

Approved: 3-23-07

Date

MINUTES OF THE HOUSE ECONOMIC DEVELOPMENT AND TOURISM COMMITTEE

The meeting was called to order by Chairman Lana Gordon at 3:30 P.M. on March 21, 2007 in Room 519-S of the Capitol.

All members were present.

Committee staff present:

Kathie Sparks, Kansas Legislative Research Department
Hank Avila, Kansas Legislative Research Department
Jason Long, Revisor of Statutes
Ann Deitcher, Committee Assistant

Others attending:

See attached list.

Substitute for SB 316 - concerning economic development; relating to tax increment financing and sales tax and revenue bonds; establishing the STAR bond financing act.

Vice-Chair Huntington explained to the Committee the recommendations of the Subcommittee on **Substitute for SB 316.**

Kathie Sparks addressed the Committee in regard to the substantive amendments recommended by the Subcommittee. (Attachment 1).

Copies of the Subcommittee's balloon amendments to **Substitute for SB 316** were distributed. (Attachment 2).

The proposed balloon amendments were voted on separately.

A motion was made by Representative Rardin and seconded by Representative Hill to accept the Subcommittee's recommendation on amendment number 1. The motion passed on a voice vote.

A motion was made by Representative Worley and seconded by Representative Olson to accept the Subcommittee's recommendation on amendment number 2. The motion passed on a voice vote.

A motion was made by Representative Olson and seconded by Representative Huntington to accept the Subcommittee's recommendation on amendment number 3. The motion passed on a voice vote.

A motion was made by Representative Swanson and seconded by Representative Hill to accept the Subcommittee's recommendation on amendment number 4. The motion passed on a voice vote.

A motion was made by Representative Olson and seconded by Representative Treaster to accept the Subcommittee's recommendation on amendment number 5. The motion passed on a voice vote.

A motion was made by Representative Swanson and seconded by Representative Rardin to accept the Subcommittee's recommendation on amendment number 6. The motion passed on a voice vote.

Regarding this amendment, Representative Hill wanted it recorded that a precedent not be set for future full faith and credit bonds.

A motion was made by Representative Hill and seconded by Representative Huntington to accept the Subcommittee's recommendation on amendment number 7. The motion passed on a voice vote.

A motion was made by Representative Hill and seconded by Representative Treaster to accept the Subcommittee's recommendation on amendment number 8. The motion passed on a voice vote.

CONTINUATION SHEET

MINUTES OF THE House Economic Development and Tourism Committee at 3:30 P.M. on March 21, 2007 in Room 519-S of the Capitol.

A motion was made by Representative Olson and seconded by Representative Rardin to accept the Subcommittee's recommendation on amendment number 9. The motion passed on a voice vote.

A motion was made by Representative Worley and seconded by Representative Olson to accept the Subcommittee's recommendation on amendment number 10. The motion passed on a voice vote.

A motion was made by Representative Olson and seconded by Representative Hill to accept the Subcommittee's recommendation on amendment number 11. The motion passed on a voice vote.

Representative Huntington wanted to stress to the Committee that this would mean financially funded with TIF bonds.

A motion was made by Representative Rardin and seconded by Representative Craft to accept the Subcommittee's recommendation on amendment number 12. The motion passed on a voice vote.

A motion was made by Representative Huntington and seconded by Representative Hill to accept the Subcommittee's recommendation on amendment number 13. The motion passed on a voice vote.

Questions and answers followed.

Patty Clark of the Department of Commerce was present and answered some of the Committee's questions.

A motion was made by Representative Olson and seconded by Representative Rardin to accept the Subcommittee's recommendation on amendment number 14. The motion passed on a voice vote.

Representative Huntington reminded the Committee that this amendment would be a major policy change.

A motion was made by Representative Huntington and seconded by representative Worley to accept the Subcommittee's recommendation on amendment number 15. The motion passed on a voice vote.

A motion was made by Representative Swanson and seconded by Representative Olson to accept the Subcommittee's recommendation on amendment number 16. The motion passed on a voice vote.

A motion was made by Representative Huntington and seconded by Representative Worley to accept the Subcommittee's recommendation on amendment number 17. The motion passed on a voice vote.

A motion was made by Representative Treaster and seconded by Representative Olson to accept the Subcommittee's recommendation on amendment number 18. The motion passed on a voice vote.

A motion was made by Representative Olson and seconded by Representative Huntington to accept the Subcommittee's recommendation on amendment number 19. The motion passed on a voice vote.

A motion was made by Representative Olson and seconded by Representative Huntington to accept the Subcommittee's recommendation on amendment number 20. The motion passed on a voice vote.

Representative Huntington moved for the adoption of all technical amendments to **Substitute for SB 316**. The motion was seconded by Representative Olson and passed on a voice vote.

Representative Huntington made the motion that was seconded by Representative Worley that the Substantive Amendments recommended by the Subcommittee on **Substitute for Substitute for SB 316** be passed favorably as amended. The motion passed on a voice vote.

The meeting was adjourned at 5:30 p.m. The next meeting is scheduled for Thursday, March 22, 2007.

Substantive Amendments
Recommended by the Subcommittee
On Substitute for Substitute for SB 316

STAR bonds
Amendment #1

Removal of all references to bioscience development and the Kansas bioscience authority from the STAR bond financing act (Sections 1 through 21), including the wet lab equipment provisions.

The amendment would no longer allow project costs for bioscience development projects to be financed with STAR bonds. No bioscience development project has ever been financed with STAR bonds, nor is there any plan to do so in the near future. Bioscience development projects could still be financed with TIF bonds.

Amendment #2

On page 5, by adding “museum facility” to the list of allowable project costs for STAR bonds. A definition of “museum facility” is added on page 4.

This amendment would allow a museum facility, which includes all of the items included in the definition, to be financed as project costs with STAR bonds. The definition of museum facility is very similar to the auto race track and the multi-sport athletic complex in terms of ancillary facilities that are included in the definition. Additionally, the museum facility must be owned by the state, a county, city, political subdivision, or a non-profit corporation.

Amendment #3

On page 5, by adding “major motorsports complex” to the list of allowable project costs for STAR bonds. A definition of “major motorsports complex” is in the bill on page 3, line 36.

This amendment would allow a major motorsports complex, which includes all of the items included in the definition, to be financed as project costs with STAR bonds. The definition of major motorsports complex is very similar to the auto race track and the multi-sport athletic complex in terms of ancillary facilities that are included in the definition. The major motorsports complex is a generic term for the Heartland Park race track located in Topeka.

Amendment #4

On page 6, by amending the definition of “STAR bond project” to include a major motorsports complex as a specific enumerated item that is a STAR bond project.

This amendment would allow a major motorsports complex (i.e. Heartland Park) to be a STAR bond project under the new act despite the fact that the project does not meet the investment thresholds and is located in a metropolitan statistical area.

Amendment #5

On page 7, by amending the definition of “tax increment” to allow already existing redevelopment districts to set their base year as the 12-month period immediately preceding the establishment of such district.

This amendment allows existing redevelopment districts to set the base year for determining the tax increment as the 12-month period immediately prior to the establishment of the district. This would only apply to those districts that were established on or after July 1, 2002. Without this amendment an existing district would have to apply to be deemed a STAR bond district and its base year would be the 12-month period immediately preceding approval of such STAR bond district.

Amendment #6

On page 17, by inserting a new subsection (b) into section 9 to allow a city to issue full faith and credit tax increment bonds for a major motorsports complex.

This amendment would allow TIF bonds to be issued to finance a STAR bond project if that project is Heartland Park. The provision is essentially the same as it appears in the current TIF statutes, but has been limited to Heartland Park. The issuance of such bonds may be subject to an election of the voters either by resolution of the city, or by protest petition signed by at least 3% of the qualified voters. TIF bonds are general obligations of the city and therefore, if the tax revenue is insufficient the city is obligated to repay the bond. These bonds would also be refundable.

Amendment #7

On pages 19 and 20, there are various amendments to section 12 regarding the exercise of eminent domain by a governing body.

First, on page 19, in line 20, there is an amendment to specifically require the governing body to follow K.S.A. 26-501b when exercising eminent domain. K.S.A. 26-501b was enacted last year and takes effect on July 1, 2007 when this bill would also take effect.

Second, on page 19, there is language stricken in lines 20 through 34. This language provided eminent domain procedures for the governing body to follow. Such procedures are somewhat redundant given that the governing body is required to follow the eminent domain law found in K.S.A. 26-501, et seq., which provides procedures for exercise eminent domain.

Third, subsection (b) is amended to clarify what real property that provision is referring to. With the amendments it is now clear that the transfer of property provisions in subsection (b) only refer to real property acquired by eminent domain.

Amendment #8

On page 25, new section 20 is stricken in its entirety.

This amendment removes the prohibition on issuing additional bonds for all projects approved prior to July 1, 2007, except for the Manhattan project and the Schlitterbahn project. Adoption of this amendment would allow any existing project to continue to issue bonds to finance such project up to any cap that has been placed on such issuance (i.e. the Kansas speedway is capped at \$308 million).

Amendment #9

On page 25, section 21 is amended by removing the language specifically referring to the Manhattan project and the Schlitterbahn project.

This amendment opens up the opt in provision of section 21 to any existing project. A city that has already created a district and had a STAR bond project approved could adopt a resolution stating that such district and project were subject to the new STAR bond financing act.

TIF bonds

Amendment #10

On page 28, by amending the feasibility study requirements for TIF district such that the study would now require a statement of how the taxes obtained from the project would contribute to the economic development of the jurisdiction in which the project is located.

This amendment changes the feasibility study requirements for a TIF district. Under current law this particular provision required that a STAR bond district feasibility study include a statement of how the jobs and taxes created by the project would contribute significantly to the economic development of the state and region. The amendment would narrow the provision so that only taxes obtained from the project would need to be addressed, and only the impact on the jurisdiction in which the project was located. This amendment makes the provision more appropriate for a TIF district.

Amendment #11

On page 30, by adding "museum facility" to the list of allowable project costs for TIF bonds. A definition of "museum facility" is added on page 29 in line 26.

This amendment would allow a museum facility, which includes all of the items included in the definition, to be financed as project costs with TIF bonds. The definition of museum facility is very similar to the auto race track and the multi-sport athletic complex in terms of ancillary facilities that are included in the definition. Additionally, the museum facility must be owned by the state, a county, city, political subdivision, or a non-profit corporation.

Amendment #12

On page 30, by adding “major multi-sport athletic complex” to the list of allowable project costs for TIF bonds. A definition of “major multi-sport athletic complex” is added on page 32 in line 27.

This amendment would allow a major multi-sport athletic complex, which includes all of the items included in the definition, to be financed as project costs with TIF bonds. The definition of major multi-sport athletic complex is very similar to the auto race track and the museum facility in terms of ancillary facilities that are included in the definition.

Amendment #13

On page 30, in lines 32 through 43 and on page 31, in lines 1 through 9, by amending the provisions enumerating what costs are not project costs and therefore cannot be financed with TIF bonds.

These amendments change the provisions designation what are not project costs so that it is very similar to the corresponding provision in the STAR bond financing act. Under the amendment everything specifically listed in subsections (A) through (S) would be deemed an allowable project cost and everything listed in paragraph 2 would not be a project cost. This amendment adds the costs of personal property and travel, entertainment, and hospitality to the list of items that are not project costs.

Amendment #14

On page 31, by adding new paragraph (3) after line 9 which would allow project costs for infrastructure improvements incurred outside of the district to be allowable project costs if they are identified in the project plan.

Currently, there is an attorney general’s opinion that project costs may only be incurred within the district. The original bill provides that for an intermodal transportation area (defined on page 34, line 9) project costs may be incurred outside of the redevelopment district. This amendment would allow any project to incur project costs for infrastructure improvements (subsection (o)(1) (C) through (1)(K), pages 29 and 30) incurred outside of the district.

Amendment #15

On page 33 and 34, by removing the definition of “major motorsports complex” from the TIF statutes.

This amendment would remove the definition from the TIF statutes. This has been approved by representatives of Heartland Park because Heartland Park issued STAR bonds for its project and no longer requires governance under the TIF statutes if the new STAR bond financing act is enacted.

Amendment #16

On pages 37 through 40, by striking section 25 in its entirety.

This amendment effectively repeals K.S.A. 12-1771b. This section contained provisions almost entirely applicable solely to the Kansas speedway project. The relevant STAR bond provisions have been included in the STAR bond financing act portion of the bill. The remaining provisions that are stricken by this amendment are not necessary because the Kansas speedway did not issue TIF bonds for its project and therefore, does not need to be governed under the TIF statutes if the STAR bond financing act is enacted.

Amendment #17

On page 40, by striking all in lines 35 through 43, and on page 41, by striking all in lines 1 through 4.

This language provided eminent domain procedures for the governing body to follow. Such procedures are somewhat redundant given that the governing body is required to follow the eminent domain law found in K.S.A. 26-501, et seq., which provides procedures for exercise eminent domain.

Amendment #18

On page 41, in line 40, by adding a requirement that special obligation bonds have a 20 year maximum maturity. The same amendment is found on page 44, in line 19 for TIF bonds.

This amendment simply moves the 20 year maturity requirement from section 25 where it was originally located to a new location in the TIF statutes.

Amendment #19

On page 45, in line 41, by adding TIF bonds as bonds which may be refundable.

This amendment merely codifies what has been the current practice by cities.

Amendment #20

On page 47, by adding new section 27 to allow cities with existing redevelopment or bioscience districts to opt into the new TIF provisions being enacted by this bill.

This amendment would allow cities to adopt a resolution to make their existing redevelopment districts subject to the new TIF provisions. For example, this would allow them to take advantage of any changes to allowable project costs that would benefit the district. This is similar to the opt in provision found in section 21 of the STAR bond financing act.

