

*As Amended by Senate Committee*

Session of 2010

**SENATE BILL No. 482**

By Committee on Commerce

1-28

10 AN ACT concerning development and redevelopment of areas in the  
11 state; defining terms; financing projects; assessments; amending K.S.A.  
12 2009 Supp. 12-6a27, 12-6a28, 12-6a29, 12-6a30, 12-6a31, 12-6a36, 12-  
13 1770a, 12-1774 and 12-17,142 and repealing the existing sections.  
14

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

16 Section 1. K.S.A. 2009 Supp. 12-6a27 is hereby amended to read as  
17 follows: 12-6a27. As used in this act, and amendments thereto, the fol-  
18 lowing words and phrases shall have the following meanings unless a  
19 different meaning clearly appears from the context:

20 (a) “Act” means the provisions of K.S.A. 2009 Supp. 12-6a26 through  
21 12-6a36, and amendments thereto.

22 ***(b) Assessed value of the land area” means the assessed value***  
23 ***of the real property, which includes both the land and the improve-***  
24 ***ments, as reflected in the records of the county in which the real***  
25 ***property is located as of the last appraisal performed preceding the***  
26 ***filing of the petition.***

27 ~~(b)~~ (c) “Assessments” means special assessments imposed and levied  
28 pursuant to the provisions of this act.

29 ~~(c)~~ (d) “Bonds” means special obligation bonds, special obligation  
30 notes, full faith and credit bonds or full faith and credit notes payable  
31 solely from the sources described in K.S.A. 2009 Supp. 12-6a33, and  
32 amendments thereto, issued by a municipality in accordance with the  
33 provisions of this act.

34 ~~(d)~~ (e) “Community improvement district sales tax” means the tax  
35 authorized by K.S.A. 2009 Supp. 12-6a31, and amendments thereto.

36 ~~(e)~~ (f) “Consultant” means engineers, architects, planners, attorneys,  
37 financial advisors and other persons deemed competent to advise and  
38 assist in the planning, making and financing of projects.

39 ~~(f)~~ (g) “Cost” means: (1) All costs necessarily incurred for the pre-  
40 paration of preliminary reports, the preparation of plans and specifications,  
41 the preparation and publication of notices of hearings, resolutions, ordi-  
42 nances and other proceedings relating to the creation or administration  
43 of the district or the issuance of bonds therefore, necessary fees and

1 expenses of consultants, interest accrued on borrowed money during the  
 2 period of construction and the amount of a reserve fund for the bonds,  
 3 together with the cost of land, materials, labor, and other lawful expenses  
 4 incurred in planning and doing any project and may include a charge ~~of~~  
 5 ~~not to exceed 5% of the total cost of the project or the cost of work done~~  
 6 **of not to exceed 5% of the total cost of the project or the cost of**  
 7 **work done** by the municipality to reimburse the municipality for the  
 8 services rendered by the municipality in the administration and supervi-  
 9 sion of such project ~~by its general officers and the bonds~~; and (2) in the  
 10 case of property and projects already owned by the municipality and pre-  
 11 viously financed by the issuance of bonds, “cost” means costs authorized  
 12 by K.S.A. 10-116a, and amendments thereto.

13 ~~(g)~~ **(h)** “District” means a community improvement district created  
 14 pursuant to this act.

15 ~~(h)~~ **(i)** “Governing body” means the governing body of a city or the  
 16 board of county commissioners of a county.

17 ~~(i)~~ **(j)** “Municipality” means any city or county.

18 ~~(j)~~ **(k)** “Newspaper” means the official newspaper of the municipality.

19 ~~(k)~~ **(l)** “Owner” means the owner or owners of record, whether res-  
 20 ident or not, of real property within the district.

21 ~~(l)~~ **(m)** “Pay-as-you-go financing” means a method of financing in  
 22 which the costs of a project are financed without notes or bonds, and the  
 23 costs of such project are thereafter reimbursed as moneys are deposited  
 24 in the district fund described in K.S.A. 2009 Supp. 12-6a34, and amend-  
 25 ments thereto.

26 ~~(m)~~ **(n)** “Project” means:

27 (1) Any project within the district to acquire, improve, construct, de-  
 28 molish, remove, renovate, reconstruct, rehabilitate, maintain, restore, re-  
 29 place, renew, repair, install, relocate, furnish, equip or extend:

30 (A) Buildings, structures and facilities;

31 (B) sidewalks, streets, roads, interchanges, highway access roads, in-  
 32 tersections, alleys, parking lots, bridges, ramps, tunnels, overpasses and  
 33 underpasses, traffic signs and signals, utilities, pedestrian amenities, aban-  
 34 doned cemeteries, drainage systems, water systems, storm systems, sewer  
 35 systems, lift stations, underground gas, heating and electrical services and  
 36 connections located within or without the public right-of-way, water  
 37 mains and extensions and other site improvements;

38 (C) parking garages;

39 (D) streetscape, lighting, street light fixtures, street light connections,  
 40 street light facilities, benches or other seating furniture, trash receptacles,  
 41 marquees, awnings, canopies, walls and barriers;

42 (E) parks, lawns, trees and other landscape;

43 (F) communication and information booths, bus stops and other shel-

- 1   ters, stations, terminals, hangers, rest rooms and kiosks;  
2   (G) paintings, murals, display cases, sculptures, fountains and other  
3   cultural amenities;  
4   (H) airports, railroads, light rail and other mass transit facilities; and  
5   (I) lakes, dams, docks, wharfs, lakes or river ports, channels and lev-  
6   ies, waterways and drainage conduits.
- 7   (2) Within the district, to operate or to contract for the provision of  
8   music, news, child-care, or parking lots or garages, and buses, minibuses  
9   or other modes of transportation;
- 10   (3) Within the district, to provide or contract for the provision of  
11   security personnel, equipment or facilities for the protection of property  
12   and persons;
- 13   (4) Within the district, to provide or contract for cleaning, mainte-  
14   nance and other services to public or private property;
- 15   (5) Within the district, to produce and promote any tourism, recre-  
16   ational or cultural activity or special event, including, but not limited to,  
17   advertising, decoration of any public place in the district, promotion of  
18   such activity and special events and furnishing music in any public place;
- 19   (6) Within the district, to support business activity and economic de-  
20   velopment, including, but not limited to, the promotion of business ac-  
21   tivity, development and retention and the recruitment of developers and  
22   business;
- 23   (7) Within the district, to provide or support training programs for  
24   employees of businesses; and
- 25   (8) To contract for or conduct economic impact, planning, marketing  
26   or other studies.
- 27   Sec. 2. K.S.A. 2009 Supp. 12-6a28 is hereby amended to read as  
28   follows: 12-6a28. (a) In addition to any other power provided by law and  
29   as a complete alternative to all other methods provided by law, the gov-  
30   erning body of any municipality may create a district as provided by this  
31   act for the purpose of financing projects. Under this section, a munici-  
32   pality may create a district, or may modify a district previously created  
33   under this section, upon receipt of a petition that is signed by the owners  
34   of all of the ~~land area~~ *land area property proposed to be liable for the assessments*  
35   within the proposed district, and is both (1) seeking financing only by  
36   assessments and (2) not seeking the issuance of full faith and credit bonds  
37   pursuant to this act. The petition shall contain:
- 38   (A) The general nature of the proposed project;  
39   (B) the estimated cost of the project;  
40   (C) the proposed method of financing the project;  
41   (D) the proposed amount and method of assessment;  
42   (E) a map of the proposed district; and  
43   (F) a legal description of the boundaries of the proposed district.

