

House Substitute for Substitute for SENATE BILL No. 197

By Committee on Commerce, Labor and Economic Development

3-19

1 AN ACT concerning economic development; relating to port authorities;
2 providing that a port authority may be authorized by enactment of a bill
3 and authorizing the establishment of a port authority by the unified
4 government of Wyandotte county and Kansas City, Kansas; relating to
5 the STAR bonds financing act; relating to STAR bond project district
6 requirements; authorizing redevelopment of certain mall facilities as
7 eligible STAR bond projects; authorizing the secretary of commerce to
8 approve vertical construction within certain STAR bond project
9 districts; authorizing STAR bond projects in certain counties located in
10 certain metropolitan statistical areas as rural redevelopment projects;
11 setting certain visitor origin requirements and requiring certain
12 enforcement by the secretary against developers that fail to meet such
13 requirements; requiring the secretary to make certain information
14 concerning STAR bond projects publicly available on the website of
15 the department of commerce; prohibiting state general fund moneys
16 from being pledged for the repayment of any special obligation bond
17 issued by a city or county to finance a STAR bond project; prohibiting
18 a city or county from using eminent domain to acquire real property for
19 a STAR bond project; extending the expiration date of the STAR bonds
20 financing act to July 1, 2031; amending K.S.A. 12-17,160, 12-17,166,
21 12-17,172, 12-17,179 and 12-3402 and K.S.A. 2024 Supp. 12-17,162,
22 12-17,164 and 12-17,169 and repealing the existing sections.

23

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

25 New Section 1. In accordance with the provisions of K.S.A. 12-
26 3402, and amendments thereto, the legislature approves the creation of a
27 port authority by the governing body of the unified government of
28 Wyandotte county and Kansas City, Kansas, with all the powers, duties,
29 limitations and obligations provided for in article 34 of chapter 12 of the
30 Kansas Statutes Annotated, and amendments thereto, as the governing
31 body of the unified government of Wyandotte county and Kansas City,
32 Kansas, may create by appropriate resolutions or ordinances.

33 New Sec. 2. (a) The governing body of a city or county may establish
34 one or more STAR bond projects for the purpose of the redevelopment of a
35 mall facility in accordance with the provisions of the STAR bonds

1 financing act, K.S.A. 12-17,160 et seq., and amendments thereto. The
2 secretary of commerce shall review the STAR bond project plan and
3 determine whether to approve such plan in accordance with this section
4 and the STAR bonds financing act. A mall STAR bond project may be
5 located in a newly created mall STAR bond project district or in an
6 existing STAR bond project district.

7 (b) Any mall STAR bond project approved by a city or county and
8 the secretary in accordance with the STAR bonds financing act shall be
9 eligible for financing by special obligation bonds payable from revenues
10 described by K.S.A. 12-17,169(a)(1), and amendments thereto, which
11 revenues may include 100% of the tax increment revenue received. Any
12 special obligation bonds issued to finance a mall STAR bond project shall
13 be subject to the provisions of the STAR bonds financing act. In the event
14 that the city or county shall default in the payment of any STAR bonds
15 payable from revenues described in K.S.A. 12-17,169(a)(1), and
16 amendments thereto, no public funds shall be used to pay the holders
17 thereof except as specifically authorized by the STAR bonds financing act.
18 Any bonds issued may pay for any or all amounts of the overall project
19 costs and shall not be limited to payment of only a certain percentage of
20 total project costs for such mall STAR bond project.

21 (c) For purposes of the STAR bonds financing act:

22 (1) "Large metropolitan mall STAR bond project" means a project
23 that the secretary finds meets the following criteria:

24 (A) The project has the primary purpose of sports or entertainment
25 tourism that will draw at least 30% of visitors from a distance of at least
26 100 miles and at least 20% of its visitors from outside this state. The
27 secretary shall verify and track visitors and disclose the method of visitor
28 tracking and the visitor tracking data in the secretary's annual report to the
29 legislature;

30 (B) the project is located in an area of a city or community
31 experiencing economic decline. The secretary shall determine economic
32 decline by the analysis of at least two measurable indicators over the most
33 recent 10-year period for which data is available, including, but not limited
34 to, a decline in real gross domestic product, decline in average household
35 real income, decreased employment or reductions in industrial production
36 or retail sales;

37 (C) the project has a minimum of \$50,000,000 in capital investment
38 and \$50,000,000 in projected gross annual sales; and

39 (D) no previous application for a mall redevelopment project within
40 the same county has been approved by the secretary.

41 (2) "Mall" means an enclosed area comprised of multiple interior-
42 facing businesses and stores primarily devoted to the in-person retail sale
43 of goods and services and the parking, green space and arterial roads

1 contiguous thereto.

2 (3) "Mall facility" means an area containing a mall that is located
3 within the state of Kansas.

4 (4) "Mall STAR bond project" means an approved large metropolitan
5 mall STAR bond project or rural mall STAR bond project to implement
6 one or more project plans for the redevelopment of a mall STAR bond
7 project district that contains a mall in which 50% or more of the total
8 leasable area for businesses to operate in the mall is unoccupied.