**SUBSTITUTE for Substitute for SENATE
BILL No. 316**

By Committee on Commerce

3-1

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

12-1771b,

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

20 New Section 1. It is hereby declared to be the purpose of this act to
21 promote, stimulate and develop the general and economic welfare of the
22 state of Kansas and its communities and to assist in the development and
23 redevelopment of eligible areas within and without a city thereby pro-
24 moting the general welfare of the citizens of this state, by authorizing
25 cities and counties to acquire certain property and to issue sales tax and
26 revenue (STAR) bonds for the financing of STAR bond projects ~~or bio-~~
27 ~~science development projects~~ as defined in section 3, and amendments
28 thereto. It is further found and declared that the powers conferred by
29 this act are for a public purpose and public use for which public money
30 may be expended and the power of eminent domain may be exercised.
31 The necessity in the public interest for the provisions of this act is hereby
32 declared as a matter of legislative determination.

19

33 New Sec. 2. The provisions of sections 1 through ~~21~~, and amend-
34 ments thereto, shall be known and may be cited as the STAR bonds
35 financing act.

36 New Sec. 3. As used in this act, and amendments thereto, the fol-
37 lowing words and phrases shall have the following meanings unless a
38 different meaning clearly appears from the context:

39 (a) "Auto race track facility" means: (1) An auto race track facility and
40 facilities directly related and necessary to the operation of an auto race
41 track facility, including, but not limited to, grandstands, suites and viewing
42 areas, concessions, souvenir facilities, catering facilities, visitor and retail
43 centers, signage and temporary hospitality facilities, but excluding (2) ho-

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1 tels, motels, restaurants and retail facilities, not directly related to or nec-
2 essary to the operation of such facility.

3 (b) "Bioscience" means the use of compositions, methods and organ-
4 isms in cellular and molecular research, development and manufacturing
5 processes for such diverse areas as pharmaceuticals, medical therapeutics,
6 medical diagnostics, medical devices, medical instruments, biochemistry,
7 microbiology, veterinary medicine, plant biology, agriculture, industrial
8 environmental and homeland security applications of bioscience and fu-
9 ture developments in the biosciences. Bioscience includes biotechnology
10 and life sciences.

11 (c) "Bioscience development district" means the specific area as de-
12 termined by the secretary in which the city or county with approval from
13 the Kansas bioscience authority may develop one or more bioscience de-
14 velopment projects.

15 (d) "Bioscience development district plan" means the preliminary
16 plan that identifies all of the proposed bioscience project areas and iden-
17 tifies in a general manner all of the buildings, facilities and improvements
18 in each that are proposed to be constructed or improved in each biosei-
19 ence project area.

20 (e) "Bioscience development project" means an approved bioscience
21 development project to implement a bioscience development project plan
22 in a bioscience development district.

23 (f) "Bioscience development project plan" means the plan adopted
24 by the Kansas bioscience authority and the city or county in which the
25 bioscience development district is located for a bioscience development
26 project in such bioscience development district.

27 (g) "Bioscience facility" means real property and all improvements
28 thereof used to conduct bioscience research, including, without limita-
29 tion, laboratory space, incubator space, office space and any and all fa-
30 cilities directly related and necessary to the operation of a bioscience
31 facility.

32 (h) "Bioscience project area" means an area designated by the Kansas
33 bioscience authority within a bioscience development district.

34 (i) "Biotechnology" means those fields focusing on technological de-
35 velopments in such areas as molecular biology, genetic engineering, gen-
36 omics, proteomics, physiomics, nanotechnology, biodefense, biocomput-
37 ing, bioinformatics and future developments associated with
38 biotechnology.

39 (j) "Board" means the board of directors of the Kansas bioscience
40 authority.

41 (k) "Commence work" means the manifest commencement of actual
42 operations on the development site, such as, erecting a building, exca-
43 vating the ground to lay a foundation or a basement or work of like de-

reletter remaining subsections accordingly

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1 scription which a person with reasonable diligence can see and recognize
2 as being done with the intention and purpose to continue work until the
3 project is completed.

4 (l) "De minimus" means an amount less than 15% of the land area
5 within a STAR bond project district ~~for bioscience development district.~~

6 (m) "Developer" means any person, firm, corporation, partnership or
7 limited liability company other than a city and other than an agency,
8 political subdivision or instrumentality of the state.

9 (n) "Economic impact study" means a study to project the financial
10 benefit of the project to the local, regional and state economies.

11 (o) "Eligible area" means a historic theater, major tourism area, major
12 motorsports complex, auto race track facility, river walk canal facility,
13 major multi-sport athletic complex, or a major commercial entertainment
14 and tourism area as determined by the secretary.

15 (p) "Feasibility study" means a feasibility study as defined in subsec-
16 tion (b) of section 7, and amendments thereto.

17 (q) "Historic theater" means a building constructed prior to 1940
18 which was constructed for the purpose of staging entertainment, includ-
19 ing motion pictures, vaudeville shows or operas, that is operated by a
20 nonprofit corporation and is designated by the state historic preservation
21 officer as eligible to be on the Kansas register of historic places or is a
22 member of the Kansas historic theatre association.

23 (r) "Historic theater sales tax increment" means the amount of state
24 and local sales tax revenue imposed pursuant to K.S.A. 12-187 et seq.,
25 79-3601 et seq. and 79-3701 et seq., and amendments thereto, collected
26 from taxpayers doing business within the historic theater that is in excess
27 of the amount of such taxes collected prior to the designation of the
28 building as a historic theater for purposes of this act.

29 ~~(s) "Life sciences" means the areas of medical sciences, pharmaceu-
30 tical sciences, biological sciences, zoology, botany, horticulture, ecology,
31 toxicology, organic chemistry, physical chemistry, physiology and any fu-
32 ture advances associated with life sciences.~~

And by relettering remaining subsections accordingly.

33 (t) "Major commercial entertainment and tourism area" means an
34 area that may include, but not be limited to, a major multi-sport athletic
35 complex.

36 (u) "Major motorsports complex" means a complex in Shawnee
37 county that is utilized for the hosting of competitions involving motor
38 vehicles, including, but not limited to, automobiles, motorcycles or other
39 self-propelled vehicles other than a motorized bicycle or motorized
40 wheelchair. Such project may include racetracks, all facilities directly re-
41 lated and necessary to the operation of a motorsports complex, including,
42 but not limited to, parking lots, grandstands, suites and viewing areas,
43 concessions, souvenir facilities, catering facilities, visitor and retail cen-

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1 ters, signage and temporary hospitality facilities, but excluding hotels,
2 motels, restaurants and retail facilities not directly related to or necessary
3 to the operation of such facility.

4 (v) "Major tourism area" means an area for which the secretary has
5 made a finding the capital improvements costing not less than
6 \$100,000,000 will be built in the state to construct an auto race track
7 facility.

8 (w) "Major multi-sport athletic complex" means an athletic complex
9 that is utilized for the training of athletes, the practice of athletic teams,
10 the playing of athletic games or the hosting of events. Such project may
11 include playing fields, parking lots and other developments including
12 grandstands, suites and viewing areas, concessions, souvenir facilities, ca-
13 tering facilities, visitor centers, signage and temporary hospitality facili-
14 ties, but excluding hotels, motels, restaurants and retail facilities, not di-
15 rectly related to or necessary to the operation of such facility.

16 (x) "Market study" means a study to determine the ability of the pro-
17 ject to gain market share locally, regionally and nationally and the ability
18 of the project to gain sufficient market share to:

- 19 (1) Remain profitable past the term of repayment; and
- 20 (2) maintain status as a significant factor for travel decisions.

21 (y) "Market impact study" means a study to measure the impact of
22 the proposed project on similar businesses in the project's market area.

23 (z) "Project" means a STAR bond project ~~or bioscience development~~
24 ~~project~~

25 (aa) "Project costs" means those costs necessary to implement a
26 STAR bond project plan ~~or bioscience development project plan~~, includ-
27 ing costs incurred for:

- 28 (1) Acquisition of real property within the STAR bond project area
29 ~~or bioscience project area~~;
- 30 (2) payment of relocation assistance pursuant to a relocation assis-
31 tance plan as provided in section 13, and amendments thereto;
- 32 (3) site preparation including utility relocations;
- 33 (4) sanitary and storm sewers and lift stations;
- 34 (5) drainage conduits, channels, levees and river walk canal facilities;
- 35 (6) street grading, paving, graveling, macadamizing, curbing, gutter-
36 ing and surfacing;
- 37 (7) street light fixtures, connection and facilities;
- 38 (8) underground gas, water, heating and electrical services and con-
39 nections located within the public right-of-way;
- 40 (9) sidewalks and pedestrian underpasses or overpasses;
- 41 (10) drives and driveway approaches located within the public right-
42 of-way;
- 43 (11) water mains and extensions;

(z) "Museum facility" means a separate newly-constructed museum building and facilities directly related and necessary to the operation thereof, including gift shops and restaurant facilities, but excluding hotels, motels, restaurants and retail facilities not directly related to or necessary to the operation of such facility. The museum facility shall be owned by the state, a city, county, other political subdivision of the state or a non-profit corporation, shall be managed by the state, a city, county, other political subdivision of the state or a non-profit corporation and may not be leased to any developer and shall not be located within any retail or commercial building.

And by relettering remaining subsections accordingly.

5-5

1 (12) plazas and arcades;
2 (13) parking facilities and multilevel parking structures devoted to
3 parking only;

4 (14) landscaping and plantings, fountains, shelters, benches, sculp-
5 tures, lighting, decorations and similar amenities;

6 (15) auto race track facility;

7 (16) major multi-sport athletic complex;

8 ~~(17) for purposes of an incubator project, such costs shall also include~~
9 ~~wet lab equipment including hoods, lab tables, heavy water equipment~~
10 ~~and all such other equipment found to be necessary or appropriate for a~~
11 ~~commercial incubator wet lab facility by the city or county in its resolution~~
12 ~~establishing such STAR bond project district or a bioscience development~~
13 ~~district;~~

(17) museum facility;
(18) major motorsports complex;
And by renumbering remaining paragraphs accordingly.

14 (18) related expenses to redevelop and finance the project, except
15 that for a STAR bond project ~~or bioscience development project~~ financed
16 with special obligation bonds payable from the revenues described in
17 subsection (a)(1) of section 9, and amendments thereto, such expenses
18 shall require prior approval by the secretary of commerce; and

19 (19) except as specified in subsections (1) through ~~(18)~~ above, project
20 costs shall not include:

(19)

21 (A) Costs incurred in connection with the construction of buildings
22 or other structures;

23 (B) fees and commissions paid to developers, real estate agents, fi-
24 nancial advisors or any other consultants who represent the developers
25 or any other businesses considering locating in or located in a STAR bond
26 project district ~~or bioscience development district~~;

27 (C) salaries for local government employees;

28 (D) moving expenses for employees of the businesses locating within
29 the STAR bond project district ~~or bioscience development district~~;

30 (E) property taxes for businesses that locate in the STAR bond pro-
31 ject district ~~or bioscience development district~~;

32 (F) lobbying costs;

33 (G) any bond origination fee charged by the city or county ~~or Kansas~~
34 ~~bioscience authority~~;

35 (H) any personal property as defined in K.S.A. 79-102, and amend-
36 ments thereto; and

37 (I) travel, entertainment and hospitality.

38 (bb) "Projected market area" means any area within the state in
39 which the project is projected to have a substantial fiscal or market impact
40 upon businesses in such area.

41 (cc) "River walk canal facilities" means a canal and related water fea-
42 tures which flow through a major commercial entertainment and tourism
43 area and facilities related or contiguous thereto, including, but not limited

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1 to, pedestrian walkways and promenades, landscaping and parking
2 facilities.

3 (dd) "Sales tax and revenue" are those revenues available to finance
4 the issuance of special obligation bonds as identified in section 9, and
5 amendments thereto.

6 (ee) "STAR bond" means a sales tax and revenue bond.

7 (ff) "STAR bond project" means an approved project to implement
8 a project plan for the development of the established STAR bond project
9 district with:

10 (1) At least a \$50,000,000 capital investment and \$50,000,000 in pro-
11 jected gross annual sales; or

12 (2) for areas outside of metropolitan statistical areas, as defined by
13 the federal office of management and budget, the secretary finds:

14 (A) The project is an eligible area as defined in subsection [e], and
15 amendments thereto; and

16 (B) would be of regional or statewide importance; or

17 (3) is a major tourism area as defined in subsection [v] and amend-
18 ments thereto.

(f)

(l)

19 (gg) "STAR bond project area" means the geographic area within the
20 STAR bond project district in which there may be one or more projects.

21 (hh) "STAR bond project district" means the specific area declared
22 to be an eligible area as determined by the secretary in which the city or
23 county may develop one or more STAR bond projects.

24 (ii) "STAR bond project district plan" means the preliminary plan
25 that identifies all of the proposed STAR bond project areas and identifies
26 in a general manner all of the buildings, facilities and improvements in
27 each that are proposed to be constructed or improved in each STAR bond
28 project area.

29 (jj) "STAR bond project plan" means the plan adopted by a city or
30 county for the development of a STAR bond project or projects in a STAR
31 bond project district.

32 (kk) "Secretary" means the secretary of commerce.

33 (ll) "Substantial change" means, as applicable, a change wherein the
34 proposed plan or plans differ substantially from the intended purpose for
35 which the STAR bond project district plan [or bioscience development
36 district plan] was approved.

37 (mm) "Tax increment" means that portion of the revenue derived
38 from state and local sales, use and transient guest tax imposed pursuant
39 to K.S.A. 12-187 et seq., 12-1692 et seq., 79-3601 et seq. and 79-3701 et
40 seq., and amendments thereto, collected from taxpayers doing business
41 within that portion of a STAR bond project district [or bioscience devel-
42 opment district] occupied by a project that is in excess of the amount of
43 base year revenue. For purposes of this subsection, the base year shall be

; or
(4) is a major motorsports complex, as defined in subsection (k), and
amendments thereto.

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1 the 12-month period immediately prior to the month in which the STAR
 2 bond project district ~~[or bioscience development district]~~ is established.
 3 The department of revenue shall determine base year revenue by refer-
 4 ence to the revenue collected during the base year from taxpayers doing
 5 business within the specific area in which a STAR bond project district
 6 ~~[or bioscience development district]~~ is subsequently established. For pur-
 7 poses of this subsection, revenue collected from taxpayers doing business
 8 within a STAR bond project district ~~[or bioscience development district]~~
 9 or within a specific area in which a STAR bond project district ~~[or biosci-
 10 ence development district]~~ is subsequently established shall not include
 11 local sales and use tax revenue that is sourced to jurisdictions other than
 12 those in which the project is located.