1 (b) Names may not be withdrawn from the petitions by the signers  
2 thereof after the governing body commences consideration of the peti-  
3 tions or later than seven days after the filing of such petition with the  
4 clerk of the municipality, whichever occurs first. The petition shall contain  
5 a notice that: (1) The names of the signers may not be withdrawn after  
6 such a period of time; ~~and~~ (2) the signers consent to any assessments to  
7 the extent described therein without regard to benefits conferred by the  
8 project; *and (3) the signers consent to the ~~real location~~ **reallocation** of*  
9 *assessments against the remaining property in the district if any property*  
10 *originally included in the district becomes exempt from assessments by*  
11 *operation of law following the formation of the district.*

12 (c) Upon filing of the petition pursuant to this section, the governing  
13 body may proceed without notice or a hearing to make findings by res-  
14 olution or ordinance as to the nature, advisability and estimated cost of  
15 the project, the boundaries of the district and the amount and method of  
16 assessment. Upon making such findings, the governing body by majority  
17 vote may authorize the project in accordance with such findings as to the  
18 advisability of the project. The resolution or ordinance shall be effective  
19 upon publication once in the newspaper.

20 (d) The district boundaries and the method of financing for the pro-  
21 ject shall not require that all property that is benefited by the project,  
22 whether the benefited property is within or without the district, be in-  
23 cluded in the district or be subject to an assessment.

24 (e) Following authorization of the project, the ordinance or resolution  
25 establishing the district shall be submitted for recording in the office of  
26 the register of deeds of the county in which the district is located.

27 Sec. 3. K.S.A. 2009 Supp. 12-6a29 is hereby amended to read as  
28 follows: 12-6a29. (a) In addition to any other power provided by law and  
29 as a complete alternative to all other methods provided by law, the gov-  
30 erning body of any municipality may create a district as provided by this  
31 act for the purpose of financing projects. As an alternative to the require-  
32 ments and procedures described in K.S.A. 2009 Supp. 12-6a28, and  
33 amendments thereto, under this section, a municipality may create a dis-  
34 trict, or may modify a district previously created under this section, upon  
35 receipt of a petition that is signed by the owners of more than 55% of  
36 the land area within the proposed district, and signed by owners collec-  
37 tively owning more than 55% by assessed value of the land area within  
38 the proposed district ~~excluding the assessed value of improvements~~. Under  
39 this section, the petition may be seeking financing in whole or in part by  
40 a proposed community improvement district sales tax authorized by  
41 K.S.A. 2009 Supp. 12-6a31, and amendments thereto, *seeking financing*  
42 *in whole or in part by a proposed community improvement district sales*  
43 *tax and special assessments*, or seeking the issuance of full faith and credit

- 1 bonds authorized by K.S.A. 2009 Supp. 12-6a36, and amendments  
2 thereto, or both. The petition shall contain:
- 3 (1) The general nature of the proposed project;
  - 4 (2) the estimated cost of the project;
  - 5 (3) the proposed method of financing the project including, if appli-  
6 cable, the issuance of full faith and credit bonds;
  - 7 (4) the proposed amount and method of assessment, if any;
  - 8 (5) the proposed amount of community improvement district sales  
9 tax, if any;
  - 10 (6) a map of the proposed district; and
  - 11 (7) a legal description of the proposed district.
- 12 (b) Names may not be withdrawn from the petitions by the signers  
13 thereof after the governing body commences consideration of the peti-  
14 tions or later than seven days after the filing of such petition with the  
15 clerk of the municipality, whichever occurs first. The petition shall contain  
16 a notice that: (1) The names of the signers may not be withdrawn after  
17 such a period of time; ~~and~~ (2) if applicable, the signers consent to any  
18 assessments to the extent described therein without regard to benefits  
19 conferred by the project; *and (3) if applicable, the signers consent to the*  
20 *reallocation of any assessments against the remaining property in the*  
21 *district if any property originally included in the district becomes exempt*  
22 *from assessments by operation of law following the formation of the*  
23 *district.*
- 24 (c) Upon filing of the petition pursuant to this section, the munici-  
25 pality shall adopt a resolution to give notice of a public hearing on the  
26 advisability of creating or modifying the district. Such resolution shall be  
27 published at least once each week for two consecutive weeks in the news-  
28 paper and shall be sent by certified mail to all owners. The second pub-  
29 lication of such resolution shall occur at least seven days prior to the date  
30 of hearing and the certified mailed notice shall be sent at least ten days  
31 prior to the date of hearing. Such resolution shall contain the following  
32 information:
- 33 (1) The time and place of the hearing;
  - 34 (2) the general nature of the proposed project;
  - 35 (3) the estimated cost of the project;
  - 36 (4) the proposed method of financing the project including, if appli-  
37 cable, the issuance of full faith and credit bonds;
  - 38 (5) the proposed amount of the community improvement district  
39 sales tax, if any;
  - 40 (6) the proposed amount and method of assessment, if any;
  - 41 (7) a map of the proposed district; and
  - 42 (8) a legal description of the proposed district.
- 43 (d) The hearing on the advisability of creating or modifying the dis-

1 trict may be adjourned from time to time. Following the hearing or any  
2 continuation thereof, the governing body by majority vote may create the  
3 district by adoption of an ordinance or resolution. Such ordinance or  
4 resolution shall authorize the project, approve the estimated cost of the  
5 project, contain the legal description of the district, contain a map of the  
6 district, levy the community improvement district sales tax, if applicable,  
7 approve the maximum amount and method of assessment, if applicable,  
8 and approve the method of financing including, if applicable, the issuance  
9 of full faith and credit bonds. Such ordinance or resolution shall become  
10 effective upon publication once in the newspaper.