9 (5) "Mall STAR bond project district" means the specific area
10 declared to be an eligible area as determined by the secretary that will
11 include a mall STAR bond project.

12 (6) "Rural mall STAR bond project" means a project that the
13 secretary finds meets the following criteria:

14 (A) The project is within a metropolitan area with a population of
15 50,000 through 75,000 or outside a metropolitan area with a population of
16 at least 50,000;

17 (B) the project will draw at least 20% of total visitors from a distance
18 of at least 100 miles;

19 (C) the project is located in an area of a city or community
20 experiencing economic decline as determined by the secretary using the
21 measures and analysis as provided by paragraph (1)(B);

22 (D) no previous application for a mall redevelopment project within
23 the same county has been approved by the secretary; and

24 (E) the project application is received by the secretary on or before
25 December 31, 2026.

26 (d) This section shall be a part of and supplemental to the STAR
27 bonds financing act.

28 New Sec. 3. (a) The secretary of commerce may approve vertical
29 construction of any project within an approved STAR bond project district
30 in cities with a population under 60,000, if such approval is granted prior
31 to December 31, 2025.

32 (b) This section shall be a part of and supplemental to the STAR
33 bonds financing act.

34 Sec. 4. K.S.A. 12-17,160 is hereby amended to read as follows: 12-
35 17,160. It is hereby declared to be the purpose of this act to promote,
36 ~~stimulate and develop the general and economic welfare of the state of~~
37 ~~Kansas and its communities and to assist in the development and~~
38 ~~redevelopment of eligible areas within and without a city thereby~~
39 ~~promoting the general welfare of the citizens of this state; growth through~~
40 ~~tourism~~ by authorizing cities and counties to ~~acquire certain property and~~
41 ~~to~~ issue sales tax and revenue (STAR) bonds for the financing of STAR
42 bond projects as defined in K.S.A. 12-17,162, and amendments thereto. ~~It~~
43 ~~is further found and declared that the powers conferred by this act are for a~~

1 ~~public purpose and public use for which public money may be expended~~
2 ~~and the power of eminent domain may be exercised. The necessity in the~~
3 ~~public interest for the provisions of this act is hereby declared as a matter~~
4 ~~of legislative determination.~~

5 Sec. 5. K.S.A. 2024 Supp. 12-17,162 is hereby amended to read as
6 follows: 12-17,162. As used in the STAR bonds financing act, unless a
7 different meaning clearly appears from the context:

8 (a) "Auto race track facility" means: (1) An auto race track facility
9 and facilities directly related and necessary to the operation of an auto race
10 track facility, including, but not limited to, grandstands, suites and viewing
11 areas, concessions, souvenir facilities, catering facilities, visitor and retail
12 centers, signage and temporary hospitality facilities, but excluding (2)
13 hotels, motels, restaurants and retail facilities, not directly related to or
14 necessary to the operation of such facility.

15 (b) "Commence work" means the manifest commencement of actual
16 operations on the development site, such as, erecting a building,
17 excavating the ground to lay a foundation or a basement or work of like
18 description according to an approved plan of construction, with the
19 intention and purpose to continue work until the project is completed.

20 (c) "De minimis" means an amount less than 15% of the land area
21 within a STAR bond project district.

22 (d) "Developer" means any person, firm, corporation, partnership or
23 limited liability company other than a city and other than an agency,
24 political subdivision or instrumentality of the state. "Developer" includes
25 the names of the owners, partners, officers or principals of the developer
26 for purposes of inclusion of the name of the developer into any
27 application, document or report pursuant to this act if such application,
28 document or report is a public record.

29 (e) "Economic impact study" means a study to project the financial
30 benefit of the project to the local, regional and state economies.

31 (f) "Eligible area" means a historic theater, *mall facility as defined in*
32 *section 2, and amendments thereto*, major tourism area, major motorsports
33 complex, auto race track facility, river walk canal facility, major multi-
34 sport athletic complex, major business facility, a major commercial
35 entertainment and tourism area or a major professional sports complex as
36 determined by the secretary.

37 (g) "Feasibility study" means a feasibility study as defined in K.S.A.
38 12-17,166(b), and amendments thereto.

39 (h) "Historic theater" means a building constructed prior to 1940 that
40 was constructed for the purpose of staging entertainment, including motion
41 pictures, vaudeville shows or operas, that is operated by a nonprofit
42 corporation and is designated by the state historic preservation officer as
43 eligible to be on the Kansas register of historic places or is a member of

1 the Kansas historic theatre association.

2 (i) "Historic theater sales tax increment" means the amount of state
3 and local sales tax revenue imposed pursuant to K.S.A. 12-187 et seq., 79-
4 3601 et seq. and 79-3701 et seq., and amendments thereto, collected from
5 taxpayers doing business within the historic theater that is in excess of the
6 amount of such taxes collected prior to the designation of the building as a
7 historic theater for purposes of this act.