, or the 12-month period prior to the month in which a redevelopment district, as
 defined in K.S.A. 12-1770a, and amendments thereto, was established under K.
 S.A. 12-1770, et seq., that is later approved as a STAR bond project district,
 provided, such redevelopment district was established on or after July 1, 2002

13 (nn) "Taxpayer" means a person, corporation, limited liability com-
 14 pany, S corporation, partnership, registered limited liability partnership,
 15 foundation, association, nonprofit entity, sole proprietorship, business
 16 trust, group or other entity that is subject to the Kansas income tax act,
 17 K.S.A. 79-3201 et seq., and amendments thereto.

, or approved for an existing redevelopment district under K.S.A. 12-1770, et
 seq., provided such redevelopment district was established on or after July 1,
 2002

18 New Sec. 4. The governing body of any city or county may designate
 19 a building within such municipality to be an historic theater if the gov-
 20 erning body of the municipality and the secretary of commerce agree that
 21 the building satisfies the requirements of subsection ~~(e)~~ of section 3, and
 22 amendments thereto, and will contribute significantly to the economic
 23 development of the city and surrounding area or the county.

(h)

24 New Sec. 5. (a) The governing body of a city may establish one or
 25 more STAR bond projects ~~[or bioscience development projects]~~ in any area
 26 within such city or wholly outside the boundaries of such city. A STAR
 27 bond project ~~[or bioscience development project]~~ wholly outside the
 28 boundaries of such city must be approved by the board of county com-
 29 missioners by the passage of a county resolution.

30 The governing body of a county may establish one or more STAR bond
 31 projects ~~[or bioscience development projects]~~ in any unincorporated area
 32 of the county.

33 The projects shall be eligible for financing by special obligation bonds
 34 payable from revenues described by subsection (a)(1) of section 9, and
 35 amendments thereto.

36 (b) Each STAR bond project shall first be approved by the secretary,
 37 if the secretary determines that the proposed project or complex suffi-
 38 ciently promotes, stimulates and develops the general and economic wel-
 39 fare of the state as described in section 1, and amendments thereto.

40 (c) For a city proposing to finance a major motorsports complex pur-
 41 suant to subsection (a)(1)(C) or (a)(1)(E) of section 9, and amendments
 42 thereto, the secretary, upon approving the project, may approve such
 43 financing in an amount not to exceed 50% of the STAR bond project

8-8
2-6

1 costs.

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

project

4 (e) A project shall not be granted to any business that proposes to
5 relocate its business from another area of the state into such city or
6 county, for the purpose of consideration for a STAR bond project pro-
7 vided by section 1 et seq., and amendments thereto.

8 (f) A project shall not be approved by the secretary if the market
9 study required by section 7, and amendments thereto, indicates a sub-
10 stantial negative impact upon businesses in the project or complex market
11 area or the granting of such project or complex would cause a default in
12 the payment of any outstanding special obligation bond payable from
13 revenues authorized pursuant to subsection (a)(1) of section 9, and
14 amendments thereto.

15 (g) The maximum maturity of special obligation bonds payable pri-
16 marily from revenues described by subsection (a)(1) of section 9, and
17 amendments thereto, to finance STAR bond projects ~~or bioscience de-~~
18 ~~velopment projects~~ pursuant to this section shall not exceed 20 years.

19 ~~(h) A city or county that owns a building or structure that was fi-~~
20 ~~nanced in whole or in part by special obligation bonds payable from rev-~~
21 ~~enues described in subsection (a)(1) of section 9, and amendments~~
22 ~~thereto, may engage a manager to manage such building or structure.~~
23 ~~The contractual relationship between the city or county and the manager~~
24 ~~of such building or structure shall not be deemed a lease to a developer~~
25 ~~for purposes of paragraph (15) of subsection (aa) of section 3, and amend-~~
26 ~~ments thereto.~~

27 New Sec. 6. (a) When a city or county proposes to establish a STAR
28 bond project district, ~~or bioscience development district~~ within an eligible
29 area, the city or county shall adopt a resolution stating that the city or
30 county is considering the establishment of a STAR bond project district
31 ~~or bioscience development district~~. Such resolution shall:

32 (1) Give notice that a public hearing will be held to consider the
33 establishment of a STAR bond project district ~~or bioscience development~~
34 ~~district~~ and fix the date, hour and place of such public hearing;

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

37 (3) describe the STAR bond project district plan ~~or bioscience de-~~
38 ~~velopment district plan~~;

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

42 (5) state that the governing body will consider findings necessary for
43 the establishment of a STAR bond project district ~~or bioscience devel-~~

2-8

1 ~~project district~~

2 Notice shall be given as prescribed in subsection ~~(b)~~ (f)(2) of section 7, and amendments thereto

3 ~~(b) A copy of the city resolution shall be delivered to the board of~~
4 ~~county commissioners of the county and the board of education of any~~
5 ~~school district levying taxes on property within the proposed project~~
6 ~~district.~~

7 ~~A copy of the county resolution shall be delivered to the board of~~
8 ~~education of any school district levying taxes on the property within the~~
9 ~~proposed project district.~~ And relettering remaining subsections accordingly.

10 (c) The city or county shall submit the proposed ~~project district to~~ STAR bond
11 ~~the secretary for a determination that the district is an eligible area ~~or~~~~
12 ~~bioeience development district~~ STAR bond ~~as defined in section 3, and amendments~~
13 ~~thereto.~~

14 (d) Upon the conclusion of the public hearing, and a finding by the
15 secretary that the proposed project district is an eligible area ~~or bioeience~~
16 ~~development district~~, the governing body of the municipality shall pass
17 an ordinance or resolution.

18 (1) An ordinance or resolution for a STAR bond project district shall:

19 (A) Make findings that the STAR bond project district proposed to
20 be developed is an historic theater, or a STAR bond project as defined
21 in section 3, and amendments thereto;

22 (B) contain a STAR bond project district plan that identifies all of the
23 proposed STAR bond project areas and identifies in a general manner all
24 of the buildings and facilities that are proposed to be constructed or im-
25 proved in each STAR bond project area. The boundaries of such STAR
26 bond project district shall not include any area not designated in the
27 notice required by subsection (a); and

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

30 ~~(2) An ordinance or resolution for a bioeience development district~~
31 ~~shall make findings that the area satisfies the definition of a bioeience~~
32 ~~project area and the creation of a bioeience development district will~~
33 ~~contribute to the development of bioeience in the state and promote the~~
34 ~~general and economic welfare of the city or county. Such ordinance or~~
35 ~~resolution shall also contain the bioeience development district plan and~~
36 ~~contain the legal description of the bioeience development district. Such~~
37 ~~ordinance or resolution shall contain a bioeience development district~~
38 ~~plan that identifies all of the proposed bioeience development project~~
39 ~~areas and identifies in a general manner all of the buildings and facilities~~
40 ~~that are proposed to be constructed or improved in each bioeience de-~~
41 ~~velopment project area. The boundaries of such district shall not include~~
42 ~~any area not designated in the notice required by subsection (a). No~~
43 ~~bioeience development district shall be established without the approval~~

2-10

1 ~~of the Kansas bioscience authority. In creating a bioscience development~~
2 ~~district, eminent domain shall not be used to acquire agricultural land.~~

3 (3) If no ordinance or resolution is passed by the city or county within
4 30 days from the conclusion of the public hearing, then such STAR bond
5 project district ~~or bioscience development district~~ shall not be established.

6 (e) The governing body of a city or county may establish a STAR
7 bond project district within that city or such city may establish a district
8 inclusive of land outside the boundaries of the city or wholly outside the
9 boundaries of such city upon written consent of the board of county com-
10 missioners. Prior to providing written consent, the board of county com-
11 missioners must provide notice and hold a hearing as is required of a city
12 pursuant to subsection (a) for the establishment of a STAR bond project
13 district.

14 The governing body of a county may establish a STAR bond project
15 district within the unincorporated area of the county.

16 ~~(f) Upon approval from the Kansas bioscience authority, the govern-~~
17 ~~ing body of a city or county may establish a bioscience development dis-~~
18 ~~trict within such city or county in accordance with the provisions of sub-~~
19 ~~section (e).~~

And by relettering remaining subsections accordingly.

20 (g) One or more STAR bond projects ~~or bioscience development pro-~~
21 ~~jects~~ may be undertaken by a city or county within a STAR bond project
22 district ~~or bioscience development district~~ after such STAR bond project
23 district ~~or bioscience development district~~ has been established in the
24 manner provided by this section.

25 (h) No privately owned property subject to ad valorem taxes shall be
26 acquired and redeveloped under the provisions of section 1 et seq., and
27 amendments thereto, if the board of county commissioners or the board
28 of education levying taxes on such property determines by resolution
29 adopted within 30 days following the conclusion of the hearing for the
30 establishment of the STAR bond project district ~~or bioscience develop-~~
31 ~~ment district~~ required by subsection (a) that the proposed STAR bond
32 project district ~~or bioscience development district~~ will have an adverse
33 effect on such county or school district. The board of county commis-
34 sioners or board of education shall deliver a copy of such resolution to
35 the city or county. The city or county shall within 30 days of receipt of
36 such resolution pass an ordinance or resolution dissolving the STAR bond
37 project district ~~or bioscience development district~~. The provisions of this
38 subsection shall not apply if the STAR bond project plan ~~or the bioscience~~
39 ~~development project plan~~ provides that ad valorem property tax revenues
40 of the county or the school district levying taxes on such property will not
41 be adversely impacted.

42 (i) A STAR bond project shall not include a project for a gambling
43 casino.

11-2

1 New Sec. 7. (a) One or more projects may be undertaken by a city
2 or county within an established STAR bond project district ~~for bioscience~~
3 ~~development district~~. Any city or county proposing to undertake a STAR
4 bond project ~~for bioscience development project~~ shall prepare a STAR
5 bond project plan ~~for bioscience development project plan~~ in consultation
6 with the planning commission of the city, and in consultation with the
7 planning commission of the county, if any, if such project is located wholly
8 outside the boundaries of the city. ~~In the case of a bioscience develop-~~
9 ~~ment project such project plan shall be prepared with the approval of the~~
10 ~~Kansas bioscience authority.~~ Any such project plan may be implemented
11 in separate development stages.

12 (b) Any city or county proposing to undertake a STAR bond project
13 within a STAR bond project district ~~for a bioscience development project~~
14 ~~within a bioscience development district~~ established pursuant to section
15 6, and amendments thereto, shall prepare a feasibility study. The feasi-
16 bility study shall contain the following:

17 (1) Whether a STAR bond project's ~~for bioscience development pro-~~
18 ~~ject's~~ revenue and tax increment revenue and other available revenues
19 under section 9, and amendments thereto, are expected to exceed or be
20 sufficient to pay for the project costs;

21 (2) the effect, if any, a STAR bond project ~~for bioscience development~~
22 ~~project~~ will have on any outstanding special obligation bonds payable from
23 the revenues described in section 9, and amendments thereto;

24 (3) a statement of how the jobs and taxes obtained from the STAR
25 bond project ~~for bioscience development project~~ will contribute signifi-
26 cantly to the economic development of the state and region;

27 (4) visitation expectations;

28 (5) the unique quality of the project;

29 (6) economic impact study;

30 (7) market study;

31 (8) market impact study;

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

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

35 (11) project accountability, measured according to best industry
36 practices;

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

39 (13) a statement concerning whether a portion of the local sales and
40 use taxes are pledged to other uses and are unavailable as revenue for the
41 STAR bond project ~~for bioscience development project~~. If a portion of
42 local sales and use taxes is so committed, the applicant shall describe the
43 following:

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

3 (B) the date or dates on which the city and county sales and use taxes
4 pledged to other uses can be pledged for repayment of bonds; and

5 (14) an anticipated principal and interest payment schedule on the
6 bond issue.

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

10 (c) If the city or county determines the project is feasible, the project
11 plan shall include:

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

14 (2) a reference to the district plan established under section 6, and
15 amendments thereto, that identifies the project area that is set forth in
16 the project plan that is being considered;

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

18 (4) the relocation assistance plan as described in section 13, and
19 amendments thereto;

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

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

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

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

43 (1) Give notice that a public hearing will be held to consider the

2-13

1 adoption of the STAR bond project plan ~~[or bioscience development pro-~~
2 ~~ject plan]~~ and fix the date, hour and place of such public hearing;

3 (2) describe the boundaries of the STAR bond project district ~~[or bi-~~
4 ~~oscience development district]~~ within which the STAR bond project ~~[or~~
5 ~~bioscience development project]~~ will be located and the date of establish-
6 ment of such district;

7 (3) describe the boundaries of the area proposed to be included
8 within the STAR bond project area ~~[or bioscience project area]~~ and

9 (4) state that the STAR bond project plan ~~[or bioscience development~~
10 ~~project plan]~~, including a summary of the feasibility study, market study,
11 relocation assistance plan and financial guarantees of the prospective de-
12 veloper and a description and map of the area to be redeveloped or de-
13 veloped are available for inspection during regular office hours in the
14 office of the city clerk or county clerk, respectively.

15 (f) (1) The date fixed for the public hearing to consider the adoption
16 of the STAR bond project plan ~~[or bioscience development project plan]~~
17 shall be not less than 30 nor more than 70 days following the date of the
18 adoption of the resolution fixing the date of the hearing.

19 (2) A copy of the city or county resolution providing for the public
20 hearing shall be by certified mail, return receipt requested, sent by the
21 city to the board of county commissioners of the county and by the city
22 or county to the board of education of any school district levying taxes on
23 property within the proposed STAR bond project area ~~[or bioscience pro-~~
24 ~~ject area]~~. Copies also shall be sent by certified mail, return receipt re-
25 quested to each owner and occupant of land within the proposed STAR
26 bond project area ~~[or bioscience project area]~~ not more than 10 days fol-
27 lowing the date of the adoption of the resolution. The resolution shall be
28 published once in the official city or county newspaper not less than one
29 week nor more than two weeks preceding the date fixed for the public
30 hearing. A sketch clearly delineating the area in sufficient detail to advise
31 the reader of the particular land proposed to be included within the STAR
32 bond project area ~~[or bioscience project area]~~ shall be published with the
33 resolution.