11 (e) The district boundaries and the method of financing for the pro-  
12 ject shall not require that all property that is benefited by the project,  
13 whether the benefited property is within or without the district, be in-  
14 cluded in the district or be subject to an assessment or the community  
15 improvement district sales tax.

16 (f) Following authorization of the project, the ordinance or resolution  
17 establishing the district shall be submitted for recording in the office of  
18 the register of deeds of the county in which the district is located.

19 (g) ~~Property~~ **As an alternative to the other methods described in**  
20 **this act for modifying an existing district, property** *may be added to*  
21 *an existing district upon receipt of a petition signed by the owners of all*  
22 *of the land area proposed to be added by the district and by all property*  
23 *owners that signed the petition creating the original district, which*  
24 *petition contains a request to be added to the district and the legal de-*  
25 *scription of the land area proposed to be added to the district. Upon filing*  
26 *of the petition for the district expansion, the governing body may proceed*  
27 *without notice or a hearing to add the land area by resolution or ordi-*  
28 *nance to the district. If the district expansion is approved, the expansion*  
29 *petition shall be submitted for recording in the office of the register of*  
30 *deeds of the county in which the district is located.*

31 Sec. 4. K.S.A. 2009 Supp. 12-6a30 is hereby amended to read as  
32 follows: 12-6a30. (a) In addition to any other power provided by law and  
33 as a complete alternative to all other methods provided by law, the gov-  
34 erning body may make, or cause to be made, projects identified in the  
35 petition submitted pursuant to either K.S.A. 2009 Supp. 12-6a28 or 12-  
36 6a29, and amendments thereto, and may levy and collect special assess-  
37 ments upon property in the district and provide for the payment of all or  
38 any part of the cost of the project out of the proceeds of such special  
39 assessments. If special assessments shall be levied to finance all or a por-  
40 tion of the cost of a project, the municipality shall follow the procedures  
41 in K.S.A. 12-6a01 et seq., and amendments thereto, to levy such assess-  
42 ments except that no assessments may be levied against the municipality  
43 at large and annual installments of the assessments may be levied as pro-

1 vided in subsection (b).

2 (b) If the method of financing for the project includes payment from  
3 the sources described in subsections (c) or (e) of K.S.A. 2009 Supp. 12-  
4 6a33, and amendments thereto, the ordinance or resolution of the mu-  
5 nicipality that authorizes the levy of special assessments may provide that  
6 the annual installments of such assessment for any year may be reduced  
7 or eliminated to the extent that, prior to the date the municipality certifies  
8 the tax levy of the municipality to the county clerk pursuant to K.S.A. 79-  
9 1801, and amendments thereto, the municipality has received sufficient  
10 funds from the sources described in subsections (c) and (e) of K.S.A. 2009  
11 Supp. 12-6a33, and amendments thereto, to pay the debt service on any  
12 bonds issued under the provisions of this act, and amendments thereto,  
13 for the project which would have been paid by such annual installment.  
14 The municipality is not required to refund any prepayment of assessments  
15 after such prepayment is made to the municipality, and any prepayment  
16 of assessments under this section shall be in compliance with the provi-  
17 sions of K.S.A. 10-115, and amendments thereto.

18 (c) *If any property originally included in the district becomes exempt*  
19 *from assessments by operation of law following formation of the district,*  
20 *the municipality shall reallocate the assessments originally levied against*  
21 *the property that has become exempt from assessments against the re-*  
22 *maining property in the district following notice and hearing in the same*  
23 *manner as provided for in the original assessments.*

24 Sec. 5. K.S.A. 2009 Supp. 12-6a31 is hereby amended to read as  
25 follows: 12-6a31. (a) In addition to and notwithstanding any limitations  
26 on the aggregate amount of the retailers' sales tax contained in K.S.A. 12-  
27 187 through 12-197, and amendments thereto, any municipality may im-  
28 pose a community improvement district sales tax on the selling of tangible  
29 personal property at retail or rendering or furnishing services taxable pur-  
30 suant to the provisions of the Kansas retailers' sales tax act, and amend-  
31 ments thereto, within a community improvement district for purposes of  
32 financing a project in such district in any increment of .10% or .25% not  
33 to exceed 2% and pledging the revenue received therefrom to pay the  
34 bonds issued for the project or to reimburse the cost of the project pur-  
35 suant to pay-as-you-go financing. In the event bonds are issued to finance  
36 a project or refunding bonds issued therefore, the community improve-  
37 ment district sales tax imposed pursuant to this section shall expire ~~no~~  
38 ~~later than the date such bonds shall mature~~ *on the earlier of the following:*  
39 *(1) The date the bonds have been paid or are deemed to have been paid*  
40 *in accordance with the documents authorizing the bonds; or (2) when*  
41 *sufficient community improvement district sales tax has been received by*  
42 *the municipality to provide for payment of the bonds. In the event pay-*  
43 *as-you-go financing is utilized without the issuance of bonds for any por-*

1 *tion of the cost of the project*, the community improvement district sales  
2 tax shall expire 22 years from *the earlier of the following*: (1) The date  
3 the state director of taxation begins collecting such tax ~~or~~; or (2) when  
4 the project bonds or pay-as-you-go costs have been paid. Except as oth-  
5 erwise provided by the provisions of K.S.A. 2009 Supp. 12-6a27 et seq.,  
6 and amendments thereto, the tax authorized by this section shall be ad-  
7 ministered, collected and subject to the provisions of K.S.A. 12-187  
8 through 12-197, inclusive, and amendments thereto.

