality facilities, but excluding hotels,  
8 motels, restaurants and retail facilities not directly related to or necessary  
9 to the operation of such facility.
- 10 (u) “Major tourism area” means an area for which the secretary has  
11 made a finding the capital improvements costing not less than  
12 \$100,000,000 will be built in the state to construct an auto race track  
13 facility.
- 14 (v) “Major multi-sport athletic complex” means an athletic complex  
15 that is utilized for the training of athletes, the practice of athletic teams,  
16 the playing of athletic games or the hosting of events. Such project may  
17 include playing fields, parking lots and other developments.
- 18 (w) “Market study” means a study to determine the ability of the  
19 project to gain market share locally, regionally and nationally and the  
20 ability of the project to gain sufficient market share to:
- 21 (1) Remain profitable past the term of repayment; and  
22 (2) maintain status as a significant factor for travel decisions.
- 23 (x) “Market impact study” means a study to measure the impact of  
24 the proposed STAR bond project or bioscience development project on  
25 similar businesses in the project’s market area.
- 26 (y) “Project” means a STAR bond project or bioscience development  
27 project.
- 28 (z) (1) “Project costs” means those costs necessary to implement a  
29 STAR bond project plan or bioscience development project plan, includ-  
30 ing costs incurred for:
- 31 (A) Acquisition of property within the project area;  
32 (B) payment of relocation assistance pursuant to a relocation assis-  
33 tance plan as provided in section 15, and amendments thereto;  
34 (C) site preparation including utility relocations;  
35 (D) sanitary and storm sewers and lift stations;  
36 (E) drainage conduits, channels, levees and river walk canal facilities;  
37 (F) street grading, paving, graveling, macadamizing, curbing, gutter-  
38 ing and surfacing;  
39 (G) street light fixtures, connection and facilities;  
40 (H) underground gas, water, heating and electrical services and con-  
41 nections located within the public right-of-way;  
42 (I) sidewalks and pedestrian underpasses or overpasses;  
43 (J) drives and driveway approaches located within the public right-

1 of-way;

2 (K) water mains and extensions;

3 (L) plazas and arcades;

4 (M) parking facilities;

5 (N) landscaping and plantings, fountains, shelters, benches, sculp-

6 tures, lighting, decorations and similar amenities; and

7 (O) related expenses to redevelop and finance the STAR bond pro-

8 ject, except that for a redevelopment project financed with special obli-

9 gation bonds payable from the revenues described in subsections

10 (a)(1)(C) and (a)(1)(E) of section 15, and amendments thereto, such ex-

11 penses shall require prior approval by the secretary of commerce.

12 (2) Project costs shall not include costs incurred in connection with

13 the construction of buildings or other structures to be owned by or leased

14 to a developer, however, project costs shall include costs incurred in con-

15 nection with the construction of buildings or other structures to be owned

16 or leased to a developer which includes an auto race track facility. In

17 addition, project costs shall not include:

18 (A) Fees and commissions paid to real estate agents, financial advisors

19 or any other consultants who represent the businesses considering locat-

20 ing in a STAR bond project district;

21 (B) salaries for local government employees;

22 (C) moving expenses for employees of the businesses locating within

23 the STAR bond project district;

24 (D) property taxes for businesses that locate in the STAR bond pro-

25 ject district;

26 (E) lobbying costs; and

27 (F) a bond origination fee charged by the city pursuant to K.S.A. 12-

28 1742, and amendments thereto.

29 (aa) "Projected market area" means any area within the state in which

30 the STAR bond project is projected to have a substantial fiscal or market

31 impact upon businesses in such area.

32 (bb) "River walk canal facilities" means a canal and related water

33 features located adjacent to a river which flows through a major com-

34 mercial entertainment and tourism area and facilities related or contig-

35 uous thereto, including, but not limited to, pedestrian walkways and

36 promenades, landscaping and parking facilities.

37 (cc) "Sales tax and revenue" means those revenues available to fi-

38 nance the issuance of special obligation bonds as identified in section 15,

39 and amendments thereto.

40 (dd) "STAR bond" means sales tax and revenue bond.

41 (ee) "STAR bond project" means an approved project to implement

42 a project plan for the development of the established STAR bond project

43 district with:

- 1 (1) At least a \$50,000,000 capital investment and \$50,000,000 in pro-  
2 jected gross annual sales; or
- 3 (2) for areas outside of metropolitan statistical areas, as defined by  
4 the federal office of management and budget, the secretary finds:
- 5 (A) The project is an eligible area as defined in subsection (o); and  
6 (B) would be of statewide or multi-state significance; or  
7 (3) a major tourism area as defined in subsection (u).
- 8 A STAR bond project shall not include a project for a gambling casino.
- 9 (ff) “STAR bond project area” or “project area” means the project’s  
10 geographic area within a STAR bond project district.
- 11 (gg) “STAR bond project district” or “project district” means the spe-  
12 cific area declared to be an eligible area as determined by the secretary  
13 in which the city may develop one or more STAR bond projects.
- 14 (hh) “STAR bond project district plan” or “district plan” means the  
15 preliminary plan that identifies all of the proposed STAR bond project  
16 areas and identifies in a general manner all of the buildings, facilities and  
17 improvements in each that are proposed to be constructed or improved  
18 in each STAR bond project area.
- 19 (ii) “STAR bond project plan” or “project plan” means the plan  
20 adopted by a municipality for the development of a STAR bond project  
21 in a STAR bond project district.
- 22 (jj) “Secretary” means the secretary of commerce.
- 23 (kk) “Substantial change” means, as applicable, a change wherein the  
24 proposed plan or plans differ substantially from the intended purpose for  
25 which the STAR bond project district plan was approved.
- 26 (ll) “Taxpayer” means a person, corporation, limited liability com-  
27 pany, S corporation, partnership, registered limited liability partnership,  
28 foundation, association, nonprofit entity, sole proprietorship, business  
29 trust, group or other entity that is subject to the Kansas income tax act,  
30 K.S.A. 79-3201 et seq., and amendments thereto.
- 31 New Sec. 9. The governing body of any municipality may designate  
32 a building within such municipality to be a historic theater if the governing  
33 body of the municipality and the secretary of commerce agree that the  
34 building satisfies the requirements of subsection (p) of section 8, and  
35 amendments thereto, and will contribute significantly to the economic  
36 development of the city and surrounding area.
- 37 New Sec. 10. (a) The governing body of a city may establish one or  
38 more STAR bond projects in any area within such city or wholly outside  
39 the boundaries of such city. A STAR bond project wholly outside the  
40 boundaries of such city must be approved by the board of county com-  
41 missioners through county resolution. The STAR bond projects shall be  
42 eligible for financing by special obligation bonds payable from revenues  
43 described by subsection (a)(1)(C) or (a)(1)(E) of section 15, and amend-