34 (3) At the public hearing, a representative of the city or county shall
35 present the city's or county's proposed STAR bond project plan ~~[or bi-~~
36 ~~oscience development project plan]~~. Following the presentation of the
37 STAR bond project area ~~[or bioscience project area]~~, all interested persons
38 shall be given an opportunity to be heard. The governing body for good
39 cause shown may recess such hearing to a time and date certain, which
40 shall be fixed in the presence of persons in attendance at the hearing.

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

43 (h) Upon conclusion of the public hearing, the governing body may

g-14

1 adopt the STAR bond project plan ~~for bioscience development project~~
2 ~~plan~~ by ordinance or resolution passed upon a two-thirds vote of the
3 members ~~and, in the case of a bioscience development project plan, with~~
4 ~~the approval of the Kansas bioscience authority.~~

5 (i) After the adoption by the city or county governing body of a STAR
6 bond project plan ~~for bioscience development project plan~~, the clerk of
7 the city or county shall transmit a copy of the description of the land
8 within the STAR bond ~~district for bioscience development district~~, a copy
9 of the ordinance or resolution adopting the plan and a map or plat indi-
10 cating the boundaries of the district to the clerk, appraiser and treasurer
11 of the county in which the district is located and to the governing bodies
12 of the county and school district which levy taxes upon any property in
13 the district. Such documents shall be transmitted following the adoption
14 or modification of the plan or a revision of the plan on or before January
15 1 of the year in which the increment is first allocated to the taxing
16 subdivision.

project

17 (j) The appraiser of any county in which a STAR bond ~~district for~~
18 ~~bioscience development district~~ is authorized by a city or county shall
19 certify the amount of such increase in assessed valuation of real and per-
20 sonal property within the STAR bond ~~district for bioscience development~~
21 ~~district~~ to the county clerk on or before July 1 of each year.

project

project

22 (k) If the STAR bond project plan ~~for bioscience development project~~
23 ~~plan~~ is approved, the feasibility study shall be supplemented to include a
24 copy of the minutes of the governing body meetings of any city or county
25 whose bonding authority will be utilized in the STAR bond project ~~for~~
26 ~~bioscience development project~~, evidencing that a STAR bond project
27 plan ~~for bioscience development project plan~~ has been created, discussed
28 and adopted by the city or county in a regularly scheduled open public
29 meeting.

30 (l) Any substantial changes as defined in section 3, and amendments
31 thereto, to the STAR bond project plan ~~for bioscience development pro-~~
32 ~~ject plan~~ as adopted shall be subject to a public hearing following publi-
33 cation of notice thereof at least twice in the official city or county
34 newspaper.

35 (m) Any STAR bond project ~~for bioscience development project~~ shall
36 be completed within 20 years from the date of the approval of the STAR
37 bond project plan ~~for bioscience development project plan~~. The maximum
38 maturity on bonds issued to finance projects pursuant to this act shall not
39 exceed 20 years.

40 (n) Kansas resident employees shall be given priority consideration
41 for employment in construction projects located in a STAR bond project
42 area ~~for bioscience project area~~.

43 (o) Any developer of a STAR bond project ~~for bioscience development~~

5-15
g.

1 ~~[project]~~ shall commence work on the project within two years from the
 2 date of adoption of the STAR bond project plan ~~[or bioscience develop-~~
 3 ~~ment project plan]~~. Should the developer fail to commence work on the
 4 STAR bond project ~~[or bioscience development project]~~ within the two-
 5 year period, funding for such project shall cease and the developer of
 6 such project or complex shall have one year to appeal to the secretary for
 7 reapproval of such project and the funding for it. Should the project be
 8 reapproved, the two-year period for commencement shall apply.

9 New Sec. 8. (a) The secretary shall review the STAR bond project
 10 plan ~~[or bioscience development project plan]~~ feasibility study and market
 11 study, along with other supporting documentation and determine
 12 whether to approve a request, and, if approved, issue an approval letter
 13 for a STAR bond project ~~[or bioscience development project]~~ based upon
 14 the requirements within this act and rules and regulations developed by
 15 the secretary.

16 (b) For major motorsports complex projects involving the use of state
 17 sales tax financing pursuant to section 9, and amendments thereto, the
 18 secretary shall set a limit on the total amount of such special obligation
 19 bonds that may be issued to not exceed 50% of the major motorsports
 20 complex costs.

21 (c) A special obligation bond issue must bear interest at a reasonable
 22 rate as of the time of sale of the bonds, taking into account such factors
 23 as current market conditions, the nature and degree of risk associated
 24 with repayment of the bonds and other relevant factors.

25 New Sec. 9. (a) (1) Any city or county shall have the power to issue
 26 special obligation bonds in one or more series to finance the undertaking
 27 of any STAR bond project ~~[or bioscience development project]~~ in accord-
 28 ance with the provisions of this act. Such special obligation bonds shall
 29 be made payable, both as to principal and interest:

30 (A) From revenues of the city or county derived from or held in
 31 connection with the undertaking and carrying out of any STAR bond
 32 project or projects under this act including historic theater sales tax
 33 increments;

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

36 (C) from a pledge of 100% of the ~~incremental~~ revenue received by
 37 the city from any local sales and use taxes, including the city's share of
 38 any county sales tax, which are collected from taxpayers doing business
 39 within that portion of the city's STAR bond ~~district~~ ~~[or bioscience devel-~~
 40 ~~opment district]~~ established pursuant to section 6, and amendments
 41 thereto, occupied by a STAR bond project ~~[or bioscience development~~
 42 ~~project]~~, except for amounts committed to other uses by election of voters
 43 or pledged to bond repayment prior to the approval of the STAR bond

tax increment

project

2-16

1 project ~~or bioscience development project~~ project

2 (D) at the option of the county in a city STAR bond district ~~or bio-~~ district ~~or bio-~~ project

3 ~~science development district~~ from a pledge of all of the ~~incremental~~ tax increment

4 revenues received by the county from any local sales and use taxes which

5 are collected from taxpayers doing business within that portion of the

6 city's STAR bond district ~~or bioscience development district~~ established project

7 pursuant to section 6, and amendments thereto, except for amounts com-

8 mitted to other uses by election of voters or pledged to bond repayment

9 prior to the approval of a STAR bond project ~~or bioscience development~~ project

10 project;

11 (E) in a county STAR bond district ~~or bioscience development dis-~~ district ~~or bioscience development dis-~~ project

12 ~~trict~~ from a pledge of 100% of the ~~incremental~~ revenue received by the tax increment

13 county from any county sales and use tax, but excluding any portions of

14 such taxes that are allocated to the cities in such county pursuant to K.S.A.

15 12-192, and amendments thereto, which are collected from taxpayers do-

16 ing business within that portion of the county's STAR bond district ~~or~~ project

17 ~~bioscience development district~~ established pursuant to section 6, and

18 amendments thereto, occupied by a STAR bond project ~~or bioscience~~ project

19 development project;

20 (F) from a pledge of all of the ~~incremental~~ revenue received from tax increment

21 any state sales taxes which are collected from taxpayers doing business

22 within that portion of the city's or county's STAR bond district ~~or biosci-~~ project

23 ~~ence development district~~ occupied by a STAR bond project ~~or bioscience~~ project

24 development project;

25 (G) at the option of the city or county and with approval of the sec-

26 retary, from all or a portion of the transient guest tax of such city or

27 county;

28 (H) at the option of the city or county and with approval of the sec-

29 retary, (i) from a pledge of all or a portion of increased revenue received

30 by the city or county from franchise fees collected from utilities and other

31 businesses using public right-of-way within the STAR bond project dis-

32 trict ~~or bioscience development district~~; or (ii) from a pledge of all or a

33 portion of the revenue received by a city or county from local sales taxes

34 or local transient guest and local use taxes; or

35 (I) by any combination of these methods.

36 The city or county may pledge such revenue to the repayment of such

37 special obligation bonds prior to, simultaneously with, or subsequent to

38 the issuance of such special obligation bonds.

39 (2) Bonds issued under paragraph (1) of this subsection shall not be

40 general obligations of the city or the county, nor in any event shall they

41 give rise to a charge against its general credit or taxing powers, or be

42 payable out of any funds or properties other than any of those set forth

43 in paragraph (1) of this subsection and such bonds shall so state on their

11-9

1 face.

2 (3) Bonds issued under the provisions of paragraph (1) of this sub-
3 section shall be special obligations of the city or county and are declared
4 to be negotiable instruments. Such bonds shall be executed by the mayor
5 and clerk of the city or the chairperson of the board of county commis-
6 sioners and the county clerk and sealed with the corporate seal of the city
7 or county. All details pertaining to the issuance of such special obligation
8 bonds and terms and conditions thereof shall be determined by ordinance
9 of the city or by resolution of the county.

10 All special obligation bonds issued pursuant to this act and all income
11 or interest therefrom shall be exempt from all state taxes except inheri-
12 tance taxes. Such special obligation bonds shall contain none of the reci-
13 tals set forth in K.S.A. 10-112, and amendments thereto. Such special
14 obligation bonds shall, however, contain the following recitals: (i) The
15 authority under which such special obligation bonds are issued; (ii) such
16 bonds are in conformity with the provisions, restrictions and limitations
17 thereof; and (iii) that such special obligation bonds and the interest
18 thereon are to be paid from the money and revenue received as provided
19 in paragraph (1) of this subsection.

20 (4) Any city or county issuing special obligation bonds under the pro-
21 visions of this act may refund all or part of such issue pursuant to the
22 provisions of K.S.A. 10-116a, and amendments thereto.

23 (b) For each project financed with special obligation bonds payable
24 from the revenues described in subsection (a)(1), the city or county shall
25 prepare and submit to the secretary by October 1 of each year, a report
26 describing the status of any projects within such STAR bond project area
27 ~~or bioscience project area~~ any expenditures of the proceeds of special
28 obligation bonds that have occurred since the last annual report and any
29 expenditures of the proceeds of such bonds expected to occur in the
30 future, including the amount of sales tax revenue, how such revenue has
31 been spent, the projected amount of such revenue and the anticipated
32 use of such revenue. The department of commerce shall compile this
33 information and submit a report annually to the governor, Kansas, Inc.
34 and the legislature by February 1 of each year.

35 (c) A city or county may use the proceeds of special obligation bonds
36 or any uncommitted funds derived from sources set forth in this section
37 to pay the bond project costs as defined in section 3, and amendments
38 thereto, to implement the STAR bond project plan ~~or bioscience devel-~~
39 ~~opment project plan~~

project

40 (d) With respect to a STAR bond district established prior to January
41 1, 2003, for which, prior to January 1, 2003, the secretary made a finding
42 as provided in subsection (a) of this section that a STAR bond project
43 would create a major tourism area for the state, such special obligation

(b) (1) Subject to the provisions of paragraph (2) of this subsection, any city shall have the power to issue full faith and credit tax increment bonds to finance the undertaking, establishment or redevelopment of any major motorsports complex, as defined in subsection (k) of section 3, and amendments thereto. Such full faith and credit tax increment bonds shall be made payable, both as to principal and interest: (A) From the revenue sources identified in paragraph (1) of subsection (a) or by any combination of these sources; and (B) subject to the provisions of paragraph (2) of this subsection, from a pledge of the city's full faith and credit to use its ad valorem taxing authority for repayment thereof in the event all other authorized sources of revenue are not sufficient.

(2) Except as provided in paragraph (3) of this subsection, before the governing body of any city proposes to issue full faith and credit tax increment bonds as authorized by this subsection, the feasibility study required by subsection (b) of section 7, and amendments thereto, shall demonstrate that the benefits derived from the project will exceed the cost and that the income therefrom will be sufficient to pay the costs of the project. No full faith and credit tax increment bonds shall be issued unless the governing body states in the resolution required by subsection (e) of section 7, and amendments thereto, that it may issue such bonds to finance the proposed STAR bond project. The governing body may issue the bonds unless within 60 days following the conclusion of the public hearing on the proposed STAR bond project plan a protest petition signed by 3% of the qualified voters of the city is filed with the city clerk in accordance with the provisions of K.S.A. 25-3601, et seq., and amendments thereto. If a sufficient petition is filed, no full faith and credit tax increment bonds shall be issued until the issuance of the bonds is approved by a majority of the voters voting at an election thereon. Such election shall be called and held in the manner provided by the general bond law. The failure of the voters to approve the issuance of full faith and credit tax increment bonds shall not prevent the city from issuing special obligation bonds in accordance with this section. No such election shall be held in the event the board of county commissioners or the board of education determines, as provided in section 6, and amendments thereto, that the proposed STAR bond project district will have an adverse effect on the county or school district.

(3) As an alternative to paragraph (2) of this subsection, any city which adopts a STAR bond project plan for a major motorsports complex, but does not state its intent to issue full faith and credit tax increment bonds in the resolution required by subsection (e) of section 7, and amendments thereto, and has not acquired property in the STAR bond project area may issue full faith and credit tax increment bonds if the governing body of the city adopts a resolution stating its intent to issue the bonds and the issuance of the bonds is approved by a majority of the voters voting at an election thereon. Such election shall be called and held in the manner provided by the general bond law. The failure of the voters to approve the issuance of full faith and credit tax increment bonds shall not prevent the city from issuing special obligation bonds pursuant to paragraph (1) of subsection (a). Any project plan adopted by a city prior to the effective date of this act in accordance with K.S.A. 12-1772, and amendments thereto, shall not be invalidated by any requirements of this act.

continued on next page

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1 bonds shall be payable both as to principal and interest, from a pledge of
2 all of the revenue from any transient guest, state and local sales and use
3 taxes collected from taxpayers as provided in subsection (a) of this section
4 whether or not revenues from such taxes are received by the city.

5 New Sec. 10. In the event that the city or county shall default in the
6 payment of any STAR bonds payable from revenues described in subsec-
7 tion (a)(1) of section 9, and amendments thereto, no public funds shall
8 be used to pay the holders thereof except as otherwise specifically au-
9 thorized in this act.