9 (b) Upon receipt of a certified copy of the resolution or ordinance  
10 authorizing the levy of the community improvement district sales tax pur-  
11 suant to this section, the state director of taxation shall cause such tax to  
12 be collected in the district at the same time and in the same manner  
13 provided for the collection of the state retailers' sales tax. All of the taxes  
14 collected under the provisions of this act shall be remitted by the secretary  
15 of revenue to the state treasurer in accordance with the provisions of  
16 K.S.A. 75-4215, and amendments thereto. Upon receipt of each such  
17 remittance, the state treasurer shall deposit the entire amount in the state  
18 treasury, and the state treasurer shall credit 2% of all taxes so collected  
19 to the community improvement district sales tax administration fund,  
20 which fund is hereby established in the state treasury, to defray the ex-  
21 penses of the department of revenue in administration and enforcement  
22 of the collection thereof. The aggregate amount of moneys credited to  
23 the community improvement district sales tax administration fund shall  
24 not exceed \$60,000 in any state fiscal year. The remainder of such taxes  
25 shall be credited to the community improvement district sales tax fund,  
26 which fund is hereby established in the state treasury. All moneys in the  
27 community improvement district sales tax fund shall be remitted at least  
28 quarterly by the state treasurer, on instruction from the secretary of rev-  
29 enue, to the treasurers of those municipalities which are qualified to re-  
30 ceive disbursements from such fund for the amount collected within such  
31 municipality. Any refund due on any community improvement district  
32 sales tax collected pursuant to this section shall be paid out of the com-  
33 munity improvement district sales tax refund fund which is hereby estab-  
34 lished in the state treasury and reimbursed by the director of taxation  
35 from collections of the community improvement district sales tax author-  
36 ized by this section. Community improvement district sales tax received  
37 by a municipality pursuant to this section shall be deposited in the com-  
38 munity improvement district sales tax fund created pursuant to K.S.A.  
39 2009 Supp. 12-6a34, and amendments thereto.

40 (c) Notwithstanding any other provisions of law to the contrary, cop-  
41 ies of all retailers' sales and use tax returns filed with the secretary of  
42 revenue in connection with a district for which sales or use tax revenues,  
43 or both, are pledged or otherwise intended to be used in whole or in part

1 for the payment of bonds issued to finance costs of a project, shall be  
2 provided by the secretary of revenue to the bond trustee, escrow agent  
3 or paying agent for such bonds upon a written request of the municipality  
4 within 15 days of receipt by the secretary of revenue. The bond trustee,  
5 escrow agent or paying agent shall keep such retailers' sales and use tax  
6 returns and the information contained therein confidential, but may use  
7 such information for purposes of allocating and depositing such sales and  
8 use tax revenues in connection with the bonds used to finance costs of a  
9 project. Except as otherwise provided herein, the sales and use tax returns  
10 received by the bond trustee, escrow agent or paying agent shall be sub-  
11 ject to the provisions of K.S.A. 79-3614, and amendments thereto.

12 Sec. 6. K.S.A. 2009 Supp. 12-6a36 is hereby amended to read as  
13 follows: 12-6a36. (a) Any municipality may issue full faith and credit bonds  
14 in one or more series to finance any project in accordance with the pro-  
15 visions of this act and to refinance or refund any notes or bonds issued  
16 pursuant to this act. Bonds issued pursuant to this section shall be general  
17 obligations of the municipality and give rise to a charge against its general  
18 credit and taxing powers, and such bonds shall so state on their face. Such  
19 bonds shall be made payable, both as to principal and interest solely from  
20 a pledge of the sources of funds described in K.S.A. 2009 Supp. 12-6a33,  
21 and amendments thereto, including a pledge of a municipality's full faith  
22 and credit to use its ad valorem taxing authority for the repayment thereof  
23 in the event all other authorized sources of revenue are not sufficient.  
24 The municipality may pledge such revenue to the repayment of such  
25 bonds prior to, simultaneously with or subsequent to the issuance of such  
26 bonds.

27 (b) Bonds issued pursuant to this section shall be general obligations  
28 of the municipality and are declared to be negotiable instruments. Such  
29 bonds shall be executed by the authorized representatives of the munic-  
30 ipality and sealed with the corporate seal of the municipality. All details  
31 pertaining to the issuance of the bonds and terms and conditions thereof  
32 shall be determined by ordinance or resolution of the municipality. The  
33 provisions of K.S.A. 10-106, and amendments thereto, requiring a public  
34 sale of bonds shall not apply to bonds issued under this section. All bonds  
35 issued pursuant to this section and all income or interest therefrom shall  
36 be exempt from all state taxes except inheritance taxes. Such bonds shall  
37 contain the recitals set forth in K.S.A. 10-112, and amendments thereto.  
38 Such bonds shall mature in no more than 22 years. Any municipality  
39 issuing bonds under the provisions of this section may refund all or part  
40 of such bonds pursuant to the provisions of K.S.A. 10-427, and amend-  
41 ments thereto.

42 (c) ~~The amount of the full faith and credit bonds issued and outstand-~~  
43 ~~ing under this act which exceeds 3% of the assessed valuation of the~~

1 ~~municipality shall be within the~~ *Full faith and credit bonds which are*  
2 *issued in an amount up to 3% of the assessed valuation of the municipality*  
3 *and outstanding under this act shall be exempt from and not subject to*  
4 *any bonded debt limit applicable to such municipality.*

5 (d) If, within 60 days following the date of the public hearing de-  
6 scribed in K.S.A. 2009 Supp. 12-6a29, and amendments thereto, a protest  
7 petition signed by 5% of the qualified voters of the municipality is filed  
8 with the municipality's clerk in accordance with the provisions of K.S.A.  
9 25-3601 et seq., and amendments thereto, no full faith and credit bonds  
10 shall be issued until the issuance of the full faith and credit bonds is  
11 approved by a majority of the voters voting at an election thereon. The  
12 failure of the voters to approve the issuance of full faith and credit bonds  
13 shall not prevent a municipality from issuing special obligation bonds.