8 (j) "Major business facility" means a significant business
9 headquarters or office building development designed to draw a substantial
10 number of new visitors to Kansas and that has agreed to provide visitor
11 tracking data to the secretary as requested by the secretary, including, but
12 not limited to, residence zip code information, to be provided or held by
13 the secretary without personally identifiable information. A major business
14 facility shall meet sales tax increment revenue requirements that shall be
15 established by the secretary independent of any associated retail businesses
16 located in the STAR bond project district pursuant to the STAR bond
17 project plan.

18 (k) "Major commercial entertainment and tourism area" means an
19 area that may include, but not be limited to, a major multi-sport athletic
20 complex.

21 (l) "Major motorsports complex" means a complex in Shawnee
22 county that is utilized for the hosting of competitions involving motor
23 vehicles, including, but not limited to, automobiles, motorcycles or other
24 self-propelled vehicles other than a motorized bicycle or motorized
25 wheelchair. Such project may include racetracks, all facilities directly
26 related and necessary to the operation of a motorsports complex,
27 including, but not limited to, parking lots, grandstands, suites and viewing
28 areas, concessions, souvenir facilities, catering facilities, visitor and retail
29 centers, signage and temporary hospitality facilities, but excluding hotels,
30 motels, restaurants and retail facilities not directly related to or necessary
31 to the operation of such facility.

32 (m) "Major tourism area" means an area for which the secretary has
33 made a finding the capital improvements costing not less than
34 \$100,000,000 will be built in the state to construct an auto race track
35 facility.

36 (n) "Major multi-sport athletic complex" means an athletic complex
37 that is utilized for the training of athletes, the practice of athletic teams, the
38 playing of athletic games or the hosting of events. Such project may
39 include playing fields, parking lots and other developments including
40 grandstands, suites and viewing areas, concessions, souvenir facilities,
41 catering facilities, visitor centers, signage and temporary hospitality
42 facilities, but excluding hotels, motels, restaurants and retail facilities, not
43 directly related to or necessary to the operation of such facility.

(o) "Major professional sports complex" means a project, approved or pursuant to an authorized agreement as provided by K.S.A. 2024 Supp. 12-17,181, and amendments thereto, located within this state including a stadium of not less than 30,000 seats for the purpose of the holding of national football league or major league baseball athletic contests and other events and gatherings or a practice or training facility utilized by a major professional sports franchise and all buildings, improvements, facilities or attractions located within any STAR bond project district as defined in subsection (cc)(2).

(p) "Major professional sports franchise" means any corporation, partnership or other entity that owns a team or franchise that is a member of the national football league or major league baseball that is located in any state adjacent to Kansas.

(q) "Market study" means a study to determine the ability of the project to gain market share locally, regionally and nationally and the ability of the project to gain sufficient market share to:

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

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

(s) "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.

(t) "Project" means a STAR bond project.

(u) "Project costs" means those costs necessary to implement a STAR bond project plan, including costs incurred for:

- (1) Acquisition of real property within the STAR bond project area;
- (2) payment of relocation assistance pursuant to a relocation assistance plan as provided in K.S.A. 12-17,173, and amendments thereto;
- (3) site preparation including utility relocations;
- (4) sanitary and storm sewers and lift stations;
- (5) drainage conduits, channels, levees and river walk canal facilities;
- (6) street grading, paving, graveling, macadamizing, curbing, guttering and surfacing;
- (7) street light fixtures, connection and facilities;
- (8) underground gas, water, heating and electrical services and

1 connections located within the public right-of-way;

2 (9) sidewalks and pedestrian underpasses or overpasses;

3 (10) drives and driveway approaches located within the public right-
4 of-way;

5 (11) water mains and extensions;

6 (12) plazas and arcades;

7 (13) parking facilities and multilevel parking structures devoted to
8 parking only;

9 (14) landscaping and plantings, fountains, shelters, benches,
10 sculptures, lighting, decorations and similar amenities;

11 (15) auto race track facility;

12 (16) major multi-sport athletic complex;

13 (17) museum facility;

14 (18) major motorsports complex;

15 (19) rural redevelopment project, including costs incurred in
16 connection with the construction or renovation of buildings or other
17 structures;

18 (20) major professional sports complex, including all costs necessary
19 to implement a STAR bond project plan for the development of a major
20 professional sports complex, including, but not limited to, costs incurred
21 for construction or renovation of a stadium and other buildings,
22 improvements, structures, facilities, infrastructure improvements and
23 utilities or any related expenses to develop and finance such complex;

24 (21) related expenses to redevelop and finance the project, except that
25 for a STAR bond project financed with special obligation bonds payable
26 from the revenues described in K.S.A. 12-17,169(a)(1) or (a)(2)(A) and (a)
27 (2)(B), and amendments thereto, such expenses shall require prior
28 approval by the secretary of commerce; ~~and~~

29 (22) *mall facility, including:*

30 (A) *All costs necessary to implement a project plan for the*
31 *redevelopment of a mall STAR bond project district, including costs*
32 *incurred for infrastructure and utilities, the acquisition of personal*
33 *property related thereto and any other related expenses necessary to*
34 *develop and finance such mall facility; and*

35 (B) *including costs incurred for the construction or renovation of*
36 *interior and exterior structures, parking facilities and multi-level parking*
37 *structures if:*

38 (i) *The project is a large metropolitan mall STAR bond project as*
39 *defined in section 2, and amendments thereto, and the project application*
40 *is received by the secretary on or before December 31, 2025. Such costs*
41 *shall not be permitted for any future expansion of the metropolitan mall*
42 *STAR bond project district; or*

43 (ii) *the project is a rural mall STAR bond project as defined in section*

1 2, and amendments thereto, the project includes a sports or entertainment
2 tourism component or an education tourism component such as a museum
3 or other educational facility and the deadline for a project application of
4 December 31, 2026, as provided by section 2, and amendments thereto,
5 are met.