10 New Sec. 11. (a) Any addition of area to the STAR bond project
11 district ~~for bioscience development district~~, or any substantial change as
12 defined in section 3, and amendments thereto, to the STAR bond project
13 district plan ~~for bioscience development district plan~~ shall be subject to
14 the same procedure for public notice and hearing as is required for the
15 establishment of the STAR bond project district ~~for bioscience develop-
16 ment district~~.

17 (b) A city or county may remove real property from a STAR bond
18 project district ~~for bioscience development district~~ by an ordinance or
19 resolution of the governing body respectively.

20 (c) A city or county may divide the real property in a STAR bond
21 project district ~~for bioscience development district~~ including real property
22 in different project areas within a STAR bond project district ~~for biosci-
23 ence development district~~, into separate STAR bond project districts ~~for
24 bioscience development districts~~. Any division of real property within a
25 STAR bond project district ~~for bioscience development district~~ into more
26 than one STAR bond project district ~~for bioscience development district~~
27 shall be subject to the same procedure of public notice and hearing as is
28 required for the establishment of the STAR bond project district ~~for bi-
29 oscience development district~~.

30 (d) If a city or county has undertaken a STAR bond project ~~for bio-
31 oscience development project~~ within a STAR bond project district ~~for bi-
32 oscience development district~~, and either the city or county wishes to
33 subsequently remove more than a de minimus amount of real property
34 from the STAR bond project district ~~for bioscience development district~~,
35 or the city or county wishes to subsequently divide the real property in
36 the STAR bond project district ~~for bioscience development district~~ into
37 more than one STAR bond project district ~~for bioscience development
38 district~~, then prior to any such removal or division the city or county must
39 provide a feasibility study which shows that the tax revenue from the
40 resulting STAR bond project district ~~for bioscience development district~~
41 within which the STAR bond project ~~for bioscience development project~~
42 is located is expected to be sufficient to pay the project costs.

43 (e) Removal of real property from one STAR bond project district or

(4) During the progress of any major motorsports complex project in which the project costs will be financed, in whole or in part, with the proceeds of full faith and credit tax increment bonds, the city may issue temporary notes in the manner provided in K.S.A. 10-123, and amendments thereto, to pay the project costs for the major motorsports complex project. Such temporary notes shall not be issued and the city shall not acquire property in the STAR bond project area until the requirements of paragraph (2) or (3) of this subsection, whichever is applicable, have been met.

(5) Full faith and credit tax increment bonds issued under this subsection shall be general obligations of the city and are declared to be negotiable instruments. The shall be issued in accordance with the general bond law. All such bonds and all income or interest therefrom shall be exempt from all state taxes except inheritance taxes. The amount of the full faith and credit tax increment bonds issued and outstanding which exceeds 3% of the assessed valuation of the city shall be within the bonded debt limit applicable to such city.

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

And by relettering remaining subsections accordingly.

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1 ~~[bioscience development district]~~ and addition of all or a portion of that
 2 real property to another STAR bond project district ~~[or bioscience devel-~~
 3 ~~opment district]~~ may be accomplished by the adoption of an ordinance or
 4 resolution, and in such event the determination of the existence or non-
 5 existence of an adverse effect on the county or school district under sub-
 6 section ~~(b)~~ of section 6, and amendments thereto, shall apply to both such
 7 removal and such addition of real property to a STAR bond project district
 8 ~~[or bioscience development district]~~

(f)

9 ~~[(f) Any addition to, removal from or division of real property, or a~~
 10 ~~substantial change as defined in section 3, and amendments thereto, to a~~
 11 ~~bioscience development district may only be made with the approval of~~
 12 ~~the Kansas bioscience authority.]~~

13 New Sec. 12. (a) Any city or county which has adopted a STAR bond
 14 project plan ~~[or bioscience development project plan]~~ in accordance with
 15 the provisions of this act may purchase or otherwise acquire real property
 16 in connection with such project plan. Upon a 2/3 vote of the members of
 17 the governing body thereof, a city or county may acquire by condemnation
 18 any interest in real property, including a fee simple title thereto, which
 19 it deems necessary for or in connection with any project plan of an area
 20 located within the project district. ~~Prior to the exercise of such eminent~~
 21 ~~domain power, the city or county shall offer to the owner of any property~~
 22 ~~which will be subject to condemnation with respect to any STAR bond~~
 23 ~~project or bioscience development project compensation in an amount~~
 24 ~~equal to the highest appraised valuation amount determined for property~~
 25 ~~tax purposes by the county appraiser for any of the three most recent~~
 26 ~~years next preceding the year of condemnation, except that, if in the year~~
 27 ~~next preceding the year of condemnation any such property had been~~
 28 ~~damaged or destroyed by fire, flood, tornado, lightning, explosion or other~~
 29 ~~catastrophic event, the amount offered should be equal to the appraised~~
 30 ~~valuation of the property which would have been determined taking into~~
 31 ~~account such damage or destruction unless such property has been re-~~
 32 ~~stored, renovated or otherwise improved. No city or county however shall~~
 33 ~~exercise such eminent domain power to acquire real property in a con-~~
 34 ~~servation area, as defined in K.S.A. 12-1770, and amendments thereto.]~~

; however, eminent domain may be used only as authorized by K.S.A. 26-501b, and amendments thereto

35 Any such city or county may exercise the power of eminent domain in
 36 the manner provided by K.S.A. 26-501 et seq., and amendments thereto.
 37 In addition to any compensation or damages allowed under the eminent
 38 domain procedure act, such city or county shall also provide for the pay-
 39 ment of relocation assistance as provided in section 13, and amendments
 40 thereto.

41 (b) Any real property acquired by a city or county under the provi-
 42 sions of this act may be sold, transferred or leased to a developer, in
 43 accordance with the STAR bond project plan ~~[or bioscience development]~~

K.S.A. 26-501, et seq. and amendments thereto,

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1 ~~project plan~~ and under such other conditions as may be agreed upon.
 2 Any real property sold, transferred or leased to a project developer for a
 3 specific project shall be sold, transferred or leased to such developer on
 4 the condition that such property shall be used only for that specific ap-
 5 proved project. If the developer does not utilize the entire tract of the
 6 real property sold, transferred or leased, that portion of property not used
 7 shall not be sold, transferred or leased by the developer to another de-
 8 veloper party, but shall be deeded back to the city or county. If the de-
 9 veloper paid the city or county for the land, a percentage of the original
 10 purchase price paid to the city or county which represents the percentage
 11 of the entire tract being deeded back to the city or county shall be re-
 12 imbursement to the developer upon the deeding of the property back to the
 13 city or county.

acquired pursuant to this section that is

acquired pursuant to this section that is

in accordance with the STAR bond project plan

14 (c) Any transfer by the project developer of real property acquired
 15 pursuant to this section shall be valid only if approved by a 2/3 majority
 16 vote of the members of the governing body of this city or county.

17 New Sec. 13. Before any STAR bond project ~~or bioscience devel-~~
 18 ~~opment project~~ shall be initiated, a relocation assistance plan shall be
 19 approved by the governing body of the city or county proposing to un-
 20 dertake the project. Such relocation assistance plan shall:

21 (a) Provide for relocation payments to be made to persons, families
 22 and businesses who move from real property located in the STAR bond
 23 project district ~~or bioscience development district~~ or who move personal
 24 property from real property located in the STAR bond project district ~~or~~
 25 ~~bioscience development district~~ as a result of the acquisition of the real
 26 property by the city or county in carrying out the provisions of this act.
 27 With respect to any STAR bond project ~~or bioscience development pro-~~
 28 ~~ject~~ such payments shall not be less than \$500;

29 (b) provide that no persons or families residing in the STAR bond
 30 project district ~~or bioscience development district~~ shall be displaced un-
 31 less and until there is a suitable housing unit available and ready for
 32 occupancy by such displaced person or family at rents within their ability
 33 to pay. Such housing units shall be suitable to the needs of such displaced
 34 persons or families and must be a decent, safe, sanitary and otherwise
 35 standard dwelling; and

36 (c) provide for the payment of any damages sustained by a retailer,
 37 as defined by K.S.A. 79-3702, and amendments thereto, by reason of the
 38 liquidation of inventories necessitated by relocation from the STAR bond
 39 project district ~~or bioscience development district~~.

40 New Sec. 14. (a) Notwithstanding any other provisions of law to the
 41 contrary, copies of all retailers' sales, use and transient guest tax returns
 42 filed with the secretary of revenue in connection with a STAR bond pro-
 43 ject area or STAR bond project ~~or bioscience project area or bioscience~~

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1 ~~[development project]~~ for which sales, use and transient guest tax revenues
 2 are pledged or otherwise intended to be used in whole or in part for the
 3 payment of bonds issued to finance project costs in such STAR bond
 4 project area ~~or bioscience project area~~ shall be provided by the secretary
 5 of revenue to the bond trustee, escrow agent or paying agent for such
 6 bonds upon the written request of the city or county within 15 days of
 7 receipt by the secretary of revenue. The bond trustee, escrow agent or
 8 paying agent shall keep such retailers' sales, use and transient guest tax
 9 returns and the information contained therein confidential, but may use
 10 such information for purposes of allocating and depositing such sales, use
 11 and transient guest tax revenues in connection with the bonds used to
 12 finance project costs in such STAR bond project area ~~or bioscience pro-~~
 13 ~~ject area~~. Except as otherwise provided herein, the sales, use and transient
 14 guest tax returns received by the bond trustee, escrow agent or paying
 15 agent shall be subject to the provisions of K.S.A. 79-3614, and amend-
 16 ments thereto.

17 (b) The secretary of revenue shall determine when the amount of
 18 sales tax and other revenues that have been collected and distributed to
 19 the bond debt service or reserve fund is sufficient to satisfy all principal
 20 and interest costs to the maturity date or dates, of any special obligation
 21 bonds issued by a city or county to finance a STAR bond project ~~or bio-~~
 22 ~~science development project~~. Thereafter, all sales tax and other revenues
 23 shall be collected and distributed in accordance with applicable law.

24 New Sec. 15. For projects approved after July 1, 2005, involving the
 25 use of financing pursuant to subsection (a)(1)(E) of section 9, and amend-
 26 ments thereto, the secretary shall set a limit on the total amount of such
 27 special obligation bonds that may be issued for a STAR bond project ~~or~~
 28 ~~bioscience development project~~. An issue of special obligation bonds must
 29 bear interest at a reasonable rate as of the time of sale of the bonds,
 30 taking into account such factors as current market conditions, the nature
 31 and degree of risk associated with repayment of the bonds and other
 32 relevant factors.

33 New Sec. 16. (a) STAR bond projects ~~or bioscience development~~
 34 ~~projects~~ using state sales tax financing pursuant to section 9, and amend-
 35 ments thereto, shall be audited by an independent certified public ac-
 36 countant annually at the expense of the city or county. The audit report
 37 shall supplement the annual report required pursuant to section 9, and
 38 amendments thereto.

39 (b) Such audits shall determine whether bond financing obtained un-
 40 der section 9, and amendments thereto, is being used only for authorized
 41 purposes. Audit results shall be reported to the house economic devel-
 42 opment and tourism committee, the senate commerce committee, or suc-
 43 cessor committees, the governor and the secretaries of commerce and

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1 revenue during the legislative session immediately following the audit.

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

project

7 New Sec. 17. (a) The boundaries of any STAR bond 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 pro-
23 posals in accordance with written official procedures approved by the
24 governing body of the city.

25 (c) Any project within such additional 400 acre area that is financed
26 in whole or in part by special obligation bonds payable from revenues
27 derived from subsection (a)(1)(C), (a)(1)(F) or (a)(1)(G) of section 9, and
28 amendments thereto, shall not be entitled to any real property tax abate-
29 ments or the revenues described in K.S.A. 12-1775, and amendments
30 thereto.

31 (d) Any project within such additional 400 acre area must be ap-
32 proved by the governor and construction must be commenced by July 1,
33 2002.

34 (e) The maximum principal amount of special obligation bonds issued
35 to fund STAR bond projects within a major tourism area, including any
36 such additional 400 acre area, shall not exceed \$308,000,000, unless the
37 city has secured prior approval from the secretary of commerce and the
38 secretary of revenue. Any special obligation bonds issued for the following
39 purposes shall not be counted toward such limit on the principal amount:

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

43 (2) special obligation bonds issued solely to fund reserve funds for

2.2.3

1 such refunding bonds.

2 (f) Prior to issuing any special obligation bonds for any purpose, the
3 city or county must have the approval of the secretary and the secretary
4 of revenue.

5 (g) The city or county shall prepare and submit annually to the sec-
6 retary by October 1 of each year, a report describing the status of any
7 projects within a major tourism area and all other STAR bond projects,
8 including any such additional 400 acre area, any expenditures of the pro-
9 ceeds of special obligation bonds that have occurred since the last annual
10 report and any expenditures of the proceeds of such bonds expected to
11 occur in the future, including the amount of sales tax revenue, how it has
12 been spent, the projected amount of such revenue and the anticipated
13 use of such revenue. The department of commerce shall compile this
14 information and submit a report annually to the governor, Kansas, Inc.
15 and the legislature by February 1 of each year.

16 (h) Any business located in Kansas within 50 miles of a major tourism
17 area that relocates into a major tourism area, including such additional
18 400 acre area, shall not receive any of the benefits of section 1 et seq.,
19 and amendments thereto.

20 (i) If a city determines that revenues from sources other than prop-
21 erty taxes will be sufficient to pay any special obligation bonds issued to
22 finance a STAR bond project for an auto race track facility as described
23 in section 3, and amendments thereto, and the secretary makes a finding
24 that such project will create a major tourism area as defined in section 3,
25 and amendments thereto, all real and personal property, constituting an
26 auto race track facility described in section 3, and amendments thereto,
27 in such STAR bond district shall be exempt from property taxation for a
28 period ending on the earlier of:

project

29 (1) The date which is 30 years after the date of the finding by the
30 secretary with respect to such major tourism area; or

31 (2) the date on which no such special obligation bonds issued to fi-
32 nance such auto race track facility in a major tourism area remain
33 outstanding.