14 Sec. 7. K.S.A. 2009 Supp. 12-1770a is hereby amended to read as  
15 follows: 12-1770a. As used in this act, and amendments thereto, the fol-  
16 lowing words and phrases shall have the following meanings unless a  
17 different meaning clearly appears from the content:

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

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

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

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

34 (A) A substantial number of deteriorated or deteriorating structures;

35 (B) predominance of defective or inadequate street layout;

36 (C) unsanitary or unsafe conditions;

37 (D) deterioration of site improvements;

38 (E) tax or special assessment delinquency exceeding the fair market  
39 value of the real property;

40 (F) defective or unusual conditions of title including but not limited  
41 to cloudy or defective titles, multiple or unknown ownership interests to  
42 the property;

43 (G) improper subdivision or obsolete platting or land uses;

- 1 (H) the existence of conditions which endanger life or property by  
2 fire or other causes; or
- 3 (I) conditions which create economic obsolescence; or
- 4 (2) has been identified by any state or federal environmental agency  
5 as being environmentally contaminated to an extent that requires a re-  
6 medial investigation; feasibility study and remediation or other similar  
7 state or federal action; or
- 8 (3) a majority of the property is a 100-year floodplain area; or
- 9 (4) previously was found by resolution of the governing body to be a  
10 slum or a blighted area under K.S.A. 17-4742 et seq., and amendments  
11 thereto.
- 12 (d) “Conservation area” means any improved area comprising 15%  
13 or less of the land area within the corporate limits of a city in which 50%  
14 or more of the structures in the area have an age of 35 years or more,  
15 which area is not yet blighted, but may become a blighted area due to  
16 the existence of a combination of two or more of the following factors:
- 17 (1) Dilapidation, obsolescence or deterioration of the structures;  
18 (2) illegal use of individual structures;  
19 (3) the presence of structures below minimum code standards;  
20 (4) building abandonment;  
21 (5) excessive vacancies;  
22 (6) overcrowding of structures and community facilities; or  
23 (7) inadequate utilities and infrastructure.
- 24 (e) “De minimus” means an amount less than 15% of the land area  
25 within a redevelopment district.
- 26 (f) “Developer” means any person, firm, corporation, partnership or  
27 limited liability company, other than a city and other than an agency,  
28 political subdivision or instrumentality of the state or a county when re-  
29 lating to a bioscience development district.
- 30 (g) “Eligible area” means a blighted area, conservation area, enter-  
31 prise zone, intermodal transportation area, major tourism area or a major  
32 commercial entertainment and tourism area or bioscience development  
33 area.
- 34 (h) “Enterprise zone” means an area within a city that was designated  
35 as an enterprise zone prior to July 1, 1992, pursuant to K.S.A. 12-17,107  
36 through 12-17,113, and amendments thereto, prior to its repeal and the  
37 conservation, development or redevelopment of the area is necessary to  
38 promote the general and economic welfare of such city.
- 39 (i) “Environmental increment” means the increment determined  
40 pursuant to subsection (b) of K.S.A. 12-1771a, and amendments thereto.
- 41 (j) “Environmentally contaminated area” means an area of land hav-  
42 ing contaminated groundwater or soil which is deemed environmentally  
43 contaminated by the department of health and environment or the United

1 States environmental protection agency.

2 (k) (1) “Feasibility study” means:

3 (A) A study which shows whether a redevelopment project’s or bio-  
4 science development project’s benefits and tax increment revenue and  
5 other available revenues under subsection (a)(1) of K.S.A. 12-1774, and  
6 amendments thereto, are expected to exceed or be sufficient to pay for  
7 the redevelopment or bioscience development project costs; and

8 (B) the effect, if any, the redevelopment project costs or bioscience  
9 development project will have on any outstanding special obligation bonds  
10 payable from the revenues described in subsection (a)(1)(D) of K.S.A.  
11 12-1774, and amendments thereto.

12 (2) For a redevelopment project or bioscience project financed by  
13 bonds payable from revenues described in subsection (a)(1)(D) of K.S.A.  
14 12-1774, and amendments thereto, the feasibility study must also include:

15 (A) A statement of how the taxes obtained from the project will con-  
16 tribute significantly to the economic development of the jurisdiction in  
17 which the project is located;

18 (B) a statement concerning whether a portion of the local sales and  
19 use taxes are pledged to other uses and are unavailable as revenue for the  
20 redevelopment project. If a portion of local sales and use taxes is so com-  
21 mitted, the applicant shall describe the following:

22 (i) The percentage of sales and use taxes collected that are so com-  
23 mitted; and

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

26 (C) an anticipated principal and interest payment schedule on the  
27 bonds;

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

34 (E) the failure to include all information enumerated in this subsec-  
35 tion in the feasibility study for a redevelopment or bioscience project shall  
36 not affect the validity of bonds issued pursuant to this act.

37 (l) “Major tourism area” means an area for which the secretary has  
38 made a finding the capital improvements costing not less than  
39 \$100,000,000 will be built in the state to construct an auto race track  
40 facility.

41 (m) “Real property taxes” means all taxes levied on an ad valorem  
42 basis upon land and improvements thereon, except that when relating to  
43 a bioscience development district, as defined in this section, “real prop-

1 erty taxes” does not include property taxes levied for schools, pursuant to  
 2 K.S.A. 72-6431, and amendments thereto.

3 (n) “Redevelopment project area” means an area designated by a city  
 4 within a redevelopment district or, if the redevelopment district is estab-  
 5 lished for an intermodal transportation area, an area designated by a city  
 6 within or outside of the redevelopment district.

7 (o) “Redevelopment project costs” means: (1) Those costs necessary  
 8 to implement a redevelopment project plan or a bioscience development  
 9 project plan, including costs incurred for:

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

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

13 (C) site preparation including utility relocations;

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

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

16 (F) street grading, paving, graveling, macadamizing, curbing, gutter-  
 17 ing and surfacing;

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

19 (H) underground gas, water, heating and electrical services and con-  
 20 nections located within the public right-of-way;

21 (I) sidewalks and pedestrian underpasses or overpasses;

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

24 (K) water mains and extensions;

25 (L) plazas and arcades;

26 (M) major multi-sport athletic complex;

27 (N) museum facility;

28 (O) parking facilities including multilevel parking facilities;

29 (P) landscaping and plantings, fountains, shelters, benches, sculp-  
 30 tures, lighting, decorations and similar amenities;

31 (Q) related expenses to redevelop and finance the redevelopment  
 32 project;

33 (R) for purposes of an incubator project, such costs shall also include  
 34 wet lab equipment including hoods, lab tables, heavy water equipment  
 35 and all such other equipment found to be necessary or appropriate for a  
 36 commercial incubator wet lab facility by the city in its resolution estab-  
 37 lishing such redevelopment district or a bioscience development district;

38 ~~and~~

39 (S) costs for the acquisition of land for and the construction and in-  
 40 stallation of publicly-owned infrastructure improvements which serve an  
 41 intermodal transportation area and are located outside of a redevelop-  
 42 ment district; *and*

43 (T) *costs for infrastructure located outside the redevelopment district*

1 *but contiguous to any portion of the redevelopment district and such*  
 2 *infrastructure is necessary for implementation of the redevelopment plan*  
 3 *as determined by the city.*

