

As Amended by Senate Committee

Session of 2010

SENATE BILL No. 495

By Committee on Commerce

2-1

10 AN ACT concerning STAR bonds; concerning use of sales tax revenues;
11 concerning approval of certain projects; amending K.S.A. 2009 Supp.
12 12-17,164 and 12-17,168 and repealing the existing sections.
13

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

15 Section 1. K.S.A. 2009 Supp. 12-17,164 is hereby amended to read
16 as follows: 12-17,164. (a) The governing body of a city may establish one
17 or more STAR bond projects in any area within such city or wholly outside
18 the boundaries of such city. A STAR bond project wholly outside the
19 boundaries of such city must be approved by the board of county com-
20 missioners by the passage of a county resolution.

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

23 The projects shall be eligible for financing by special obligation bonds
24 payable from revenues described by subsection (a)(1) of K.S.A. 2009
25 Supp. 12-17,169, and amendments thereto.

26 (b) Each STAR bond project shall first be approved by the secretary,
27 if the secretary determines that the proposed project or complex suffi-
28 ciently promotes, stimulates and develops the general and economic wel-
29 fare of the state as described in K.S.A. 2009 Supp. 12-17,160, and amend-
30 ments thereto. The secretary, upon approving the project, may approve
31 such financing in an amount not to exceed 50% of the total costs including
32 all project costs and any other costs related to the project. The proceeds
33 of such STAR bond financing may only be used to pay for incurred project
34 costs.

35 (c) For a city proposing to finance a major motorsports complex pur-
36 suant to subsection (a)(1)(C) or (a)(1)(E) of K.S.A. 2009 Supp. 12-17,169,
37 and amendments thereto, the secretary, upon approving the project, may
38 approve such financing in an amount not to exceed 50% of the STAR
39 bond project costs.

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

42 ~~—(e)~~ A project shall not be granted to any business that proposes to
43 relocate its business from another area of the state into such city or

1 county, for the purpose of consideration for a STAR bond project pro-
2 vided by K.S.A. 2009 Supp. 12-17,160 et seq., and amendments thereto.

3 ~~(f)~~ (e) A project shall not be approved by the secretary if the market
4 study required by K.S.A. 2009 Supp. 12-17,166, and amendments thereto,
5 indicates a substantial negative impact upon businesses in the project or
6 complex market area or the granting of such project or complex would
7 cause a default in the payment of any outstanding special obligation bond
8 payable from revenues authorized pursuant to subsection (a)(1) of K.S.A.
9 2009 Supp. 12-17,169, and amendments thereto.

10 ~~(g)~~ (f) The maximum maturity of special obligation bonds payable
11 primarily from revenues described by subsection (a)(1) of K.S.A. 2009
12 Supp. 12-17,169, and amendments thereto, to finance STAR bond pro-
13 jects pursuant to this section shall not exceed 20 years.

14 ~~(h)~~ (g) The secretary shall not approve any application for STAR bond
15 project financing which is submitted by a city or county more than one
16 year after the STAR bond project district in which the STAR bond project
17 is located has been established.

18 Sec. 2. K.S.A. 2009 Supp. 12-17,168 is hereby amended to read as
19 follows: 12-17,168. (a) Any city or county which has received approval for
20 a STAR bond project may request STAR bond issuance authority to issue
21 additional STAR bonds in an amount in excess of the amount previously
22 approved by the secretary. Any city or county requesting such additional
23 STAR bond issuance authority shall make application for approval to the
24 secretary. Such application shall include all information required to be
25 submitted to the secretary for initial approval of a STAR bond project,
26 including, but not limited to, a feasibility study as required by K.S.A. 2009
27 Supp. 12-17,166, and amendments thereto.

28 (b) The secretary shall review all of the information submitted by the
29 city or county in the request for additional STAR bond issuance authority
30 and determine whether to approve a request, and, if approved, issue an
31 approval letter for additional STAR bond issuance authority based upon
32 the requirements within this act and rules and regulations developed by
33 the secretary.

34 (c) The secretary may approve such additional STAR bond issuance
35 authority in an amount not to exceed 50% of the total costs of the addition
36 or expansion to the STAR bond project for which the additional STAR
37 bond issuance authority is sought, including all project costs and any other
38 costs related to the project addition or expansion. ~~The revenues used for~~
39 ~~the repayment of the original issue of the STAR bonds pursuant to sub-~~
40 ~~section (a)(1) of K.S.A. 2009 Supp. 12-17,169, and amendments thereto,~~
41 ~~shall not be used in any manner to finance or pay for any project cost of~~
42 ~~such addition or expansion.~~ The proceeds of such additional STAR bond
43 financing may only be used to pay for incurred project costs of such

1 ~~addition or expansion~~ ***After the initial approval of a STAR bond pro-***
2 ***ject by the secretary, then any addition to or expansion of such***
3 ***STAR bond project or new project within such STAR bond project***
4 ***district shall be financed solely from the tax increment revenues, as***
5 ***defined in subsection (dd) of K.S.A. 2009 Supp. 12-17,162, and***
6 ***amendments thereto, generated from such addition to or expansion***
7 ***of such STAR bond project or new project within such STAR bond***
8 ***project district. The proceeds of such additional STAR bond fi-***
9 ***ancing may only be used to pay for such addition to or expansion***
10 ***of such STAR bond project. This provision shall apply to all existing***
11 ***STAR bond projects.***

12 Sec. 3. K.S.A. 2009 Supp. 12-17,164 and 12-17,168 are hereby
13 repealed.

14 Sec. 4. This act shall take effect and be in force from and after its
15 publication in the statute book.