34 (j) The city which is authorized to issue bonds pursuant to the pro-
35 visions of section 1 et seq., and amendments thereto, in order to finance
36 a STAR bond project in a major tourism area as defined by section 3, and
37 amendments thereto, shall obtain underwriting services required by the
38 city for the issuance of such bonds pursuant to written proposals received
39 in accordance with this section.

40 Each city which is authorized to issue such bonds shall establish written
41 official procedures for obtaining underwriting services required for the
42 issuance of such bonds, including specifications for requests for proposals
43 and criteria for evaluation of proposals on a competitive basis. The pro-

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1 posal evaluation criteria shall include factors based on cost, capacity to
2 provide the required services, qualifications and experience.

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

12 (k) A STAR bond project in a major tourism area for an auto race
13 track facility, shall be completed within 30 years from the date the sec-
14 retary makes the finding that the STAR bond project will create a major
15 tourism area pursuant to subsection ~~(v)~~ of section 3, and amendments
16 thereto.

(l)

17 (l) The maximum maturity on bonds issued to finance projects pur-
18 suant to this act shall not exceed 20 years as provided in section 7, except
19 that:

20 (1) Such maximum period of special obligation bonds not payable
21 from revenues described by subsections (a)(1)(C), (a)(1)(F) and (a)(1)(G)
22 of section 9, and amendments thereto, issued to finance an auto race
23 track facility shall not exceed 30 years; and

24 (2) such maximum period, if the governor determines and makes and
25 submits a finding to the speaker of the house of representatives and the
26 president of the senate that a maturity greater than 20 years, but in no
27 event exceeding 30 years, is necessary for the economic feasibility of the
28 financing of an auto race track facility with special obligation bonds pay-
29 able primarily from revenues described by subsections (a)(1)(C), (a)(1)(F)
30 and (a)(1)(G) of section 9, and amendments thereto, may be extended in
31 accordance with such determination and finding.

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

39 ~~New Sec. 18. (a) When the Kansas bioscience authority proposes to~~
40 ~~establish a bioscience development district the Kansas bioscience au-~~
41 ~~thority shall adopt a resolution stating that the authority is considering~~
42 ~~the establishment of a bioscience development district.~~

43 (b) A bioscience development district may be established by either a

STP

1 ~~City or a county pursuant to the provisions of section 6, and amendments~~
2 ~~thereto, provided that the bioscience development district plan is ap-~~
3 ~~proved by the Kansas bioscience authority and the governing body of the~~
4 ~~city or county establishing the bioscience development district.~~

5 ~~(c) A bioscience development project may be undertaken in a bio-~~
6 ~~science development district if:~~

7 ~~(1) The bioscience development project plan for such project is pre-~~
8 ~~pared pursuant to section 7, and amendments thereto;~~

9 ~~(2) the city or county in which the bioscience development project is~~
10 ~~to be located approves the bioscience development project plan in ac-~~
11 ~~cordance with section 7, and amendments thereto;~~

12 ~~(3) the secretary has reviewed the bioscience development project~~
13 ~~plan and approved the project; and~~

14 ~~(4) the Kansas bioscience authority approves the bioscience devel-~~
15 ~~opment project plan.~~

16 ~~(d) Any bonds issued by a city or county to finance a bioscience de-~~
17 ~~velopment project pursuant to section 9, and amendments thereto, shall~~
18 ~~be subject to the provisions of this act.~~

And by renumbering remaining sections accordingly.

19 New Sec. 19. If any provision of this act or the application thereof
20 to any persons or circumstances is held invalid, such invalidity shall not
21 affect other provisions or application of the act which can be given effect
22 without the invalid provisions or application and to this end the provisions
23 of this act are declared to be severable.

24 ~~New Sec. 20. No additional bonds may be issued after July 1, 2007,~~
25 ~~for any STAR bond project approved prior to July 1, 2007. The provisions~~
26 ~~of this section shall not apply to the STAR bond projects and bonds ap-~~
27 ~~proved for the city of Manhattan Discovery Center on December 28,~~
28 ~~2006, and the Schlitterbahn project in Wyandotte county on December~~
29 ~~23, 2005.~~

And renumber remaining sections accordingly.

, as defined in K.S.A. 12-1770a, and amendments thereto,

30 New Sec. 21. (a) A city that created a redevelopment district in an
31 eligible area that was approved for STAR bonds prior to the effective date
32 of this act ~~for the city of Manhattan Discovery Center on December 28,~~
33 ~~2006, and the Schlitterbahn project in Wyandotte county on December~~
34 ~~23, 2005,~~ may by ordinance elect to have the provisions of this act appli-
35 cable to such redevelopment district.

, as defined in K.S.A. 12-1770a, and amendments thereto

36 (b) The provisions of this act regarding STAR bond projects ~~or bio-~~
37 ~~science development projects~~ shall expire on and after July 1, 2012.

38 Sec. 22. K.S.A. 12-1770 is hereby amended to read as follows: 12-
39 1770. It is hereby declared to be the purpose of this act to promote,
40 stimulate and develop the general and economic welfare of the state of
41 Kansas and its communities and to assist in the development and rede-
42 velopment of eligible areas within and without a city thereby promoting
43 the general welfare of the citizens of this state, by authorizing cities to

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1 acquire certain property and to issue special obligation bonds and full
2 faith and credit tax increment bonds for the financing of redevelopment
3 projects. It is further found and declared that the powers conferred by
4 this act are for ~~public uses and purposes~~ *a public purpose and public use*
5 for which public money may be expended and the power of eminent
6 domain *may be* exercised. The necessity in the public interest for the
7 provisions of this act is hereby declared as a matter of legislative
8 determination.

9 Sec. 23. K.S.A. 2006 Supp. 12-1770a is hereby amended to read as
10 follows: 12-1770a. As used in this act, and amendments thereto, the fol-
11 lowing words and phrases shall have the following meanings unless a
12 different meaning clearly appears from the content:

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

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

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

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

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

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

31 (C) unsanitary or unsafe conditions;

32 (D) deterioration of site improvements;

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

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

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

39 (H) the existence of conditions which endanger life or property by
40 fire or other causes; or

41 (I) conditions which create economic obsolescence; or

42 (2) has been identified by any state or federal environmental agency
43 as being environmentally contaminated to an extent that requires a re-

17
d.f.

1 medial investigation; feasibility study and remediation or other similar
2 state or federal action; or

3 (3) a majority of the property is a 100-year floodplain area; or

4 (4) previously was found by resolution of the governing body to be a
5 slum or a blighted area under K.S.A. 17-4742 et seq., and amendments
6 thereto.

7 (d) "Conservation area" means any improved area comprising 15%
8 or less of the land area within the corporate limits of a city in which 50%
9 or more of the structures in the area have an age of 35 years or more,
10 which area is not yet blighted, but may become a blighted area due to
11 the existence of a combination of two or more of the following factors:

12 (1) Dilapidation, obsolescence or deterioration of the structures;

13 (2) illegal use of individual structures;

14 (3) the presence of structures below minimum code standards;

15 (4) building abandonment;

16 (5) excessive vacancies;

17 (6) overcrowding of structures and community facilities; or

18 (7) inadequate utilities and infrastructure.

19 (e) "De minimus" means an amount less than 15% of the land area
20 within a redevelopment district.

21 (f) "Developer" means any person, firm, corporation, partnership or
22 limited liability company, other than a city and other than an agency,
23 political subdivision or instrumentality of the state or a county when re-
24 lating to a bioscience development district.

25 (g) "Eligible area" means a blighted area, conservation area, enter-
26 prise zone, ~~historic theater~~, *intermodal transportation area*, major tour-
27 ism area or a major commercial entertainment and tourism area or bio-
28 science development area ~~as determined by the secretary~~.

29 (h) "Enterprise zone" means an area within a city that was designated
30 as an enterprise zone prior to July 1, 1992, pursuant to K.S.A. 12-17,107
31 through 12-17,113, and amendments thereto, prior to its repeal and the
32 conservation, development or redevelopment of the area is necessary to
33 promote the general and economic welfare of such city.

34 (i) "Environmental increment" means the increment determined
35 pursuant to subsection (b) of K.S.A. 12-1771a, and amendments thereto.

36 (j) "Environmentally contaminated area" means an area of land hav-
37 ing contaminated groundwater or soil which is deemed environmentally
38 contaminated by the department of health and environment or the United
39 States environmental protection agency.

40 (k) (1) "Feasibility study" means:

41 (A) A study which shows whether a redevelopment project's, ~~special~~
42 ~~bond project's~~ or bioscience development project's benefits and tax in-
43 crement revenue and other available revenues under subsection (a)(1) of

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1 K.S.A. 12-1774, and amendments thereto, are expected to exceed or be
2 sufficient to pay for the redevelopment, ~~special bond~~ or bioscience de-
3 velopment project costs; and

4 (B) the effect, if any, the redevelopment project costs, ~~special bond~~
5 ~~project~~ or bioscience development project will have on any outstanding
6 special obligation bonds payable from the revenues described in ~~subsec-~~
7 ~~tions subsection (a)(1)(D) and (a)(1)(G)~~ of K.S.A. 12-1774, and amend-
8 ments thereto.

9 (2) For a redevelopment project, ~~special bond project~~ or bioscience
10 project financed by bonds payable from revenues described in ~~subsections~~
11 ~~subsection (a)(1)(D) and (a)(1)(G)~~ of K.S.A. 12-1774, and amendments
12 thereto, the feasibility study must also include:

13 (A) ~~A description of any project submitted under K.S.A. 12-1771d,~~
14 ~~and amendments thereto, to satisfy the requirements of paragraph (i) of~~
15 ~~this section;~~

16 ~~(B) A statement of how the [jobs and] taxes obtained from the project~~
17 ~~will contribute significantly to the economic development of the state and~~
18 ~~region;~~

jurisdiction in which the project is located

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

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

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

27 ~~(D) (C) an anticipated principal and interest payment schedule on~~
28 ~~the bonds; and:~~

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

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

37 ~~(A) Visitation expectations;~~

38 ~~(B) economic impact;~~

39 ~~(C) the unique quality of the project;~~

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

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

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

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

65.5

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

3 ~~—(G) project accountability, measured according to best industry prac-~~
4 ~~tices, and~~

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

7 ~~—(4) (E) the failure to include all information enumerated in this sub-~~
8 ~~section in the feasibility study for a redevelopment, special bond or bio-~~
9 ~~science project shall not affect the validity of bonds issued pursuant to~~
10 ~~this act.~~

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

17 ~~—(m) “Historic theater sales tax increment” means the amount of state~~
18 ~~and local sales tax revenue imposed pursuant to K.S.A. 12-187 et seq.,~~
19 ~~79-3601 et seq. and 79-3701 et seq., and amendments thereto, collected~~
20 ~~from taxpayers doing business within the historic theater that is in excess~~
21 ~~of the amount of such taxes collected prior to the designation of the~~
22 ~~building as a historic theater for purposes of this act.~~

23 ~~—(n) (l) [“Major tourism area” means an area for which the secretary~~
24 ~~has made a finding the capital improvements costing not less than~~
25 ~~\$100,000,000 will be built in the state to construct an auto race track~~
26 ~~facility.]~~

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

32 ~~(p) (n) “Redevelopment project area” means an area designated by a~~
33 ~~city within a redevelopment district or, if the redevelopment district is~~
34 ~~established for an intermodal transportation area, an area designated by~~
35 ~~a city within or outside of the redevelopment district.~~

36 ~~(q) (o) “Redevelopment project costs” means: (1) Those costs nec-~~
37 ~~essary to implement a redevelopment project plan or a bioscience devel-~~
38 ~~opment project plan, including costs incurred for:~~

39 ~~(1) (A) Acquisition of property within the redevelopment project~~
40 ~~area;~~

41 ~~(2) (B) payment of relocation assistance pursuant to a relocation as-~~
42 ~~sistance plan as provided in K.S.A. 12-1777, and amendments thereto;~~

43 ~~(3) (C) site preparation including utility relocations;~~

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

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- 1 ~~(4)~~ (D) sanitary and storm sewers and lift stations;
- 2 ~~(5)~~ (E) drainage conduits, channels, levees and river walk canal
- 3 facilities;
- 4 ~~(6)~~ (F) street grading, paving, graveling, macadamizing, curbing, gut-
- 5 tering and surfacing;
- 6 ~~(7)~~ (G) street light fixtures, connection and facilities;
- 7 ~~(8)~~ (H) underground gas, water, heating and electrical services and
- 8 connections located within the public right-of-way;
- 9 ~~(9)~~ (I) sidewalks and pedestrian underpasses or overpasses;
- 10 ~~(10)~~ (J) drives and driveway approaches located within the public
- 11 right-of-way;
- 12 ~~(11)~~ (K) water mains and extensions;
- 13 ~~(12)~~ (L) plazas and arcades;
- 14 ~~(13)~~ (M) parking facilities *including multilevel parking facilities*;
- 15 ~~(14)~~ (N) landscaping and plantings, fountains, shelters, benches,
- 16 sculptures, lighting, decorations and similar amenities; ~~and~~
- 17 ~~(15)~~ (O) related expenses to redevelop and finance the redevelop-
- 18 ment project, ~~except that for a redevelopment project financed with spe-~~
- 19 ~~cial obligation bonds payable from the revenues described in subsections~~
- 20 ~~(a)(1)(D) and (a)(1)(G) of K.S.A. 12-1774, and amendments thereto, such~~
- 21 ~~expenses shall require prior approval by the secretary of commerce;~~

22 (P) *for purposes of an incubator project, such costs shall also include*

23 *wet lab equipment including hoods, lab tables, heavy water equipment*

24 *and all such other equipment found to be necessary or appropriate for a*

25 *commercial incubator wet lab facility by the city in its resolution estab-*

26 *lishing such redevelopment district or a bioscience development district;*

27 *and*

28 (Q) *costs for the acquisition of land for and the construction and*

29 *installation of publicly-owned infrastructure improvements which serve*

30 *an intermodal transportation area and are located outside of a redevelop-*

31 *ment district.*

32 (2) Redevelopment project costs shall not include (A) Costs incurred

33 in connection with the construction of buildings or other structures to be

34 owned by or leased to a developer, however, the "redevelopment project

35 costs" shall include costs incurred in connection with the construction of

36 buildings or other structures to be owned or leased to a developer which

37 includes an auto race track facility or a multilevel parking facility.