4 (2) *Except as specified in paragraphs (A) through (T) of subsection*  
 5 *(o)(1), redevelopment project costs shall not include: (A) Costs incurred*  
 6 *in connection with the construction of buildings or other structures to be*  
 7 *owned by or leased to a developer, however, the “redevelopment project*  
 8 *costs” shall include costs incurred in connection with the construction of*  
 9 *buildings or other structures to be owned or leased to a developer which*  
 10 *includes an auto race track facility or a multilevel parking facility.*

11 ~~—(B) In addition, for a redevelopment project financed with special~~  
 12 ~~obligation bonds payable from the revenues described in subsection~~  
 13 ~~(a)(1)(D) of K.S.A. 12-1774, and amendments thereto, redevelopment~~  
 14 ~~project costs shall not include;~~

15 ~~(i) (B) Fees and commissions paid to developers, real estate agents,~~  
 16 ~~financial advisors or any other consultants who represent the developers~~  
 17 ~~or any other businesses considering locating in or located in a redevel-~~  
 18 ~~opment district;~~

19 ~~(ii) (C) salaries for local government employees;~~

20 ~~(iii) (D) moving expenses for employees of the businesses locating~~  
 21 ~~within the redevelopment district;~~

22 ~~(iv) (E) property taxes for businesses that locate in the redevelopment~~  
 23 ~~district;~~

24 ~~(v) (F) lobbying costs;~~

25 ~~(vi) (G) a bond origination fee charged by the city pursuant to K.S.A.~~  
 26 ~~12-1742, and amendments thereto;~~

27 ~~(vii) (H) any personal property, as defined in K.S.A. 79-102, and~~  
 28 ~~amendments thereto; and~~

29 ~~(viii) (I) travel, entertainment and hospitality.~~

30 (p) “Redevelopment district” means the specific area declared to be  
 31 an eligible area in which the city may develop one or more redevelopment  
 32 projects.

33 (q) “Redevelopment district plan” or “district plan” means the pre-  
 34 liminary plan that identifies all of the proposed redevelopment project  
 35 areas and identifies in a general manner all of the buildings, facilities and  
 36 improvements in each that are proposed to be constructed or improved  
 37 in each redevelopment project area or, if the redevelopment district is  
 38 established for an intermodal transportation area, in or outside of the  
 39 redevelopment district.

40 (r) “Redevelopment project” means the approved project to imple-  
 41 ment a project plan for the development of the established redevel-  
 42 opment district.

43 (s) “Redevelopment project plan” means the plan adopted by a mu-

1 municipality for the development of a redevelopment project or projects  
2 which conforms with K.S.A. 12-1772, and amendments thereto, in a re-  
3 development district.

4 (t) “Substantial change” means, as applicable, a change wherein the  
5 proposed plan or plans differ substantially from the intended purpose for  
6 which the district plan or project plan was approved.

7 (u) “Tax increment” means that amount of real property taxes col-  
8 lected from real property located within the redevelopment district that  
9 is in excess of the amount of real property taxes which is collected from  
10 the base year assessed valuation.

11 (v) “Taxing subdivision” means the county, city, unified school district  
12 and any other taxing subdivision levying real property taxes, the territory  
13 or jurisdiction of which includes any currently existing or subsequently  
14 created redevelopment district including a bioscience development  
15 district.

16 (w) “River walk canal facilities” means a canal and related water fea-  
17 tures which flows through a redevelopment district and facilities related  
18 or contiguous thereto, including, but not limited to pedestrian walkways  
19 and promenades, landscaping and parking facilities.

20 (x) “Major commercial entertainment and tourism area” may include,  
21 but not be limited to, a major multi-sport athletic complex.

22 (y) “Major multi-sport athletic complex” means an athletic complex  
23 that is utilized for the training of athletes, the practice of athletic teams,  
24 the playing of athletic games or the hosting of events. Such project may  
25 include playing fields, parking lots and other developments including  
26 grandstands, suites and viewing areas, concessions, souvenir facilities, ca-  
27 tering facilities, visitor centers, signage and temporary hospitality facili-  
28 ties, but excluding hotels, motels, restaurants and retail facilities, not di-  
29 rectly related to or necessary to the operation of such facility.

30 (z) “Bioscience” means the use of compositions, methods and organ-  
31 isms in cellular and molecular research, development and manufacturing  
32 processes for such diverse areas as pharmaceuticals, medical therapeutics,  
33 medical diagnostics, medical devices, medical instruments, biochemistry,  
34 microbiology, veterinary medicine, plant biology, agriculture, industrial  
35 environmental and homeland security applications of bioscience and fu-  
36 ture developments in the biosciences. Bioscience includes biotechnology  
37 and life sciences.

38 (aa) “Bioscience development area” means an area that:

39 (1) Is or shall be owned, operated, or leased by, or otherwise under  
40 the control of the Kansas bioscience authority;

41 (2) is or shall be used and maintained by a bioscience company; or

42 (3) includes a bioscience facility.

43 (bb) “Bioscience development district” means the specific area, cre-

- 1 ated under K.S.A. 12-1771, and amendments thereto, where one or more  
2 bioscience development projects may be undertaken.
- 3 (cc) “Bioscience development project” means an approved project to  
4 implement a project plan in a bioscience development district.
- 5 (dd) “Bioscience development project plan” means the plan adopted  
6 by the authority for a bioscience development project pursuant to K.S.A.  
7 12-1772, and amendments thereto, in a bioscience development district.
- 8 (ee) “Bioscience facility” means real property and all improvements  
9 thereof used to conduct bioscience research, including, without limita-  
10 tion, laboratory space, incubator space, office space and any and all fa-  
11 cilities directly related and necessary to the operation of a bioscience  
12 facility.
- 13 (ff) “Bioscience project area” means an area designated by the au-  
14 thority within a bioscience development district.
- 15 (gg) “Biotechnology” means those fields focusing on technological  
16 developments in such areas as molecular biology, genetic engineering,  
17 genomics, proteomics, physiomics, nanotechnology, biodefense, biocom-  
18 puting, bioinformatics and future developments associated with  
19 biotechnology.
- 20 (hh) “Board” means the board of directors of the Kansas bioscience  
21 authority.
- 22 (ii) “Life sciences” means the areas of medical sciences, pharmaceu-  
23 tical sciences, biological sciences, zoology, botany, horticulture, ecology,  
24 toxicology, organic chemistry, physical chemistry, physiology and any fu-  
25 ture advances associated with life sciences.
- 26 (jj) “Revenue increase” means that amount of real property taxes col-  
27 lected from real property located within the bioscience development dis-  
28 trict that is in excess of the amount of real property taxes which is col-  
29 lected from the base year assessed valuation.
- 30 (kk) “Taxpayer” means a person, corporation, limited liability com-  
31 pany, S corporation, partnership, registered limited liability partnership,  
32 foundation, association, nonprofit entity, sole proprietorship, business  
33 trust, group or other entity that is subject to the Kansas income tax act,  
34 K.S.A. 79-3201 et seq., and amendments thereto.
- 35 (ll) “Floodplain increment” means the increment determined pur-  
36 suant to subsection (b) of K.S.A. 2009 Supp. 12-1771e, and amendments  
37 thereto.
- 38 (mm) “100-year floodplain area” means an area of land existing in a  
39 100-year floodplain as determined by either an engineering study of a  
40 Kansas certified engineer or by the United States federal emergency man-  
41 agement agency.
- 42 (nn) “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 (oo) “Intermodal transportation area” means an area of not less than  
11 800 acres to be developed primarily to handle the transfer, storage and  
12 distribution of freight through railway and trucking operations.