6 (23) except as specified in paragraphs (1) through ~~(21)~~ (22) above,
7 "project costs" does not include:

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

10 (B) fees and commissions paid to developers, real estate agents,
11 financial advisors or any other consultants who represent the developers or
12 any other businesses considering locating in or located in a STAR bond
13 project district;

14 (C) salaries for local government employees;

15 (D) moving expenses for employees of the businesses locating within
16 the STAR bond project district;

17 (E) property taxes for businesses that locate in the STAR bond project
18 district;

19 (F) lobbying costs;

20 (G) any bond origination fee charged by the city or county;

21 (H) any personal property as defined in K.S.A. 79-102, and
22 amendments thereto; and

23 (I) travel, entertainment and hospitality.

24 (v) "Projected market area" means any area within the state in which
25 the project is projected to have a substantial fiscal or market impact upon
26 businesses in such area.

27 (w) "River walk canal facilities" means a canal and related water
28 features which flow through a major commercial entertainment and
29 tourism area and facilities related or contiguous thereto, including, but not
30 limited to, pedestrian walkways and promenades, landscaping and parking
31 facilities.

32 (x) "Rural redevelopment project" means a project that *will enhance*
33 *the quality of life in the community and the region* and is in:

34 (1) An area outside of a metropolitan area with a population of more
35 than 50,000, that is of regional importance; *and* with capital investment of
36 at least \$3,000,000 ~~and that will enhance the quality of life in the~~
37 ~~community and region; or~~

38 (2) *a county with a population under 100,000 within the Kansas City*
39 *or Wichita metropolitan statistical areas, of regional importance and with*
40 *capital investment of at least \$3,000,000.*

41 (y) "Sales tax and revenue" ~~are those~~ *means* revenues that are
42 available to finance the issuance of special obligation bonds as identified
43 in K.S.A. 12-17,168, and amendments thereto.

1 (z) "STAR bond" means a sales tax and revenue bond.

2 (aa) "STAR bond project" means:

3 (1) An approved project to implement a project plan for the
4 development of the established STAR bond project district that:

5 (A) (i) Has at least a \$75,000,000 capital investment and \$75,000,000
6 in projected gross annual sales; or

7 (ii) for metropolitan areas with a population of between 50,000 and
8 75,000, has at least a \$40,000,000 capital investment and \$40,000,000 in
9 projected gross annual sales, if the project is deemed of high value by the
10 secretary; or

11 (B) for areas outside of metropolitan areas with a population of more
12 than 50,000, the secretary finds the project:

13 (i) Is an eligible area as defined in subsection (f); and

14 (ii) would be of regional or statewide importance;

15 (C) is a major tourism area as defined in subsection (m);

16 (D) is a major motorsports complex, as defined in subsection (l); or

17 (E) is a rural redevelopment project as defined in subsection (x); ~~or~~

18 (2) a project approved or pursuant to an authorized agreement as
19 provided by K.S.A. 2024 Supp. 12-17,181, and amendments thereto, to
20 implement one or more project plans for the development of a major
21 professional sports complex with a combined capital investment of not less
22 than \$1,000,000,000; *or*

23 (3) *an approved mall STAR bond project as defined in section 2, and*
24 *amendments thereto.*

25 (bb) "STAR bond project area" means the geographic area within the
26 STAR bond project district in which there may be one or more projects.

27 (cc) "STAR bond project district" means:

28 (1) The specific area declared to be an eligible area as determined by
29 the secretary in which the city or county may develop one or more STAR
30 bond projects. A "STAR bond project district" includes a redevelopment
31 district, as defined in K.S.A. 12-1770a, and amendments thereto, created
32 prior to the effective date of this act for the Wichita Waterwalk project in
33 Wichita, Kansas, provided, the city creating such redevelopment district
34 submits an application for approval for STAR bond financing to the
35 secretary on or before July 31, 2007, and receives a final letter of
36 determination from the secretary approving or disapproving the request for
37 STAR bond financing on or before November 1, 2007. No STAR bond
38 project district shall include real property which has been part of another
39 STAR bond project district unless such STAR bond project and STAR
40 bond project district have been approved by the secretary of commerce
41 pursuant to K.S.A. 12-17,164 and 12-17,165, and amendments thereto,
42 prior to March 1, 2016. A STAR bond project district in a metropolitan
43 area with a population of more than 50,000, shall be a contiguous parcel of

1 real estate and shall be limited to those areas being developed by the
2 STAR bond project and any area of real property reasonably anticipated to
3 directly benefit from the redevelopment project; or