38 (B) *In addition, for a redevelopment project financed with special*

39 *obligation bonds payable from the revenues described in subsections sub-*

40 *section (a)(1)(D) and (a)(1)(C) of K.S.A. 12-1774, and amendments*

41 *thereto, redevelopment project costs shall not include:*

42 (1) (i) Fees and commissions paid to real estate agents, financial ad-

43 visors or any other consultants who represent the businesses considering

; (R) major multi-sport athletic complex; and (S) museum facility.

Except as specified in subsections (A) through (S) above,

; (B) fees
And relettering remaining subparagraphs accordingly

developers or any other

developers,

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- 1 locating in a redevelopment district;
- 2 ~~(2)~~ (ii) salaries for local government employees;
- 3 ~~(3)~~ (iii) moving expenses for employees of the businesses locating
- 4 within the redevelopment district;
- 5 ~~(4)~~ (iv) property taxes for businesses that locate in the redevelopment
- 6 district;
- 7 ~~(5)~~ (v) lobbying costs; and
- 8 ~~(6)~~ (vi) a bond origination fee charged by the city pursuant to K.S.A.
- 9 12-1742, and amendments thereto.

or located in

10 ~~(r)~~ (p) "Redevelopment district" means the specific area declared to
 11 be an eligible area in which the city may develop one or more redevel-
 12 opment projects.

13 ~~(s)~~ (q) "Redevelopment district plan" or "district plan" means the
 14 preliminary plan that identifies all of the proposed redevelopment project
 15 areas and identifies in a general manner all of the buildings, facilities and
 16 improvements in each that are proposed to be constructed or improved
 17 in each redevelopment project area *or, if the redevelopment district is*
 18 *established for an intermodal transportation area, in or outside of the*
 19 *redevelopment district.*

20 ~~(t)~~ (r) "Redevelopment project" means the approved project to im-
 21 plement a project plan for the development of the established redevel-
 22 opment district.

23 ~~(u)~~ (s) "Redevelopment project plan" means the plan adopted by a
 24 municipality for the development of a redevelopment project or projects
 25 which conforms with K.S.A. 12-1772, and amendments thereto, in a re-
 26 development district.

27 ~~(v)~~ "Secretary" means the secretary of commerce.

28 ~~(w)~~ (t) "Substantial change" means, as applicable, a change wherein
 29 the proposed plan or plans differ substantially from the intended purpose
 30 for which the district plan or project plan was approved.

31 ~~(x)~~ (u) "Tax increment" means that amount of real property taxes
 32 collected from real property located within the redevelopment district
 33 that is in excess of the amount of real property taxes which is collected
 34 from the base year assessed valuation.

35 ~~(y)~~ (v) "Taxing subdivision" means the county, city, unified school
 36 district and any other taxing subdivision levying real property taxes, the
 37 territory or jurisdiction of which includes any currently existing or sub-
 38 sequently created redevelopment district including a bioscience devel-
 39 opment district.

40 ~~(z)~~ "Special bond project" means a redevelopment project with:

- 41 ~~(1)~~ At least a \$50,000,000 capital investment and \$50,000,000 in pro-
- 42 jected gross annual sales revenues; or
- 43 ~~(2)~~ for areas outside of metropolitan statistical areas, as defined by

;

(H) any personal property, as defined in K.S.A. 79-102, and amendments thereto; and (I) travel, entertainment and hospitality.

(3) Redevelopment project costs specified in paragraphs (1)(C) through (1)(K) of this subsection may be incurred either within or outside of the redevelopment district so long as such redevelopment project costs are identified in the redevelopment project plan.

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

redevelopment district

an athletic complex that is utilized for the training of athletes, the practice of athletic teams, the playing of athletic games or the hosting of events. Such project may include playing fields, parking lots and other developments including grandstands, suites and viewing areas, concessions, souvenir facilities, catering facilities, visitor centers, signage and temporary hospitality facilities, but excluding hotels, motels, restaurants and retail facilities, not directly related to or necessary to the operation of such facility.

C.C. 9.23

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

4
2.34

1 ~~self propelled vehicles other than a motorized bicycle or motorized~~
 2 ~~wheelchair. Such project may include racetracks, all facilities directly re-~~
 3 ~~lated and necessary to the operation of a motorsports complex, including,~~
 4 ~~but not limited to, parking lots, grandstands, suites and viewing areas,~~
 5 ~~eoneessions, souvenir facilities, catering facilities, visitor and retail cen-~~
 6 ~~ters, signage and temporary hospitality facilities, but excluding hotels,~~
 7 ~~motels, restaurants and retail facilities not directly related to or necessary~~
 8 ~~to the operation of such facility.]~~

And by relettering remaining subsections accordingly

9 (oo) "Intermodal transportation area" means an area of not less than
 10 800 acres to be developed primarily to handle the transfer, storage and
 11 distribution of freight through railway and trucking operations.

12 Sec. 24. K.S.A. 2006 Supp. 12-1771 is hereby amended to read as
 13 follows: 12-1771. (a) *Resolution procedure for a redevelopment district or*
 14 *bioscience development district.* When a city proposes to establish a re-
 15 development district or when the Kansas bioscience authority proposes
 16 to establish a bioscience development district within an eligible area, the
 17 city or the Kansas bioscience authority shall adopt a resolution stating that
 18 the city or the Kansas bioscience authority is considering the establish-
 19 ment of a redevelopment district or a bioscience development district.
 20 Such resolution shall:

- 21 (1) Give notice that a public hearing will be held to consider the
- 22 establishment of a redevelopment district or bioscience development dis-
- 23 trict and fix the date, hour and place of such public hearing;
- 24 (2) describe the proposed boundaries of the redevelopment district
- 25 or bioscience development district;
- 26 (3) describe the district plan;
- 27 (4) state that a description and map of the proposed redevelopment
- 28 district or bioscience development district are available for inspection at
- 29 a time and place designated; *and*
- 30 (5) state that the governing body will consider findings necessary for
- 31 the establishment of a redevelopment district or bioscience development
- 32 district.

33 Notice shall be given as provided in subsection ~~(b)~~ of K.S.A. 12-1772,
 34 and amendments thereto.

(c)

35 (b) *Posthearing procedure.* Upon the conclusion of the public hear-
 36 ing, the governing body may pass an ordinance. (1) An ordinance for a
 37 redevelopment district shall: (A) Make findings that the redevelopment
 38 district proposed to be developed is an eligible area; and the conservation,
 39 development or redevelopment of such area is necessary to promote the
 40 general and economic welfare of the city; (B) contain the district plan as
 41 approved; and (C) contain the legal description of the redevelopment
 42 district and may establish the redevelopment district. Such ordinance
 43 shall contain a district plan that identifies all of the proposed redevelop-

S.C.P.

1 ment project areas and identifies in a general manner all of the buildings
2 and facilities that are proposed to be constructed or improved in each
3 redevelopment project area. The boundaries of such district shall not
4 include any area not designated in the notice required by subsection (a).

5 (2) An ordinance for a bioscience development district shall make
6 findings that the area satisfies the definition of a bioscience area and the
7 creation of a bioscience district will contribute to the development of
8 bioscience in the state and promote the general and economic welfare of
9 the city. Such ordinance shall also contain the district plan as approved
10 and contain the legal description of the bioscience development district.
11 Such ordinance shall contain a development district plan that identifies
12 all of the proposed bioscience development project areas and identifies
13 in a general manner all of the buildings and facilities that are proposed
14 to be constructed or improved in each bioscience development project
15 area. The boundaries of such district shall not include any area not des-
16 ignated in the notice required by subsection (a). No bioscience devel-
17 opment district shall be established without the approval of the *Kansas*
18 bioscience authority. In creating a bioscience development district, emi-
19 nent domain shall not be used to acquire agricultural land.

20 (c) The governing body of a city may establish a redevelopment dis-
21 trict within that city, and, with the *Kansas* bioscience authority's approval,
22 may establish a bioscience development district within that city. Such city
23 may establish a district inclusive of land outside the boundaries of the city
24 or wholly outside the boundaries of such city upon written consent of the
25 board of county commissioners. Prior to providing written consent, the
26 board of county commissioners shall be subject to the same procedure
27 for public notice and hearing as is required of a city pursuant to subsection
28 (a) for the establishment of a redevelopment district or bioscience de-
29 velopment district. One or more redevelopment projects or bioscience
30 development projects may be undertaken by a city within a redevel-
31 opment district or bioscience development district after such redevel-
32 opment district or bioscience development district has been established in
33 the manner provided by this section.

34 (d) No privately owned property subject to ad valorem taxes shall be
35 acquired and redeveloped under the provisions of K.S.A. 12-1770 et seq.,
36 and amendments thereto, if the board of county commissioners or the
37 board of education levying taxes on such property determines by reso-
38 lution adopted within 30 days following the conclusion of the hearing for
39 the establishment of the redevelopment district or bioscience develop-
40 ment district required by subsection (b) that the proposed redevelopment
41 district or bioscience development district will have an adverse effect on
42 such county or school district. The board of county commissioners or
43 board of education shall deliver a copy of such resolution to the city. The

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1 city shall within 30 days of receipt of such resolution pass an ordinance
2 terminating the redevelopment district or bioscience development dis-
3 trict. *The provisions of this subsection (d) shall not apply if the redevel-*
4 *opment project plan or bioscience development project plan provides that*
5 *ad valorem property tax revenues of the county or school district levying*
6 *taxes on such property will not be adversely impacted.*

7 (e) *Addition to area; substantial change.* Any addition of area to the
8 redevelopment district or bioscience development district or any sub-
9 stantial change as defined in K.S.A. 12-1770a, and amendments thereto,
10 to the district plan shall be subject to the same procedure for public notice
11 and hearing as is required for the establishment of the district.

12 (f) Any addition of any area to the redevelopment district or biosci-
13 ence development district shall be subject to the same procedure for
14 public notice and hearing as is required for the establishment of the re-
15 development district or bioscience development district. The base year
16 assessed valuation of the redevelopment district or bioscience develop-
17 ment district following the addition of area shall be revised to reflect the
18 base year assessed valuation of the original area and the added area as of
19 the date of the original establishment of the redevelopment district or
20 bioscience development district.

21 (g) A city may remove real property from a redevelopment district or
22 bioscience development district by an ordinance of the governing body.
23 If more than a de minimus amount of real property is removed from a
24 redevelopment district or bioscience development district, the base year
25 assessed valuation of the redevelopment district or bioscience develop-
26 ment district shall be revised to reflect the base year assessed valuation
27 of the remaining real property as of the date of the original establishment
28 of the redevelopment district or bioscience development district.

29 (h) A city may divide the real property in a redevelopment district or
30 bioscience development district, including real property in different re-
31 development district or bioscience development project areas within a
32 redevelopment district or bioscience development district, into separate
33 redevelopment districts or bioscience development districts. The base
34 year assessed valuation of each resulting redevelopment district or bio-
35 science development district following such division of real property shall
36 be revised to reflect the base year assessed valuation of the area of each
37 resulting redevelopment district or bioscience development district as of
38 the date of the original establishment of the redevelopment district or
39 bioscience development district. Any division of real property within a
40 redevelopment district or bioscience development district into more than
41 one redevelopment district or bioscience development district shall be
42 subject to the same procedure of public notice and hearing as is required
43 for the establishment of the redevelopment district or bioscience devel-

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1 opment district.

2 (i) If a city has undertaken a redevelopment project or bioscience
3 development project within a redevelopment district or bioscience de-
4 velopment district, and either the city wishes to subsequently remove
5 more than a de minimus amount of real property from the redevelopment
6 district or bioscience development district or the city wishes to subse-
7 quently divide the real property in the redevelopment district or biosci-
8 ence development district into more than one redevelopment district or
9 bioscience development district, then prior to any such removal or divi-
10 sion the city must provide a feasibility study which shows that the tax
11 increment revenue from the resulting redevelopment district or biosci-
12 ence development district within which the redevelopment ~~district~~ *pro-*
13 *ject* or bioscience development project is located is expected to be suffi-
14 cient to pay the redevelopment project costs or bioscience development
15 project costs.

16 (j) Removal of real property from one redevelopment district or bi-
17 oscience development district and addition of all or a portion of that real
18 property to another redevelopment district or bioscience development
19 district may be accomplished by the adoption of an ordinance and in such
20 event the determination of the existence or nonexistence of an adverse
21 effect on the county or school district under subsection (d) shall apply to
22 both such removal and such addition of real property to a redevelopment
23 district or bioscience development district.

24 (k) Any addition to, removal from or division of real property or a
25 substantial change as defined in K.S.A. 12-1770a, and amendments
26 thereto, to a bioscience development district may be made only with the
27 approval of the *Kansas* bioscience authority.

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

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

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

36 (m) When establishing a bioscience development district as described
37 in subsection (1), any references to "city" contained in this section shall
38 mean "county" and any references to "ordinance" shall mean
39 "resolution".

40 Sec. 25. K.S.A. 2006 Supp. 12-1771b is hereby amended to read as
41 follows: 12-1771b. (a) The boundaries of any redevelopment district in a
42 major tourism area including an auto race track facility located in Wy-
43 andotte county, shall, without regard to that portion of the district per-

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1 ~~Containing to the auto race track facility, be as follows: Beginning at the~~
2 ~~intersection of Interstate 70 and Interstate 435, West along Interstate 70~~
3 ~~to 118th Street, North along 118th Street to State Avenue, Northeastly~~
4 ~~along proposed relocated State Avenue to 110th Street, North along~~
5 ~~110th Street to Parallel Parkway, East along Parallel Parkway to Interstate~~
6 ~~435, South along Interstate 435 to Interstate 70.~~

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

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

32 —(2)— special obligation bonds issued solely to fund reserve funds for
33 such bond refunding.