1 ments thereto. Each STAR bond project shall first be approved by the  
2 secretary, if the secretary determines that the proposed project or com-  
3 plex sufficiently promotes, stimulates and develops the general and eco-  
4 nomic welfare of the state as described in section 7 et seq., and amend-  
5 ments thereto. For a city proposing to finance a major motorsports  
6 complex pursuant to subsection (a)(1)(C) or (a)(1)(E) of section 15, and  
7 amendments thereto, the secretary of commerce, upon approving the  
8 project, may approve such financing in an amount not to exceed 50% of  
9 the STAR bond project costs. The secretary may approve a STAR bond  
10 project located in a redevelopment district established by a city prior to  
11 May 1, 2003. A STAR bond project shall not be granted to any business  
12 that proposes to relocate its business from another area of the state into  
13 such city, for the purpose of consideration for a STAR bond project pro-  
14 vided by section 7 et seq., and amendments thereto. A STAR bond project  
15 shall not be approved by the secretary if the market study required by  
16 section 11, and amendments thereto, indicates a substantial negative im-  
17 pact upon businesses in the project or complex market area or the grant-  
18 ing of such project or complex would cause a default in the payment of  
19 any outstanding special obligation bonds payable from revenues author-  
20 ized pursuant to subsection (a)(1)(C) or (a)(1)(E) of section 15, and  
21 amendments thereto.

22 (b) The maximum maturity of special obligation bonds payable pri-  
23 marily from revenues described by subsection (a)(1)(C) or (a)(1)(E) of  
24 section 15, and amendments thereto, to finance STAR bond projects pur-  
25 suant to this section shall not exceed 20 years.

26 (c) A city that owns a building or structure that was financed in whole  
27 or in part by a special obligation bonds payable from revenues described  
28 in subsection (a)(1)(C) or (a)(1)(E) of section 15, and amendments  
29 thereto, may engage a manager to manage such building or structure.  
30 The contractual relationship between the city and the manager of such  
31 building or structure shall not be deemed a lease to a developer for pur-  
32 poses of paragraph (O) of subsection (z)(1) of section 8, and amendments  
33 thereto.

34 New Sec. 11. (a) *Resolution procedure for a STAR bond project dis-*  
35 *trict or bioscience development district.* When a city proposes to establish  
36 a STAR bond project district or when the Kansas bioscience authority  
37 proposes to establish a bioscience development district within an eligible  
38 area, the city or the Kansas bioscience authority shall adopt a resolution  
39 stating that the city or the Kansas bioscience authority is considering the  
40 establishment of a STAR bond district or bioscience development district.  
41 Such resolution shall:

42 (1) Give notice that a public hearing will be held to consider the  
43 establishment of a STAR bond project district or bioscience development

1 district and fix the date, hour and place of such public hearing;

2 (2) describe the proposed boundaries of the STAR bond project dis-  
3 trict or bioscience development district;

4 (3) describe the STAR bond project district plan or bioscience de-  
5 velopment district plan;

6 (4) state that a description and map of the proposed STAR bond  
7 project district or bioscience development district are available for in-  
8 spection at a time and place designated; and

9 (5) state that the governing body will consider findings necessary for  
10 the establishment of a STAR bond project district or bioscience devel-  
11 opment district.

12 Notice shall be given as prescribed in subsection (c) and (g) of section  
13 12, and amendments thereto.

14 (b) A copy of the resolution shall be delivered to the board of county  
15 commissioners of the county and the board of education of any school  
16 district levying taxes on property within the proposed project district.

17 (c) The city shall submit the proposed STAR bond project district to  
18 the secretary for a determination that the district is an eligible area as  
19 defined in subsection (o) of section 8, and amendments thereto.

20 (d) *Posthearing procedure.* Upon the conclusion of the public hear-  
21 ing, and a finding by the secretary that the proposed district is an eligible  
22 area, the governing body may pass an ordinance.

23 (1) An ordinance for a STAR bond project district shall:

24 (A) Make findings that the STAR bond project district proposed to  
25 be developed is an historic theater or a STAR bond project as defined in  
26 section 8, and amendments thereto;

27 (B) contain the STAR bond project district plan as approved that  
28 identifies all of the proposed STAR bond project areas and identifies in  
29 a general manner all of the buildings and facilities that are proposed to  
30 be constructed or improved in each STAR bond project area. The bound-  
31 aries of such STAR bond project district shall not include any area not  
32 designated in the notice required by subsection (a); and

33 (C) contain the legal description of the STAR bond project district  
34 and may establish the STAR bond project district.

35 Such ordinance shall contain a district plan that identifies all of the  
36 proposed STAR bond project areas and identifies in a general manner all  
37 of the buildings and facilities that are proposed to be constructed or im-  
38 proved in each redevelopment project area. The boundaries of such dis-  
39 trict shall not include any area not designated in the notice required by  
40 subsection (a).