4 (2) the specific area approved or pursuant to an authorized agreement
5 as provided by K.S.A. 2024 Supp. 12-17,181, and amendments thereto,
6 and that is declared to be an eligible area as determined by the secretary in
7 which the city or county, or the secretary independently or with the
8 participation of the city or county, as provided by K.S.A. 12-17,164, and
9 amendments thereto, may develop one or more STAR bond projects as
10 defined in subsection (aa)(2). Such area may include real property that is
11 or has been a part of another STAR bond project district, however, any
12 outstanding STAR bonds issued for such other STAR bond project district
13 shall have priority for repayment. Any STAR bond project district as
14 defined pursuant to this paragraph shall not be required to contain
15 contiguous parcels of real estate or be limited to those areas being
16 developed pursuant to any such STAR bond project.

17 (dd) "STAR bond project district plan" means the preliminary plan
18 that identifies all of the proposed STAR bond project areas and identifies
19 in a general manner all of the buildings, facilities and improvements in
20 each that are proposed to be constructed or improved in each STAR bond
21 project area.

22 (ee) "STAR bond project plan" means the plan adopted by a city or
23 county for the development of a STAR bond project or projects in a STAR
24 bond project district. "STAR bond project plan" includes a plan adopted by
25 the secretary independently, the secretary with the participation of a city or
26 county or a city or county as approved by the secretary, as provided by
27 K.S.A. 12-17,164, and amendments thereto, for the development of a
28 STAR bond project or projects as defined in subsection (aa)(2) in a STAR
29 bond project district as defined in subsection (cc)(2) and approved or
30 pursuant to an authorized agreement as provided by K.S.A. 2024 Supp. 12-
31 17,181, and amendments thereto.

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

33 (gg) "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 was approved.

36 (hh) "Tax increment" means:

37 (1) Except as provided in paragraph (2), that portion of the revenue
38 derived from state and local sales, use and transient guest tax imposed
39 pursuant to K.S.A. 12-187 et seq., 12-1692 et seq., 79-3601 et seq. and 79-
40 3701 et seq., and amendments thereto, collected from taxpayers doing
41 business within that portion of a STAR bond project district occupied by a
42 project that is in excess of the amount of base year revenue. For purposes
43 of this subsection, the base year shall be the 12-month period immediately

1 prior to the month in which the STAR bond project district is established.
2 The department of revenue shall determine base year revenue by reference
3 to the revenue collected during the base year from taxpayers doing
4 business within the specific area in which a STAR bond project district is
5 subsequently established. The base year of a STAR bond project district,
6 following the addition of area to the STAR bond project district, shall be
7 the base year for the original area, and with respect to the additional area,
8 the base year shall be any 12-month period immediately prior to the month
9 in which additional area is added to the STAR bond project district. For
10 purposes of this subsection, revenue collected from taxpayers doing
11 business within a STAR bond project district, or within a specific area in
12 which a STAR bond project district is subsequently established shall not
13 include local sales and use tax revenue that is sourced to jurisdictions other
14 than those in which the project is located. The secretary of revenue and the
15 secretary of commerce shall certify the appropriate amount of base year
16 revenue for taxpayers relocating from within the state into a STAR bond
17 district.

18 (2) With respect to any STAR bond project district as defined in
19 subsection (cc)(2), "tax increment" may include all revenue described in
20 paragraph (1) collected from retail sales from any business within such
21 STAR bond project district. "Tax increment" shall include all revenue
22 derived from the sale of alcoholic liquor as defined in K.S.A. 79-41a01,
23 and amendments thereto, pursuant to K.S.A. 79-4101 and 79-41a02, and
24 amendments thereto, collected from consumers purchasing alcoholic
25 liquor within such STAR bond project district that is in excess of the
26 amount of base year revenue for such taxes. The "tax increment" for any
27 such STAR bond project district that has been independently established
28 by the secretary as provided by K.S.A. 12-17,164, and amendments
29 thereto, shall not include local sales, use or transient guest tax imposed
30 pursuant to K.S.A. 12-187 et seq. and 12-1692 et seq., and amendments
31 thereto, unless approved by a participating city or county as provided by
32 K.S.A. 12-17,164, and amendments thereto. If a STAR bond project
33 district as defined in subsection (cc)(2) includes real property that is or has
34 been part of another previously approved STAR bond project district, the
35 "tax increment" shall also exclude that portion of state and local sales, use
36 or transient guest tax revenue pledged to repayment of any STAR bonds
37 issued for a previously approved STAR bond project within such other
38 district while such bonds are outstanding. The amount of base year
39 revenue for any revenue derived from the sale of alcoholic liquor and any
40 state sales and use taxes shall be set by the secretary in the secretary's sole
41 discretion upon the establishment of a STAR bond project district as
42 defined in K.S.A. 12-17,162(cc)(2), and amendments thereto. If local
43 sales, use or transient guest tax revenue are also pledged by a city or

1 county, whether such city or county is participating with the secretary, or is
2 itself establishing such STAR bond project district, as provided by K.S.A.
3 12-17,164, and amendments thereto, the amount of base year revenue for
4 such local tax revenues shall be set by the city or county in the city or
5 county's discretion and approved by the secretary. Base year revenue
6 determinations by the secretary or by the city or county as approved by the
7 secretary shall not be required to be based on the procedure provided in
8 paragraph (1).