34 —Prior to issuing any special obligation bonds for any purpose, the city
35 must have the approval of the secretary of commerce and the secretary
36 of revenue. The city shall prepare and submit annually to the secretary
37 of commerce by October 1 of each year, a report describing the status of
38 any projects within a major tourism area, including any such additional
39 400 acre area, any expenditures of the proceeds of special obligation
40 bonds that have occurred since the last annual report and any expendi-
41 tures of the proceeds of such bonds expected to occur in the future,
42 including the amount of sales tax revenue, how it has been spent, the
43 projected amount of such revenue and the anticipated use of such reve-

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1 nuc. The department of commerce shall compile this information and
2 submit a report annually to the governor, Kansas, Inc. and the legislature
3 by February 1 of each year. Any business located in Kansas within 50
4 miles of a major tourism area that relocates into a major tourism area,
5 including such additional 400-acre area, shall not receive any of the ben-
6 efits of K.S.A. 12-1770 et seq., and amendments thereto.

7 (c) If a city determines that revenues from sources other than prop-
8 erty taxes will be sufficient to pay any special obligation bonds issued to
9 finance a redevelopment project for an auto race track facility as de-
10 scribed in subsection (a) of K.S.A. 12-1770a, and amendments thereto,
11 and the secretary of commerce makes a finding that such project will
12 create a major tourism area pursuant to subsection (n) of K.S.A. 12-1770a,
13 and amendments thereto, all real and personal property, constituting an
14 auto race track facility described in subsection (a) of K.S.A. 12-1770a, and
15 amendments thereto, in such redevelopment district shall be exempt
16 from property taxation for a period ending on the earlier of (1) the date
17 which is 30 years after the date of the finding by the secretary of com-
18 merce with respect to such major tourism area, or (2) the date on which
19 no such special obligation bonds issued to finance such auto race track
20 facility in a major tourism area remain outstanding.

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

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

33 (f) Prior to the issuance of any such bonds to finance a redevelopment
34 project in a major tourism area after April 26, 2001, the city shall publish
35 notice of a request for proposals to provide the underwriting services that
36 are required by the city with regard to the proposed bond issuance and
37 shall mail requests for proposals to qualified interested parties upon re-
38 quest for such notice. The city shall award contracts for such underwriting
39 services from the proposals received in accordance with the procedures
40 and evaluation criteria adopted by the city for such purpose. A city shall
41 publish such notice in the official newspaper of the city.

42 (g) A redevelopment project in a major tourism area for an auto race
43 track facility, shall be completed within 30 years from the date the sec-

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1 retary makes the finding that the redevelopment project will create a
2 major tourism area pursuant to subsection (n) of K.S.A. 12-1770a, and
3 amendments thereto.

4 ~~(h) (e) The maximum maturity on bonds issued to finance projects~~
5 ~~pursuant to this act shall not exceed 20 years except that (1) such maxi-~~
6 ~~imum period of special obligation bonds not payable from revenues de-~~
7 ~~scribed by subsections (a)(1)(D) and (a)(1)(G) of K.S.A. 12-~~
8 ~~1774, and amendments thereto, issued to finance an auto race track~~
9 ~~facility shall not exceed 30 years and (2) such maximum period, if the~~
10 ~~governor determines and makes and submits a finding to the speaker of~~
11 ~~the house of representatives and the president of the senate that a ma-~~
12 ~~turity greater than 20 years, but in no event exceeding 30 years, is nec-~~
13 ~~essary for the economic feasibility of the financing of an auto race track~~
14 ~~facility with special obligation bonds payable primarily from revenues de-~~
15 ~~scribed by subsections (a)(1)(D) and (a)(1)(G) of K.S.A. 12-1774, and~~
16 ~~amendments thereto, may be extended in accordance with such deter-~~
17 ~~mination and finding.~~

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

And by renumbering remaining sections accordingly

25 Sec. 26. K.S.A. 2006 Supp. 12-1773 is hereby amended to read as
26 follows: 12-1773. (a) Any city which has adopted a redevelopment project
27 plan in accordance with the provisions of this act may purchase or oth-
28 erwise acquire real property in connection with such project plan. Upon
29 a 2/3 vote of the members of the governing body thereof a city may acquire
30 by condemnation any interest in real property, including a fee simple title
31 thereto, which it deems necessary for or in connection with any project
32 plan of an area located within the redevelopment district; *however, em-*
33 *inent domain may be used only as authorized by K.S.A. 2006 Supp. 26-*
34 *501b, and amendments thereto.*

35 Prior to the exercise of such eminent domain power, the city shall offer
36 to the owner of any property which will be subject to condemnation with
37 respect to any redevelopment project, other than one which includes an
38 auto race track facility or a special bond project, compensation in an
39 amount equal to the highest appraised valuation amount determined for
40 property tax purposes by the county appraiser for any of the three most
41 recent years next preceeding the year of condemnation, except that, if in
42 the year next preceeding the year of condemnation any such property had
43 been damaged or destroyed by fire, flood, tornado, lightning, explosion

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1 ~~For other catastrophic event, the amount offered should be equal to the~~
2 ~~appraised valuation of the property which would have been determined~~
3 ~~taking into account such damage or destruction unless such property has~~
4 ~~been restored, renovated or otherwise improved.]~~

5 (b) ~~However~~ No city shall exercise such eminent domain power to
6 acquire real property in a conservation area.

7 (c) Any such city may exercise the power of eminent domain in the
8 manner provided by K.S.A. 26-501 et seq., and amendments thereto. ~~In~~
9 ~~addition to the compensation or damage amount finally awarded there-~~
10 ~~under with respect to any property subject to proceedings thereunder as~~
11 ~~a result of the construction of an auto race track facility or a special bond~~
12 ~~project, such city shall provide for the payment of an amount equal to~~
13 ~~25% of such compensation or damage amount. In addition to any com-~~
14 ~~ensation or damages allowed under the eminent domain procedure act,~~
15 ~~such city shall also provide for the payment of relocation assistance as~~
16 ~~provided in K.S.A. 12-1777, and amendments thereto.~~

17 ~~—(b) Any real property acquired by a city under the provisions of this~~
18 ~~section may be sold, transferred or leased to a developer, in accordance~~
19 ~~with the redevelopment project plan and under such other conditions as~~
20 ~~may be agreed upon. Any real property sold, transferred or leased to a~~
21 ~~redevelopment project developer for a specific redevelopment project~~
22 ~~shall be sold, transferred or leased to such developer on the condition~~
23 ~~that such property shall be used only for that specific approved redevel-~~
24 ~~opment project. If the developer does not utilize the entire tract of the~~
25 ~~real property sold, transferred or leased, that portion of property not used~~
26 ~~shall not be sold, transferred or leased by the developer to another de-~~
27 ~~veloper or party, but shall be deeded back to the city. If the developer~~
28 ~~paid the city for the land, a percentage of the original purchase price paid~~
29 ~~to the city which represents the percentage of the entire tract being~~
30 ~~deeded back to the city shall be reimbursed to the developer upon the~~
31 ~~deeding of the property back to the city.~~

32 ~~—(e) (d) Any transfer by the redevelopment project developer of real~~
33 ~~property acquired pursuant to this section shall be valid only if approved~~
34 ~~by a 2/3 majority vote of the members-eleet members of the governing~~
35 ~~body.~~

36 Sec. 27. K.S.A. 2006 Supp. 12-1774 is hereby amended to read as
37 follows: 12-1774. (a) (1) Any city shall have the power to issue special
38 obligation bonds in one or more series to finance the undertaking of any
39 redevelopment project or *bioscience development project* in accordance
40 with the provisions of this act. Such special obligation bonds shall be made
41 payable, both as to principal and interest:

have a maximum maturity of 20 years and

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

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

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

7 (D) from a pledge of all of the revenue received by the city from any
8 transient guest and local sales and use taxes which are collected from
9 taxpayers doing business within that portion of the city's redevelopment
10 district or *bioscience development district* established pursuant to K.S.A.
11 12-1771, and amendments thereto, occupied by a redevelopment project
12 if there first is a finding by the secretary that based upon the feasibility
13 study the redevelopment project will create a major tourism area for the
14 state; is the restoration of a historic theater as defined in subsection (l)
15 of K.S.A. 12-1770a, and amendments thereto; has been designated as a
16 special bond project as defined in subsection (z) of K.S.A. 12-1770a, and
17 amendments thereto; or is a major motorsports complex as defined in
18 subsection (uu) of K.S.A. 12-1770a, and amendments thereto. The pro-
19 ceeds of special obligation bonds issued pursuant to this paragraph after
20 June 3, 2004, shall not be used to finance personal property as defined
21 in K.S.A. 79-102, and amendments thereto or *bioscience development*
22 *project*. A city proposing to finance a major motorsports complex pursuant
23 to this paragraph shall prepare a project plan as required in K.S.A. 12-
24 1780c, and amendments thereto; which shall include:

25 (i) *A summary of the feasibility study done, as defined in K.S.A. 12-*
26 *1770a, and amendments thereto, which will be an open record;*

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

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

32 (iv) *the relocation assistance plan required by K.S.A. 12-1777, and*
33 *amendments thereto;*

34 (v) *a detailed description of the buildings and facilities proposed to*
35 *be constructed or improved; and*

36 (vi) *any other information the governing body deems necessary to*
37 *advise the public of the intent of the special bond project or major mo-*
38 *torsports complex plan.*

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

43

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1 (E) ~~(t)~~ from a pledge of a portion or all increased revenue received
2 by the city from: (i) Franchise fees collected from utilities and other
3 businesses using public right-of-way within the redevelopment district;
4 (ii) from a pledge of all or a portion of the revenue received by the city
5 from sales taxes; or (iii) both of the above;

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

11 (G) ~~from a pledge of all of the revenue received from any state sales~~
12 ~~taxes which are collected from taxpayers doing business within that por-~~
13 ~~tion of the city's redevelopment district occupied by a redevelopment~~
14 ~~project if the secretary finds that, based upon the feasibility study, the~~
15 ~~redevelopment project will create a major tourism area for the state, is~~
16 ~~the restoration of a historic theater as defined in subsection (1) of K.S.A.~~
17 ~~12-1770a, and amendments thereto, has been designated a special bond~~
18 ~~project as defined in subsection (z) of K.S.A. 12-1770a, and amendments~~
19 ~~thereto; or is a major motorsports complex as defined in subsection (uu)~~
20 ~~of K.S.A. 12-1770a, and amendments thereto. The proceeds of special~~
21 ~~obligation bonds issued pursuant to this paragraph after June 3, 2004,~~
22 ~~shall not be used to finance personal property as defined in K.S.A. 79-~~
23 ~~102, and amendments thereto;~~

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

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

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

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

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

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

have a maximum maturity of 20 years and

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

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

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1 bond law.

2 The failure of the voters to approve the issuance of full faith and credit
3 tax increment bonds shall not prevent the city from issuing special obli-
4 gation bonds in accordance with this section.

5 No such election shall be held in the event the board of county com-
6 missioners or the board of education determines, as provided in K.S.A.
7 12-1771, and amendments thereto, that the proposed redevelopment dis-
8 trict will have an adverse effect on the county or school district.

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

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

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

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

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

or full faith and credit tax increment bonds

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

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

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

26 ~~(f) With respect to a redevelopment district established prior to Jan-~~
27 ~~uary 1, 2003, for which, prior to January 1, 2003, the secretary of com-~~
28 ~~merce made a finding as provided in subsection (a) of this section that a~~
29 ~~redevelopment project would create a major tourism area for the state,~~
30 ~~such special obligation bonds shall be payable both as to principal and~~
31 ~~interest, from a pledge of all of the revenue from any transient guest,~~
32 ~~state and local sales and use taxes collected from taxpayers as provided~~
33 ~~in subsection (a) of this section whether or not revenues from such taxes~~
34 ~~are received by the city.~~

35 Sec. 28. K.S.A. 2006 Supp. 12-1774a is hereby amended to read as
36 follows: 12-1774a. In the event that the city shall default in the payment
37 of any special obligation bonds payable from revenues authorized pur-
38 suant to subsection (a)(1)(D) ~~or (a)(1)(G)~~ of K.S.A. 12-1774, and amend-
39 ments thereto, no public funds shall be used to pay the holders thereof
40 except as otherwise specifically authorized in this act.

41 Sec. 29. K.S.A. 12-1776 is hereby amended to read as follows: 12-
42 1776. (a) After the adoption by the city governing body of a project plan,
43 the clerk of the city shall transmit a copy of the description of the land

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1 within the redevelopment district, a copy of the ordinance adopting the
 2 plan and a map or plat indicating the boundaries of the district to the
 3 clerk, assessor and treasurer of the county in which the district is located
 4 and to the governing bodies of the county and school district which levy
 5 taxes upon any property in the district. Such documents shall be trans-
 6 mitted following the adoption or modification of the plan or a revision of
 7 the plan on or before the January 1 of the year in which the increment
 8 is first allocated to the taxing subdivision pursuant to K.S.A. 12-1775, and
 9 amendments thereto.

10 (b) For any year in which taxes are to be paid to the special fund
 11 established under subsection ~~(e)(d)~~(2) of K.S.A. 12-1775, and amend-
 12 ments thereto, any increase in assessed valuation of taxable tangible real
 13 property within the redevelopment district in excess of an amount equal
 14 to the total assessed value of such real property on the date of the estab-
 15 lishment of the redevelopment district shall not be considered by any
 16 taxing subdivision in computing any debt limitation or for any other pur-
 17 pose except for the levy of taxes and in determining the amount to be
 18 paid to such special fund.

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

23 Sec. 30. K.S.A. 12-1770 and 12-1776 and K.S.A. 2006 Supp. 12-
 24 1770a, 12-1771, 12-1771b, 12-1771d, 12-1773, 12-1773, as amended by
 25 section 3 of chapter 192 of the 2006 Session Laws of Kansas, 12-1774,
 26 12-1774a, 12-1780b, 12-1780c, 12-1780d, 12-1780e and 12-1780f are
 27 hereby repealed.

28 Sec. 31. This act shall take effect and be in force from and after its
 29 publication in the statute book.

New Sec. 27. Any city that created a redevelopment district or a bioscience development district prior to the effective date of this act may by ordinance elect to have the provisions of this act applicable to such redevelopment district or bioscience development district.
 And by renumbering remaining sections accordingly.