41 (2) An ordinance for bioscience development district shall make find-  
42 ings that the area satisfies the definition of a bioscience area and the  
43 creation of a bioscience district will contribute to the development of

1 bioscience in the state and promote the general and economic welfare of  
2 the city. Such ordinance shall also contain the district plan as approved  
3 and contain the legal description of the bioscience development district.  
4 Such ordinance shall contain a development district plan that identifies  
5 all of the proposed bioscience development project areas and identifies  
6 in a general manner all of the buildings and facilities that are proposed  
7 to be constructed or improved in each bioscience development project  
8 area. The boundaries of such district shall not include any area not des-  
9 ignated in the notice required by subsection (a). No bioscience devel-  
10 opment district shall be established without the approval of the bioscience  
11 authority. In creating a bioscience development district, eminent domain  
12 shall not be used to acquire agricultural land.

13 (e) The governing body of a city may establish a STAR bond project  
14 district within that city, and, with the bioscience authority's approval, may  
15 establish a bioscience development district within that city. Such city may  
16 establish a district inclusive of land outside the boundaries of the city or  
17 wholly outside the boundaries of such city upon written consent of the  
18 board of county commissioners. Prior to providing written consent, the  
19 board of county commissioners shall be subject to the same procedure  
20 for public notice and hearing as is required of a city pursuant to subsection  
21 (a) for the establishment of a redevelopment district or bioscience de-  
22 velopment district. One or more redevelopment projects or bioscience  
23 development projects may be undertaken by a city within a redevelop-  
24 ment district or bioscience development district after such redevelop-  
25 ment district or bioscience development district has been established in  
26 the manner provided by this section.

27 (f) No privately owned property subject to ad valorem taxes shall be  
28 acquired and redeveloped under the provisions of section 7 et seq., and  
29 amendments thereto, if the board of county commissioners or the board  
30 of education levying taxes on such property determines by resolution  
31 adopted within 30 days following the conclusion of the hearing for the  
32 establishment of the STAR bond project district or bioscience develop-  
33 ment district required by subsection (b) that the proposed STAR bond  
34 project district or bioscience development district will have an adverse  
35 effect on such county or school district. The board of county commis-  
36 sioners or board of education shall deliver a copy of such resolution to  
37 the city. The city shall within 30 days of receipt of such resolution pass  
38 an ordinance terminating the STAR bond district.

39 New Sec. 12. (a) One or more STAR bond projects or bioscience  
40 development projects may be undertaken by a city within an established  
41 STAR bond district or bioscience development district. Any such project  
42 plan may be implemented in separate development stages. Any city pro-  
43 posing to undertake a STAR bond project or bioscience development

- 1 project within a STAR bond project district or bioscience development  
2 district established pursuant to section 11, and amendments thereto, shall  
3 prepare a project plan in consultation with the planning commission of  
4 the city and, in the case of a bioscience development district, with the  
5 approval of the bioscience authority. Such project plan shall also be pre-  
6 pared in consultation with the planning commission of the county, if any,  
7 if a STAR bond project or bioscience development project is located  
8 wholly outside the boundaries of the city.
- 9 (b) Any city proposing to undertake a STAR bond project or biosci-  
10 ence development project within a STAR bond district or bioscience de-  
11 velopment district established pursuant to section 11, and amendments  
12 thereto, shall:
- 13 (1) Prepare a feasibility study which details:
- 14 (A) Whether a STAR bond project's or bioscience development pro-  
15 ject's revenue and tax increment revenue and other available revenues  
16 under section 15, and amendments thereto, are expected to exceed or be  
17 sufficient to pay for the project costs;
- 18 (B) the effect, if any, the STAR bond project or bioscience devel-  
19 opment project will have on any outstanding special obligation bonds  
20 payable from the revenues described in section 15, and amendments  
21 thereto;
- 22 (C) a statement of how the jobs and taxes obtained from the STAR  
23 bond project or bioscience development project will contribute signifi-  
24 cantly to the economic development of the state and region;
- 25 (D) visitation expectations;
- 26 (E) the unique quality of the project;
- 27 (F) economic impact study;
- 28 (G) market study;
- 29 (H) market impact study;
- 30 (I) integration and collaboration with other resources or businesses;
- 31 (J) the quality of service and experience provided, as measured  
32 against national consumer standards for the specific target market;
- 33 (K) project accountability, measured according to best industry  
34 practices;
- 35 (L) the expected return on state and local investment that the STAR  
36 bond project or bioscience development project is anticipated to produce;
- 37 (M) a statement concerning whether a portion of the local sales and  
38 use taxes are pledged to other uses and are unavailable as revenue for the  
39 STAR bond project or bioscience development project. If a portion of  
40 local sales and use taxes is so committed, the applicant shall describe the  
41 following:
- 42 (i) The percentage of city and county sales and use taxes collected  
43 that are so committed; and