9 (ii) "Taxpayer" means a person, corporation, limited liability
10 company, S corporation, partnership, registered limited liability
11 partnership, foundation, association, nonprofit entity, sole proprietorship,
12 business trust, group or other entity that is subject to the Kansas income
13 tax act, K.S.A. 79-3201 et seq., and amendments thereto.

14 Sec. 6. K.S.A. 2024 Supp. 12-17,164 is hereby amended to read as
15 follows: 12-17,164. (a) (1) (A) (i) The governing body of a city may
16 establish one or more STAR bond projects in any area within such city or
17 wholly outside the boundaries of such city. A STAR bond project wholly
18 outside the boundaries of such city must be approved by the board of
19 county commissioners by the passage of a county resolution.

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

22 (iii) No STAR bond project as defined by K.S.A. 12-17,162(aa)(2),
23 and amendments thereto, shall be established by a city or county unless
24 approved pursuant to K.S.A. 2024 Supp. 12-17,181, and amendments
25 thereto.

26 (B) The governing body of a city or county may elect to participate in
27 a STAR bond project as defined in K.S.A. 12-17,162(aa)(2), and
28 amendments thereto, established independently by the secretary pursuant
29 to an agreement authorized by K.S.A. 2024 Supp. 12-17,181, and
30 amendments thereto, by pledging local sales, use and transient guest tax
31 revenues for the repayment of STAR bonds issued by the Kansas
32 development finance authority pursuant to this section and K.S.A. 12-
33 17,169, and amendments thereto. If the governing body of the city or
34 county elects to participate, the governing body of the city or county shall
35 hold a public hearing and pass an appropriate ordinance or resolution
36 specifying the city or county's pledge of such local revenues that meet any
37 requirements of the secretary and the Kansas development finance
38 authority. Such ordinance or resolution shall be passed not later than 60
39 days after the date of approval by the legislative coordinating council of
40 the agreement pursuant to K.S.A. 2024 Supp. 12-17,181, and amendments
41 thereto, or the secretary may proceed without the city or county's
42 participation to establish the STAR bond project district and undertake the
43 STAR bond project plan without further public notice or hearing, as

1 provided by paragraph (2).

2 (C) The projects shall be eligible for financing by special obligation
3 bonds payable from revenues described by K.S.A. 12-17,169(a)(1)~~and~~, (a)
4 (2)(A) and (a)(2)(B), and amendments thereto. Upon approval by the
5 secretary, a STAR bond project as defined in K.S.A. 12-17,162(aa)(2), and
6 amendments thereto, may be financed by the Kansas development finance
7 authority as provided by K.S.A. 12-17,169, and amendments thereto.

8 (2) In lieu of the procedure required for a city or county to establish a
9 STAR bond project district and a STAR bond project set forth in K.S.A.
10 12-17,165 and 12-17,166, and amendments thereto, or to finance a project,
11 the secretary may independently establish a STAR bond project district as
12 defined in K.S.A. 12-17,162(cc)(2), and amendments thereto, undertake a
13 STAR bond project as defined in K.S.A. 12-17,162(aa)(2), and
14 amendments thereto, or finance such a STAR bond project through special
15 obligation bonds issued by the Kansas development finance authority as
16 provided by K.S.A. 12-17,169(a)(2)(B), and amendments thereto, with or
17 without the participation of the city or county. In such case, except as
18 otherwise provided, in addition to all powers granted to the secretary, the
19 secretary shall have the powers of a city or county as provided by the
20 STAR bonds financing act necessary in the secretary's discretion to
21 establish, undertake or finance the project through the Kansas
22 development finance authority. The notice, procedural and hearing
23 requirements of K.S.A. 12-17,165 and 12-17,166, and amendments
24 thereto, shall not be applicable to the secretary. Such authority shall
25 include changes to such district as provided by K.S.A. 12-17,171, and
26 amendments thereto, except that no public hearings shall be required.
27 Upon the approval of the secretary, the Kansas development finance
28 authority is authorized to issue special obligation bonds in one or more
29 series to finance such project. No revenue from local sales, use or transient
30 guest taxes imposed pursuant to K.S.A. 12-187 et seq. and 12-1692 et seq.,
31 and amendments thereto, shall be pledged as a source of repayment of
32 such special obligation bonds unless approved by the city or county as
33 provided by paragraph (1)(B). Such bonds shall not be a general obligation
34 of the state. Any such bonds and interest thereon shall be an obligation
35 only of the Kansas development finance authority and shall not constitute
36 a debt of the state of Kansas within the meaning of section 6 or 7 of article
37 11 of the constitution of the state of Kansas and shall not pledge the full
38 faith and credit or the taxing power of the state of Kansas. Such bonds
39 shall be payable, both as to principal and interest, solely from the revenue
40 sources as provided by K.S.A. 12-17,169(a)(2)(B), and amendments
41 thereto.