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

23 Sec. 8. K.S.A. 2009 Supp. 12-1774 is hereby amended to read as  
24 follows: 12-1774. (a) (1) Any city shall have the power to issue special  
25 obligation bonds in one or more series to finance the undertaking of any  
26 redevelopment project or bioscience development project in accordance  
27 with the provisions of this act. Such special obligation bonds shall be made  
28 payable, both as to principal and interest:

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

31 (B) from revenues of the city derived from or held in connection with  
32 the undertaking and carrying out of any redevelopment project or projects  
33 or bioscience development project or projects under this act including  
34 environmental increments;

35 (C) from any private sources, contributions or other financial assis-  
36 tance from the state or federal government;

37 (D) from a pledge of a *portion* or all of the revenue received by the  
38 city from any transient guest and local sales and use taxes which are  
39 collected from taxpayers doing business within that portion of the city’s  
40 redevelopment district or bioscience development district established  
41 pursuant to K.S.A. 12-1771, and amendments thereto, occupied by a re-  
42 development project or bioscience development project. A city proposing  
43 to finance a major motorsports complex pursuant to this paragraph shall

1 prepare a project plan which shall include:

- 2 (i) A summary of the feasibility study done, as defined in K.S.A. 12-  
3 1770a, and amendments thereto, which will be an open record;  
4 (ii) a reference to the district plan established under K.S.A. 12-1771,  
5 and amendments thereto, that identifies the project area that is set forth  
6 in the project plan that is being considered;  
7 (iii) a description and map of the location of the facility that is the  
8 subject of the special bond project or major motorsports complex;  
9 (iv) the relocation assistance plan required by K.S.A. 12-1777, and  
10 amendments thereto;  
11 (v) a detailed description of the buildings and facilities proposed to  
12 be constructed or improved; and  
13 (vi) any other information the governing body deems necessary to  
14 advise the public of the intent of the special bond project or major mo-  
15 torsports complex plan.

16 The project plan shall be prepared in consultation with the planning  
17 commission of the city. Such project plan shall also be prepared in con-  
18 sultation with the planning commission of the county, if any, if a major  
19 motorsports complex is located wholly outside the boundaries of the city.

20 (E) from a pledge of a portion or all increased revenue received by  
21 the city from: (i) Franchise fees collected from utilities and other busi-  
22 nesses using public right-of-way within the redevelopment district; (ii)  
23 from a pledge of all or a portion of the revenue received by the city from  
24 sales taxes; or (iii) both of the above;

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

30 (G) by any combination of these methods.

31 The city may pledge such revenue to the repayment of such special  
32 obligation bonds prior to, simultaneously with, or subsequent to the is-  
33 suance of such special obligation bonds.

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

39 (3) Bonds issued under the provisions of paragraph (1) of this sub-  
40 section shall be special obligations of the city and are declared to be  
41 negotiable instruments. They shall be executed by the mayor and clerk  
42 of the city and sealed with the corporate seal of the city. All details per-  
43 taining to the issuance of such special obligation bonds and terms and

1 conditions thereof shall be determined by ordinance of the city. All special  
2 obligation bonds issued pursuant to this act and all income or interest  
3 therefrom shall be exempt from all state taxes except inheritance taxes.  
4 Such special obligation bonds shall contain none of the recitals set forth  
5 in K.S.A. 10-112, and amendments thereto. Such special obligation bonds  
6 shall, however, contain the following recitals, viz., the authority under  
7 which such special obligation bonds are issued, they are in conformity  
8 with the provisions, restrictions and limitations thereof, and that such  
9 special obligation bonds and the interest thereon are to be paid from the  
10 money and revenue received as provided in paragraph (1) of this  
11 subsection.

12 (b) (1) Subject to the provisions of paragraph (2) of this subsection,  
13 any city shall have the power to issue full faith and credit tax increment  
14 bonds to finance the undertaking of any redevelopment project in ac-  
15 cordance with the provisions of K.S.A. 12-1770 et seq., and amendments  
16 thereto, other than a project that will create a major tourism area. Such  
17 full faith and credit tax increment bonds shall be made payable, both as  
18 to principal and interest: (A) From the revenue sources identified in par-  
19 agraph (1) of subsection (a) or by any combination of these sources; and  
20 (B) subject to the provisions of paragraph (2) of this subsection, from a  
21 pledge of the city's full faith and credit to use its ad valorem taxing au-  
22 thority for repayment thereof in the event all other authorized sources of  
23 revenue are not sufficient.

24 (2) Except as provided in paragraph (3) of this subsection, before the  
25 governing body of any city proposes to issue full faith and credit tax in-  
26 crement bonds as authorized by this subsection, the feasibility study re-  
27 quired by K.S.A. 12-1772, and amendments thereto, shall demonstrate  
28 that the benefits derived from the project will exceed the cost and that  
29 the income therefrom will be sufficient to pay the costs of the project.  
30 No full faith and credit tax increment bonds shall be issued unless the  
31 governing body states in the resolution required by K.S.A. 12-1772, and  
32 amendments thereto, that it may issue such bonds to finance the proposed  
33 redevelopment project.