- 1 (ii) the date or dates on which the city and county sales and use taxes  
2 pledged to other uses can be pledged for repayment of bonds;
- 3 (N) an anticipated principal and interest payment schedule on the  
4 bonds.
- 5 The failure to include all information enumerated in this subsection in  
6 the feasibility study for a STAR bond project or bioscience development  
7 project shall not affect the validity of bonds issued pursuant to sections 7  
8 through 25, and amendments thereto.
- 9 (2) Prepare a project plan if the city determines the project is feasible,  
10 the project plan shall include:
- 11 (A) A summary of the feasibility study done as defined in subsection  
12 (b) of this section, and amendments thereto;
- 13 (B) a reference to the district plan established under section 11, and  
14 amendments thereto, that identifies the STAR bond project area or bi-  
15 oscience project area that is set forth in the project plan that is being  
16 considered;
- 17 (C) a description and map of the STAR bond project area or biosci-  
18 ence development project area to be redeveloped;
- 19 (D) the relocation assistance plan as described in section 19, and  
20 amendments thereto;
- 21 (E) a detailed description of the buildings and facilities proposed to  
22 be constructed or improved in such area; and
- 23 (F) any other information the governing body deems necessary to  
24 advise the public of the intent of the project plan.
- 25 (c) *Resolution requirements.* A copy of the STAR bond project plan  
26 or bioscience development project plan shall be delivered to the board  
27 of county commissioners of the county and the board of education of any  
28 school district levying taxes on property within the proposed STAR bond  
29 project area or bioscience development project area. Upon a finding by  
30 the planning commission that the project plan is consistent with the intent  
31 of the comprehensive plan for the development of the city, and a finding  
32 by the planning commission of the county, if any, with respect to a STAR  
33 bond project or bioscience development project located wholly outside  
34 the boundaries of the city, that the project plan is consistent with the  
35 intent of the comprehensive plan for the development of the county, the  
36 governing body of the city shall adopt a resolution stating that the city is  
37 considering the adoption of the project plan. Such resolution shall:
- 38 (1) Give notice that a public hearing will be held to consider the  
39 adoption of the STAR bond project plan or bioscience development pro-  
40 ject plan and fix the date, hour and place of such public hearing;
- 41 (2) describe the boundaries of the STAR bond project district or bi-  
42 oscience development district within which the STAR bond project or  
43 bioscience development project will be located and the date of establish-

1 ment of such district;

2 (3) describe the boundaries of the area proposed to be included  
3 within the STAR bond project area or bioscience development project  
4 area; and

5 (4) state that the project plan, including a summary of the feasibility  
6 study, market study, relocation assistance plan and financial guarantees  
7 of the prospective developer and a description and map of the area to be  
8 redeveloped or developed are available for inspection during regular of-  
9 fice hours in the office of the city clerk.

10 (d) (1) *Hearing*. The date fixed for the public hearing shall be not  
11 less than 30 nor more than 70 days following the date of the adoption of  
12 the resolution fixing the date of the hearing.

13 (2) A copy of the resolution providing for the public hearing shall be  
14 by certified mail, return receipt requested, sent to the board of county  
15 commissioners of the county and the board of education of any school  
16 district levying taxes on property within the proposed STAR bond project  
17 area or bioscience project area. If the project is a bioscience development  
18 project, a copy of the resolution providing for the public hearing shall  
19 also be sent by certified mail, return receipt requested, to the Kansas  
20 development finance authority. Copies also shall be sent by certified mail,  
21 return receipt requested to each owner and occupant of land within the  
22 proposed STAR bond project area or bioscience development project  
23 area not more than 10 days following the date of the adoption of the  
24 resolution. The resolution shall be published once in the official city news-  
25 paper not less than one week nor more than two weeks preceding the  
26 date fixed for the public hearing. A sketch clearly delineating the area in  
27 sufficient detail to advise the reader of the particular land proposed to be  
28 included within the project area shall be published with the resolution.

29 (3) At the public hearing, a representative of the city shall present  
30 the city's proposed STAR bond project plan or bioscience development  
31 project plan. If the hearing is for a proposed bioscience development  
32 project, a representative of the Kansas bioscience authority shall assist in  
33 presenting the proposed bioscience project plan. Following the presen-  
34 tation of the project plan, all interested persons shall be given an oppor-  
35 tunity to be heard. The governing body for good cause shown may recess  
36 such hearing to a time and date certain, which shall be fixed in the pres-  
37 ence of persons in attendance at the hearing.

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

40 (f) *Posthearing procedure*. Following the public hearing, the govern-  
41 ing body may adopt the project plan by ordinance passed upon a  $\frac{2}{3}$  vote  
42 and, in the case of a bioscience project plan, with the approval of the  
43 Kansas bioscience authority.

- 1 (g) A bioscience development project may be undertaken in a bio-  
2 science development district in the unincorporated area of a county by  
3 resolution of the board of county commissioners governing the area if:
- 4 (1) The bioscience development project is approved by the Kansas  
5 bioscience authority; and
- 6 (2) the board of county commissioners follows the notice, hearing and  
7 approval procedures required of a city to establish a bioscience devel-  
8 opment project.
- 9 (h) When establishing a bioscience development project as described  
10 in subsection (g), any references to “city” contained in this section shall  
11 mean “county”.
- 12 (i) After the adoption by the city governing body of a project plan,  
13 the clerk of the city shall transmit a copy of the description of the land  
14 within the STAR bond district or bioscience development district, a copy  
15 of the ordinance adopting the plan and a map or plat indicating the  
16 boundaries of the district to the clerk, assessor and treasurer of the county  
17 in which the district is located and to the governing bodies of the county  
18 and school district which levy taxes upon any property in the district. Such  
19 documents shall be transmitted following the adoption or modification of  
20 the plan or a revision of the plan on or before the January 1 of the year  
21 in which the increment is first allocated to the taxing subdivision.
- 22 (j) The appraiser of any county in which a STAR bond district or  
23 bioscience development district is authorized by a city shall certify the  
24 amount of such increase in assessed valuation of real and personal prop-  
25 erty within the STAR bond district or bioscience development district to  
26 the county clerk on or before July 1 of each year.
- 27 (k) If the project plan is approved, the feasibility study will be sup-  
28 plemented to include a copy of the minutes of the governing body meet-  
29 ing or meetings of any city whose bonding authority will be utilized in  
30 the project, evidencing that a project plan has been created, discussed  
31 and adopted by the city in a regularly scheduled open public meeting.
- 32 (l) Any substantial changes as defined in section 8, and amendments  
33 thereto, to the STAR bond project plan or bioscience development pro-  
34 ject plan as adopted shall be subject to a public hearing following publi-  
35 cation of notice thereof at least twice in the official city newspaper.
- 36 (m) Any project shall be completed within 20 years from the date of  
37 the approval of the project plan. The maximum maturity on bonds issued  
38 to finance projects pursuant to section 7 et seq., and amendments thereto,  
39 shall not exceed 20 years. Kansas resident employees shall be given pri-  
40 ority consideration for employment in construction projects located in a  
41 STAR bond area.
- 42 (n) Any developer of a STAR bond project shall commence work on  
43 such project or complex within two years from the date of adoption of

1 the project plan. Should the developer fail to commence work on the  
2 STAR bond project within the two-year period, funding for such project  
3 or complex shall cease and the developer of such project or complex shall  
4 have one year to appeal to the secretary for reapproval of such project or  
5 complex and the funding for it. Should the project or complex be reap-  
6 proved, the two-year period for commencement shall apply.