42 (3) The secretary's authority to approve STAR bond projects as
43 defined in K.S.A. 12-17,162(aa)(2), and amendments thereto, including

1 any such project established by a city or county or established
2 independently by the secretary with or without the participation of the city
3 or county shall be subject to K.S.A. 2024 Supp. 12-17,181, and
4 amendments thereto.

5 (b) (1) Each STAR bond project shall first be approved by the
6 secretary, if the secretary determines that the proposed project or complex
7 sufficiently promotes, stimulates and develops the general and economic
8 welfare of the state as described in K.S.A. 12-17,160, and amendments
9 thereto. Except as provided in paragraph (2), the secretary, upon approving
10 the project, may approve such financing in an amount not to exceed 50%
11 of the total costs including all project costs and any other costs related to
12 the project. The proceeds of such STAR bond financing may only be used
13 to pay for incurred project costs.

14 (2) For a STAR bond project as defined in K.S.A 12-17,162(aa)(2),
15 and amendments thereto, the secretary may approve such financing issued
16 by the city or county or by the Kansas development finance authority, as
17 applicable, in an amount not to exceed 70% of the total costs including all
18 project costs and any other costs related to the project.

19 (c) For a city proposing to finance a major motorsports complex
20 pursuant to K.S.A. 12-17,169(a)(1)(C) or (a)(1)(E), and amendments
21 thereto, the secretary, upon approving the project, may approve such
22 financing in an amount not to exceed 50% of the STAR bond project costs.

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

25 (e) (1) Except as provided in paragraph (2), a project shall not be
26 granted to any business that proposes to relocate its business from another
27 area of the state into such city or county, for the purpose of consideration
28 for a STAR bond project provided by K.S.A. 12-17,160 et seq., and
29 amendments thereto.

30 (2) The provisions of paragraph (1) shall not apply to a STAR bond
31 project as defined in K.S.A. 12-17,162(aa)(2), and amendments thereto.

32 (f) A project shall not be approved by the secretary if the market
33 study required by K.S.A. 12-17,166, and amendments thereto, indicates a
34 substantial negative impact upon businesses in the project or complex
35 market area or the granting of such project or complex would cause a
36 default in the payment of any outstanding special obligation bond payable
37 from revenues authorized pursuant to K.S.A. 12-17,169(a)(1), and
38 amendments thereto.

39 (g) (1) Except as provided in paragraph (2), the maximum maturity of
40 special obligation bonds payable primarily from revenues described by
41 K.S.A. 12-17,169(a)(1), and amendments thereto, to finance STAR bond
42 projects pursuant to this section shall not exceed 20 years.

43 (2) Special obligation bonds issued by a city or county or, if

1 applicable, by the Kansas development finance authority to finance a
2 STAR bond project as defined in K.S.A. 12-17,162(aa)(2), and
3 amendments thereto, shall not exceed 30 years.

4 (h) The secretary shall not approve any application for STAR bond
5 project financing which is submitted by a city or county more than one
6 year after the STAR bond project district in which the STAR bond project
7 is located has been established.

8 (i) For the purpose of recovering the costs of the secretary and the
9 department arising from fulfilling administrative, review, approval,
10 oversight and other responsibilities under the STAR bonds financing act
11 and from providing assistance to cities, counties and private businesses in
12 relation to STAR bond projects, the secretary may assess an administrative
13 fee of up to 1%, not to exceed \$200,000, of the amount of the special
14 obligation bonds payable from revenues described by K.S.A. 12-17,169(a)
15 (1) or (a)(2), and amendments thereto, issued or reissued for STAR bond
16 projects. The secretary may also recover any actual costs incurred by the
17 secretary in excess of the fee. The fee, and any actual costs incurred by the
18 secretary in excess of the fee, shall be paid to the secretary from the
19 proceeds of such bonds. All such moneys received by the secretary shall be
20 remitted to the state treasurer in accordance with the provisions of K.S.A.
21 75-4215, and amendments thereto. Upon receipt of each such remittance,
22 the state treasurer shall deposit the entire amount in the state treasury to
23 the credit of the STAR bond administrative fee fund, which is hereby
24 created in the state treasury. All expenditures from the STAR bond
25 administrative fee fund shall be made in accordance with appropriation
26 acts upon warrants of the director of accounts and reports issued pursuant
27 to vouchers approved by the secretary or a person or persons designated by
28 the secretary.