34 The governing body may issue the bonds unless within 60 days follow-  
35 ing the date of the public hearing on the proposed project plan a protest  
36 petition signed by 3% of the qualified voters of the city is filed with the  
37 city clerk in accordance with the provisions of K.S.A. 25-3601 et seq., and  
38 amendments thereto. If a sufficient petition is filed, no full faith and credit  
39 tax increment bonds shall be issued until the issuance of the bonds is  
40 approved by a majority of the voters voting at an election thereon. Such  
41 election shall be called and held in the manner provided by the general  
42 bond law.

43 The failure of the voters to approve the issuance of full faith and credit

1 tax increment bonds shall not prevent the city from issuing special obli-  
2 gation bonds in accordance with this section.

3 No such election shall be held in the event the board of county com-  
4 missioners or the board of education determines, as provided in K.S.A.  
5 12-1771, and amendments thereto, that the proposed redevelopment dis-  
6 trict will have an adverse effect on the county or school district.

7 (3) As an alternative to paragraph (2) of this subsection, any city which  
8 adopts a redevelopment project plan but does not state its intent to issue  
9 full faith and credit tax increment bonds in the resolution required by  
10 K.S.A. 12-1772, and amendments thereto, and has not acquired property  
11 in the redevelopment project area may issue full faith and credit tax in-  
12 crement bonds if the governing body of the city adopts a resolution stating  
13 its intent to issue the bonds and the issuance of the bonds is approved by  
14 a majority of the voters voting at an election thereon. Such election shall  
15 be called and held in the manner provided by the general bond law.

16 The failure of the voters to approve the issuance of full faith and credit  
17 tax increment bonds shall not prevent the city from issuing special obli-  
18 gation bonds pursuant to paragraph (1) of subsection (a). Any project plan  
19 adopted by a city prior to the effective date of this act in accordance with  
20 K.S.A. 12-1772, and amendments thereto, shall not be invalidated by any  
21 requirements of this act.

22 (4) During the progress of any redevelopment project in which the  
23 redevelopment project costs will be financed, in whole or in part, with  
24 the proceeds of full faith and credit tax increment bonds, the city may  
25 issue temporary notes in the manner provided in K.S.A. 10-123, and  
26 amendments thereto, to pay the redevelopment project costs for the pro-  
27 ject. Such temporary notes shall not be issued and the city shall not ac-  
28 quire property in the redevelopment project area until the requirements  
29 of paragraph (2) or (3) of this subsection, whichever is applicable, have  
30 been met.

31 (5) Full faith and credit tax increment bonds issued under this sub-  
32 section shall be general obligations of the city and are declared to be  
33 negotiable instruments. They shall be issued in accordance with the gen-  
34 eral bond law. All such bonds and all income or interest therefrom shall  
35 be exempt from all state taxes except inheritance taxes. The amount of  
36 the full faith and credit tax increment bonds issued and outstanding which  
37 exceeds 3% of the assessed valuation of the city shall be within the bonded  
38 debt limit applicable to such city.

39 (6) Any city issuing special obligation bonds or full faith and credit  
40 tax increment bonds under the provisions of this act may refund all or  
41 part of such issue pursuant to the provisions of K.S.A. 10-116a, and  
42 amendments thereto.

43 (c) Any increment in ad valorem property taxes resulting from a re-

1 development project in the established redevelopment district under-  
2 taken in accordance with the provisions of this act, shall be apportioned  
3 to a special fund for the payment of the redevelopment project costs,  
4 including the payment of principal and interest on any special obligation  
5 bonds or full faith and credit tax increment bonds issued to finance such  
6 project pursuant to this act and may be pledged to the payment of prin-  
7 cipal and interest on such bonds.

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

13 Sec. 9. K.S.A. 2009 Supp. 12-17,142 is hereby amended to read as  
14 follows: 12-17,142. (a) In addition to any other power provided by law  
15 and as a complete alternative to all other methods provided by law, the  
16 governing body of any municipality may create a district as provided by  
17 this act for the purpose of financing projects. A municipality may create  
18 a district, or may modify a previously created district, upon receipt of a  
19 petition signed by the owners of all of the land area within the proposed  
20 district. The petition shall contain: (1) The general nature of the proposed  
21 project;

22 (2) the maximum cost of the project;

23 (3) the proposed method of financing the project;

24 (4) the proposed amount and method of assessment;

25 (5) the proposed amount of transportation development district sales  
26 tax; and

27 (6) a map or boundary description of the proposed district.

28 (b) Names may not be withdrawn from the petitions by the signers  
29 thereof after the governing body commences consideration of the peti-  
30 tions or later than seven days after such filing, whichever occurs first. The  
31 petition shall contain a notice that: (1) The names of the signers may not  
32 be withdrawn after such a period of time; and (2) the signers consent to  
33 any assessments to the extent described therein without regard to benefits  
34 conferred by the project.

35 (c) Upon filing of the petition for a district financed only by assess-  
36 ments, the governing body may proceed without notice or a hearing to  
37 make findings by resolution or ordinance as to the nature, advisability and  
38 maximum cost of the project, the boundaries of the district and the  
39 amount and method of assessment. Upon making such findings the gov-  
40 erning body may authorize the project in accordance with such findings  
41 as to the advisability of the project. The resolution or ordinance shall be  
42 effective upon publication once in a newspaper.

43 (d) The district boundaries and the method of financing for the pro-

1 ject shall not require that all property that is benefited by the project,  
2 whether the benefited property is within or without the district, be in-  
3 cluded in the district or be subject to an assessment or the transportation  
4 development district sales tax.

5 (e) Following authorization of the project, the petition shall be sub-  
6 mitted for recording in the office of the register of deeds of the county  
7 in which the district is located.

8 (f) *Property may be added to an existing district upon receipt of a*  
9 *petition signed by the owners of all of the land area proposed to be added*  
10 *by the district, which petition contains a request to be added to the district*  
11 *and the legal description of the land area proposed to be added to the*  
12 *district. Upon filing of the petition for the district expansion, the governing*  
13 *body may proceed without notice or a hearing to add the land area by*  
14 *resolution or ordinance to the district. If the district expansion is ap-*  
15 *proved, the expansion petition shall be submitted for recording in the*  
16 *office of the register of deeds of the county in which the district is located.*

17 Sec. 10. K.S.A. 2009 Supp. 12-6a27, 12-6a28, 12-6a29, 12-6a30, 12-  
18 6a31, 12-6a36, 12-1770a, 12-1774 and 12-17,142 are hereby repealed.

19 Sec. 11. This act shall take effect and be in force from and after its  
20 publication in the Kansas register.