7 (o) The secretary of revenue shall determine when the amount of  
8 sales tax and other revenues that have been collected and distributed to  
9 the bond debt service or reserve fund is sufficient to satisfy all principal  
10 and interest costs to the maturity date or dates, of any special obligation  
11 bonds issued by a city to finance a STAR bond project or bioscience  
12 development project. Thereafter, all sales tax and other revenues shall be  
13 collected and distributed in accordance with applicable law.

14 (p) The provisions of K.S.A. 12-1780c, and amendments thereto, re-  
15 garding special bond projects and motorsports complexes shall expire on  
16 and after July 1, 2007.

17 New Sec. 13. (a) The boundaries of any STAR bond district in a  
18 major tourism area including an auto race track facility located in Wy-  
19 andotte county, shall, without regard to that portion of the district per-  
20 taining to the auto race track facility, be as follows: Beginning at the  
21 intersection of Interstate 70 and Interstate 435; West along Interstate 70  
22 to 118th Street; North along 118th Street to State Avenue; Northeasterly  
23 along proposed relocated State Avenue to 110th Street; North along  
24 110th Street to Parallel Parkway; East along Parallel Parkway to Interstate  
25 435; South along Interstate 435 to Interstate 70.

26 (b) Any major tourism area may include an additional area not ex-  
27 ceeding 400 acres of additional property, excluding roads and highways,  
28 in addition to the property necessary for the auto race track facility upon  
29 a finding by the governor that the development plan and each project  
30 within such additional 400 acre area will enhance the major tourism area.  
31 For the development of each project within such additional 400 acre area  
32 the city shall select qualified developers pursuant to a request for propo-  
33 sals in accordance with written official procedures approved by the  
34 governing body of the city. Any project within such additional 400 acre  
35 area that is financed in whole or in part by special obligation bonds pay-  
36 able from revenues derived from subsection (a)(1)(D) or (a)(1)(E) of sec-  
37 tion 15, and amendments thereto, shall not be entitled to any real prop-  
38 erty tax abatements or the revenues described in K.S.A. 12-1775, and  
39 amendments thereto. Any project within such additional 400 acre area  
40 shall have been approved by the governor and construction shall have  
41 commenced by July 1, 2002. The maximum principal amount of special  
42 obligation bonds issued to fund STAR bond projects within a major tour-  
43 ism area, including any such additional 400 acre area, shall not exceed

1 \$308,000,000, unless the city has secured prior approval from the secre-  
2 tary of commerce and the secretary of revenue. Any special obligation  
3 bonds issued for the following purposes shall not be counted toward such  
4 limit on the principal amount:

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

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

10 Prior to issuing any special obligation bonds for any purpose, the city  
11 must have the approval of the secretary of commerce and the secretary  
12 of revenue. The city shall prepare and submit annually to the secretary  
13 of commerce by October 1 of each year, a report describing the status of  
14 any projects within a major tourism area, including any such additional  
15 400 acre area, any expenditures of the proceeds of special obligation  
16 bonds that have occurred since the last annual report and any expendi-  
17 tures of the proceeds of such bonds expected to occur in the future,  
18 including the amount of sales tax revenue, how it has been spent, the  
19 projected amount of such revenue and the anticipated use of such reve-  
20 nue. The department of commerce shall compile this information and  
21 submit a report annually to the governor, Kansas, Inc. and the legislature  
22 by February 1 of each year. Any business located in Kansas within 50  
23 miles of a major tourism area that relocates into a major tourism area,  
24 including such additional 400 acre area, shall not receive any of the ben-  
25 efits of section 7 et seq., and amendments thereto.

26 (c) If a city determines that revenues from sources other than prop-  
27 erty taxes will be sufficient to pay any special obligation bonds issued to  
28 finance a STAR bond project for an auto race track facility as described  
29 in section 8, and amendments thereto, and the secretary of commerce  
30 makes a finding that such project will create a major tourism area pur-  
31 suant to subsection (u) of section 8, and amendments thereto, all real and  
32 personal property, constituting an auto race track facility described in  
33 section 8, and amendments thereto, in such STAR bond district shall be  
34 exempt from property taxation for a period ending on the earlier of (1)  
35 the date which is 30 years after the date of the finding by the secretary  
36 of commerce with respect to such major tourism area; or (2) the date on  
37 which no such special obligation bonds issued to finance such auto race  
38 track facility in a major tourism area remain outstanding.

39 (d) The city which is authorized to issue bonds pursuant to the pro-  
40 visions of section 7 et seq., and amendments thereto, in order to finance  
41 a STAR bond project in a major tourism area as defined by section 8, and  
42 amendments thereto, shall obtain underwriting services required by the  
43 city for the issuance of such bonds pursuant to written proposals received

1 in accordance with this section.

2 (e) Each city which is authorized to issue such bonds shall establish  
3 written official procedures for obtaining underwriting services required  
4 for the issuance of such bonds, including specifications for requests for  
5 proposals and criteria for evaluation of proposals on a competitive basis.  
6 The proposal evaluation criteria shall include factors based on cost, ca-  
7 pacity to provide the required services, qualifications and experience.

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

17 (g) A STAR bond project in a major tourism area for an auto race  
18 track facility, shall be completed within 30 years from the date the sec-  
19 retary makes the finding that the STAR bond project will create a major  
20 tourism area pursuant to subsection (u) of section 8, and amendments  
21 thereto.

22 (h) The maximum maturity on bonds issued to finance projects pur-  
23 suant to section 7 et seq., and amendments thereto, shall not exceed 20  
24 years except that: (1) Such maximum period of special obligation bonds  
25 not payable from revenues described by subsections (a)(1)(C) and  
26 (a)(1)(E) of section 15, and amendments thereto, issued to finance an  
27 auto race track facility shall not exceed 30 years; and (2) such maximum  
28 period, if the governor determines and makes and submits a finding to  
29 the speaker of the house of representatives and the president of the senate  
30 that a maturity greater than 20 years, but in no event exceeding 30 years,  
31 is necessary for the economic feasibility of the financing of an auto race  
32 track facility with special obligation bonds payable primarily from reve-  
33 nues described by subsections (a)(1)(C) and (a)(1)(E) of section 15, and  
34 amendments thereto, may be extended in accordance with such deter-  
35 mination and finding.

36 (i) The secretary of revenue shall determine when the amount of sales  
37 tax and other revenues that have been collected and distributed to the  
38 bond debt service or reserve fund is sufficient to satisfy all principal and  
39 interest costs to the maturity date or dates, of any special obligation bonds  
40 issued by a city to finance a STAR bond project in a major tourism area.  
41 Thereafter, all sales tax and other revenues shall be collected and distrib-  
42 uted in accordance with applicable law.

43 New Sec. 14. (a) The secretary shall review the project plan, feasi-

1 bility study and market study, along with other supporting documentation  
2 and determine whether to approve a request, and, if approved, issue an  
3 approval letter for a STAR bond project or bioscience development pro-  
4 ject based upon the requirements within sections 7 through 25, and  
5 amendments thereto, and rules and regulations developed by the  
6 secretary.

7 (b) For major motorsports complex projects involving the use of state  
8 sales tax financing pursuant to section 15, and amendments thereto, the  
9 secretary shall set a limit on the total amount of such special obligation  
10 bonds that may be issued to not exceed 50% of the major motorsports  
11 complex costs. An issue of special obligation bonds must bear interest at  
12 a reasonable rate as of the time of sale of the bonds, taking into account  
13 such factors as current market conditions, the nature and degree of risk  
14 associated with repayment of the bonds and other relevant factors.

15 New Sec. 15. (a) (1) Any city shall have the power to issue special  
16 obligation bonds in one or more series to finance the undertaking of any  
17 STAR bond project in accordance with the provisions of sections 7  
18 through 25, and amendments thereto. Such special obligation bonds shall  
19 be made payable, both as to principal and interest:

20 (A) From revenues of the city derived from or held in connection  
21 with the undertaking and carrying out of any STAR bond project or pro-  
22 jects under sections 7 through 25, and amendments thereto, including  
23 historic theater sales tax increments;

24 (B) from any private sources, contributions or other financial assis-  
25 tance from the state or federal government;

26 (C) from a pledge of all of the revenue received by the city from any  
27 transient guest and local sales and use taxes which are collected from  
28 taxpayers doing business within that portion of the city's STAR bond  
29 district established pursuant to section 11, and amendments thereto, oc-  
30 cupied by a STAR bond project if there first is a finding by the secretary  
31 that based upon the feasibility study the STAR bond project will create  
32 a major tourism area for the state; is the restoration of a historic theater  
33 as defined in subsection (p) of section 8, and amendments thereto; or has  
34 been designated as a STAR bond project as defined in subsection (ee) of  
35 section 8, and amendments thereto. The proceeds of special obligation  
36 bonds issued pursuant to this paragraph shall not be used to finance per-  
37 sonal property as defined in K.S.A. 79-102, and amendments thereto. A  
38 city proposing to finance a STAR bond project pursuant to this paragraph  
39 shall prepare a project plan as required in section 12, and amendments  
40 thereto;

41 (D) with the approval of the county, from a pledge of all of the rev-  
42 enues received by the county from any transient guest, local sales and use  
43 taxes which are collected from taxpayers doing business within that por-

1 tion of the STAR bond district established pursuant to section 11, and  
2 amendments thereto;

3 (E) from a pledge of all of the revenue received from any state sales  
4 taxes which are collected from taxpayers doing business within that por-  
5 tion of the city's STAR bond district occupied by a STAR bond project if  
6 the secretary finds that, based upon the feasibility study, the STAR bond  
7 project will create a major tourism area for the state; is the restoration of  
8 a historic theater as defined in subsection (p) of section 8, and amend-  
9 ments thereto; has been designated a STAR bond project as defined in  
10 subsection (ee) of section 8, and amendments thereto. The proceeds of  
11 special obligation bonds issued pursuant to this paragraph shall not be  
12 used to finance personal property as defined in K.S.A. 79-102, and  
13 amendments thereto;

14 (F) by any combination of these methods except that for a project  
15 which has been designated as a STAR bond project as defined in subsec-  
16 tion (ee) of section 8, and amendments thereto, 100% of city and county  
17 sales taxes shall be pledged for such project except for amounts commit-  
18 ted to other uses by election of voters or pledged to bond repayment  
19 prior to the approval of a project using special obligation bonds payable  
20 from the revenues described in subsections (a)(1)(C) and (a)(1)(E).

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

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

29 (3) Bonds issued under the provisions of paragraph (1) of this sub-  
30 section shall be special obligations of the city and are declared to be  
31 negotiable instruments. They shall be executed by the mayor and clerk  
32 of the city and sealed with the corporate seal of the city. All details per-  
33 taining to the issuance of such special obligation bonds and terms and  
34 conditions thereof shall be determined by ordinance of the city. All special  
35 obligation bonds issued pursuant to sections 7 through 25, and amend-  
36 ments thereto, and all income or interest therefrom shall be exempt from  
37 all state taxes except inheritance taxes. Such special obligation bonds shall  
38 contain none of the recitals set forth in K.S.A. 10-112, and amendments  
39 thereto. Such special obligation bonds shall, however, contain the follow-  
40 ing recitals, namely, the authority under which such special obligation  
41 bonds are issued, they are in conformity with the provisions, restrictions  
42 and limitations thereof, and that such special obligation bonds and the  
43 interest thereon are to be paid from the money and revenue received as

1 provided in paragraph (1) of this subsection.

2 (4) Any city issuing special obligation bonds under the provisions of  
3 sections 7 through 25, and amendments thereto, may refund all or part  
4 of such issue pursuant to the provisions of K.S.A. 10-116a, and amend-  
5 ments thereto.

6 (b) For each project financed with special obligation bonds payable  
7 from the revenues described in subsections (a)(1)(C) and (a)(1)(E), the  
8 city shall prepare and submit annually to the secretary of commerce by  
9 October 1 of each year, a report describing the status of any projects  
10 within such STAR bond area, any expenditures of the proceeds of special  
11 obligation bonds that have occurred since the last annual report and any  
12 expenditures of the proceeds of such bonds expected to occur in the  
13 future, including the amount of sales tax revenue, how it has been spent,  
14 the projected amount of such revenue and the anticipated use of such  
15 revenue. The department of commerce shall compile this information and  
16 submit a report annually to the governor, Kansas, Inc. and the legislature  
17 by February 1 of each year.

18 (c) A city may use the proceeds of special obligation bonds or any  
19 uncommitted funds derived from sources set forth in this section to pay  
20 the STAR bond project costs as defined in section 8, and amendments  
21 thereto, to implement the STAR bond project plan.

22 New Sec. 16. In the event that the city shall default in the payment  
23 of any STAR bonds payable from state and local sales, use and transient  
24 guest tax revenues described in section 15, and amendments thereto, no  
25 public funds shall be used to pay the holders thereof except as otherwise  
26 specifically authorized in sections 7 through 25, and amendments thereto.

27 New Sec. 17. (a) *Addition to area; substantial change.* Any addition  
28 of area to the STAR bond project district or bioscience development  
29 district or any substantial change as defined in section 8, and amendments  
30 thereto, to the STAR bond project district plan or bioscience develop-  
31 ment district plan shall be subject to the same procedure for public notice  
32 and hearing as is required for the establishment of the STAR bond project  
33 district or bioscience development district.

34 (b) A city may remove real property from a STAR bond project dis-  
35 trict or bioscience development district by an ordinance of the governing  
36 body.

37 (c) A city may divide the real property in a STAR bond project district  
38 or bioscience development district, including real property in different  
39 project areas within a STAR bond project district or bioscience devel-  
40 opment district, into separate STAR bond project districts or bioscience  
41 development districts. Any division of real property within a STAR bond  
42 project district or bioscience development district into more than one  
43 STAR bond project district or bioscience development district shall be

1 subject to the same procedure of public notice and hearing as is required  
2 for the establishment of the STAR bond project district or bioscience  
3 development district.

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

17 (e) Removal of real property from one STAR bond project district or  
18 bioscience development district and addition of all or a portion of that  
19 real property to another STAR bond project district or bioscience devel-  
20 opment district may be accomplished by the adoption of an ordinance  
21 and in such event the determination of the existence or nonexistence of  
22 an adverse effect on the county or school district under subsection (f) of  
23 section 11 shall apply to both such removal and such addition of real  
24 property to a STAR bond project district or bioscience development  
25 district.

26 (f) Any addition to, removal from or division of real property or a  
27 substantial change as defined in section 8, and amendments thereto, to a  
28 bioscience development district may be made only with the approval of  
29 the bioscience authority.

30 (g) A bioscience development district may be established in the un-  
31 incorporated area of a county by resolution of the board of county com-  
32 missioners governing the area if:

33 (1) The Kansas bioscience authority has proposed to establish a bio-  
34 science development district there; and

35 (2) the board of county commissioners follows the notice, hearing and  
36 approval procedures required of a city to establish a bioscience devel-  
37 opment district.

38 (h) When establishing a bioscience development district as described  
39 in subsection (g), any references to “city” contained in this section shall  
40 mean “county” and any references to “ordinance” shall mean  
41 “resolution”.

42 New Sec. 18. (a) Any city which has adopted a project plan in ac-  
43 cordance with the provisions of sections 7 through 25, and amendments

1 thereto, may purchase or otherwise acquire real property in connection  
2 with such project plan. Upon a  $\frac{2}{3}$  vote of the members of the governing  
3 body thereof a city may acquire by condemnation any interest in real  
4 property, including a fee simple title thereto, which it deems necessary  
5 for or in connection with any project plan of an area located within the  
6 project district; however, eminent domain may be used only as authorized  
7 by K.S.A. 2006 Supp. 26-501b, and amendments thereto. Prior to the  
8 exercise of such eminent domain power, the city shall offer to the owner  
9 of any property which will be subject to condemnation with respect to  
10 any STAR bond project compensation in an amount equal to the highest  
11 appraised valuation amount determined for property tax purposes by the  
12 county appraiser for any of the three most recent years next preceding  
13 the year of condemnation, except that, if in the year next preceding the  
14 year of condemnation any such property had been damaged or destroyed  
15 by fire, flood, tornado, lightning, explosion or other catastrophic event,  
16 the amount offered should be equal to the appraised valuation of the  
17 property which would have been determined taking into account such  
18 damage or destruction unless such property has been restored, renovated  
19 or otherwise improved. However, no city shall exercise such eminent  
20 domain power to acquire real property in a conservation area. Any such  
21 city may exercise the power of eminent domain in the manner provided  
22 by K.S.A. 26-501 et seq., and amendments thereto. In addition to any  
23 compensation or damages awarded under the eminent domain proce-  
24 dures act with respect to any property subject to proceedings thereunder  
25 as a result of the construction of a STAR bond project, such city shall  
26 provide for the payment of an amount equal to 25% of such compensation  
27 or damage amount. In addition to any compensation or damages allowed  
28 under the eminent domain procedure act, such city shall also provide for  
29 the payment of relocation assistance as provided in section 19, and  
30 amendments thereto.

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

1 erty back to the city.

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

5 New Sec. 19. Before any STAR bond project shall be initiated, a  
6 relocation assistance plan shall be approved by the governing body pro-  
7 posing to undertake the project. Such relocation assistance plan shall:

8 (a) Provide for relocation payments to be made to persons, families  
9 and businesses who move from real property located in the STAR bond  
10 project district or who move personal property from real property located  
11 in the STAR bond project district as a result of the acquisition of the real  
12 property by the city in carrying out the provisions of sections 7 through  
13 25, and amendments thereto. With respect to any STAR bond project  
14 other than one which includes an auto race track facility, such payments  
15 shall not be less than \$500;

16 (b) provide that no persons or families residing in the STAR bond  
17 project district shall be displaced unless and until there is a suitable hous-  
18 ing unit available and ready for occupancy by such displaced person or  
19 family at rents within their ability to pay. Such housing units shall be  
20 suitable to the needs of such displaced persons or families and must be  
21 a decent, safe, sanitary and otherwise standard dwelling; and

22 (c) provide for the payment of any damages sustained by a retailer,  
23 as defined by K.S.A. 79-3702, and amendments thereto, by reason of the  
24 liquidation of inventories necessitated by relocation from the STAR bond  
25 project district.

26 New Sec. 20. If any provision of this act or the application thereof  
27 to any persons or circumstances is held invalid, such invalidity shall not  
28 affect other provisions or application of the act which can be given effect  
29 without the invalid provisions or application and to this end the provisions  
30 of this act are declared to be severable.

31 New Sec. 21. Notwithstanding any other provisions of law to the con-  
32 trary, copies of all retailers' sales, use and transient guest tax returns filed  
33 with the secretary of revenue in connection with a STAR bond project  
34 area or STAR bond project for which sales, use and transient guest tax  
35 revenues are pledged or otherwise intended to be used in whole or in  
36 part for the payment of bonds issued to finance STAR bond project costs  
37 in such STAR bond project area, shall be provided by the secretary of  
38 revenue to the bond trustee, escrow agent or paying agent for such bonds  
39 upon the written request of the municipality within 15 days of receipt by  
40 the secretary of revenue. The bond trustee, escrow agent or paying agent  
41 shall keep such retailers' sales, use and transient guest tax returns and  
42 the information contained therein confidential, but may use such infor-  
43 mation for purposes of allocating and depositing such sales, use and tran-

1 sient guest tax revenues in connection with the bonds used to finance  
2 STAR bond project costs in such STAR bond project area. Except as  
3 otherwise provided herein, the sales, use and transient guest tax returns  
4 received by the bond trustee, escrow agent or paying agent shall be sub-  
5 ject to the provisions of K.S.A. 79-3614, and amendments thereto.

6 New Sec. 22. For projects approved involving the use of financing  
7 pursuant to subsection (a)(1)(E) of section 15, and amendments thereto,  
8 the secretary of commerce shall set a limit on the total amount of such  
9 special obligation bonds that may be issued for a STAR bond project. An  
10 issue of special obligation bonds must bear interest at a reasonable rate  
11 as of the time of sale of the bonds, taking into account such factors as  
12 current market conditions, the nature and degree of risk associated with  
13 repayment of the bonds and other relevant factors.

14 New Sec. 23. (a) STAR bond projects using state sales tax financing  
15 pursuant to section 15, and amendments thereto, shall be audited by an  
16 independent certified public accountant annually at the expense of the  
17 city. The audit report shall supplement the annual report required pur-  
18 suant to section 15, and amendments thereto.

19 (b) Such audits shall determine whether bond financing obtained un-  
20 der section 15, and amendments thereto, is being used only for authorized  
21 purposes obtained under section 7 et seq., and amendments thereto. Au-  
22 dit results shall be reported to the house economic development com-  
23 mittee, the senate commerce committee, the governor and the secretaries  
24 of commerce and revenue during the legislative session immediately fol-  
25 lowing the audit.

26 (c) If audit findings indicate that bond funds have been used for  
27 unauthorized or ineligible purposes, the city shall repay to the bond fund  
28 all such unauthorized or ineligible expenditures. Such city shall enter into  
29 a repayment agreement with the secretary of revenue specifying the terms  
30 of such repayment obligation.

31 New Sec. 24. The authority of sections 7 through 25, and amend-  
32 ments thereto, regarding STAR bond projects shall expire on and after  
33 July 1, 2012.

34 New Sec. 25. Sections 7 through 25 shall be known and may be cited  
35 as the "STAR bond act."

36 Sec. 26. K.S.A. 12-1776 and K.S.A. 2005 Supp. 12-1773, as amended  
37 by section 3 of chapter 192 of the 2006 Session Laws of Kansas and K.S.A.  
38 2006 Supp. 12-1770a, 12-1771b, 12-1771d, 12-1773, 12-1774, 12-1774a,  
39 12-1780b, 12-1780c, 12-1780d, 12-1780e and 12-1780f are hereby  
40 repealed.

41 Sec. 27. This act shall take effect and be in force from and after its  
42 publication in the statute book.