29 (j) (1) *Prior to approval by the secretary of any STAR bond project,*
30 *notification of such project and the pending approval by the secretary*
31 *shall be provided to the chairperson of the state finance council. Upon*
32 *request by the chairperson of the state finance council, the secretary shall*
33 *provide any nonconfidential information regarding the project, including,*
34 *but not limited to, the project plan, market plan and feasibility study, to the*
35 *state finance council for distribution to the members.*

36 (2) *The chairperson of the state finance council may call a meeting to*
37 *address the project and shall provide notice to the secretary of such*
38 *meeting. Upon request by the state finance council, the secretary or the*
39 *secretary's designee shall appear before the council and provide testimony*
40 *regarding the project. The state finance council may hear such testimony*
41 *or any portion thereof pertaining to the project in an executive session,*
42 *and such testimony or portion thereof pertaining to the project shall be*
43 *considered an exception to the requirements of the open meetings act*

1 pursuant to K.S.A. 75-4319(b)(4), and amendments thereto, and closed to
2 the public. All information relating to the project provided or disseminated
3 to the state finance council for purposes of or during the executive session
4 shall not be a public record and shall not be subject to the Kansas open
5 records act, K.S.A. 45-215 et seq., and amendments thereto, except as
6 provided by this paragraph. The provisions of this exception to the Kansas
7 open records act shall expire on July 1, 2030, unless the legislature
8 reviews and reenacts this provision pursuant to K.S.A. 45-229, and
9 amendments thereto. Upon approval by the secretary, disapproval by the
10 state finance council or the secretary or abandonment of the project, the
11 confidential information, if any, provided to the state finance council for
12 the purpose of or at such executive session shall be provided to the public.
13 The state finance council may disapprove the project by majority vote
14 taken in open session, acting on this matter, which is hereby characterized
15 as a matter of legislative delegation and subject to the guidelines
16 prescribed in K.S.A. 75-3711c(c), and amendments thereto, and such
17 disapproval also may be given while the legislature is in session. If the
18 state finance council does not disapprove the project at such meeting or
19 the chairperson of the state finance council does not call a meeting that is
20 held within 30 days of the notice of the project provided to the council by
21 the secretary pursuant to paragraph (1) the secretary may approve the
22 project.

23 (k) (1) Except as provided by paragraph (2), the secretary shall not
24 approve any project unless the secretary finds that the project is likely to
25 attract at least 30% of visitors from a distance of at least 100 miles and
26 20% of visitors from outside the state. The secretary shall track
27 compliance with this requirement as provided by K.S.A. 12-17,166, and
28 amendments thereto, and provide the method of visitor origin tracking and
29 determination of such compliance and the visitor origin data in the
30 secretary's report to the legislature. Visitor tracking data shall be collected
31 by the secretary in the aggregate without personal identification
32 information.

33 (2) The secretary shall not approve a rural development project, as
34 defined in K.S.A. 12-17,162, and amendments thereto, or a rural mall
35 project, as defined in section 2, and amendments thereto, unless the
36 secretary finds that such project is likely to attract at least 20% of visitors
37 from a distance of at least 100 miles.

38 (3) The secretary shall include in the secretary's annual report to the
39 legislature information on compliance with the visitation requirements of
40 this subsection by projects to which such requirements apply.

41 (l) For projects approved on and after July 1, 2025, the secretary
42 shall enforce compliance by developers with the project visitor origin
43 requirements of subsection (k) as follows. Beginning with the third

1 *calendar year following the year that the STAR bond project district was*
2 *established, the secretary shall review visitor origin data collected by the*
3 *secretary and determine compliance on an annual basis at the end of each*
4 *year. If the secretary determines that the STAR bond project has met such*
5 *visitor origin requirements for any year following the commencement of*
6 *compliance enforcement for such project, the secretary shall cease*
7 *compliance enforcement pursuant to this subsection. If the secretary*
8 *determines that the STAR bond project has not met such visitor origin*
9 *requirements, the developer or developers shall be prohibited from*
10 *participating in any other STAR bond project approved by the secretary*
11 *subsequent to such determination until the secretary finds upon annual*
12 *review of a succeeding year that such requirements have been met and*
13 *ceases compliance enforcement. The secretary shall report visitor origin*
14 *requirement compliance by developers as required by this subsection in*
15 *the secretary's annual report to the legislature.*

16 Sec. 7. K.S.A. 12-17,166 is hereby amended to read as follows: 12-
17 17,166. (a) One or more projects may be undertaken by a city or county
18 within an established STAR bond project district upon submission of the
19 project plan to the secretary of commerce and approval by the secretary as
20 provided by K.S.A. 12-17,164, and amendments thereto. Any city or
21 county proposing to undertake a STAR bond project shall prepare a STAR
22 bond project plan in consultation with the planning commission of the city,
23 and in consultation with the planning commission of the county, if any, if
24 such project is located wholly outside the boundaries of the city. Any such
25 project plan may be implemented in separate development stages.

26 (b) Any city or county proposing to undertake a STAR bond project
27 within a STAR bond project district established pursuant to K.S.A. 12-
28 17,165, and amendments thereto, shall prepare a feasibility study to be
29 conducted by one or more consultants selected and approved by the
30 secretary, and the costs shall be paid by the developer or the city or county.
31 The secretary shall have control and oversight authority over the scope,
32 conduct and methodology of the study. The secretary may establish a list
33 of preapproved consultants and approved study parameters and methods.
34 The feasibility study shall contain the following:

35 (1) Whether a STAR bond project's revenue and tax increment
36 revenue and other available revenues under K.S.A. 12-17,169, and
37 amendments thereto, are expected to exceed or be sufficient to pay for the
38 project costs;

39 (2) the effect, if any, a STAR bond project will have on any
40 outstanding special obligation bonds payable from the revenues described
41 in K.S.A. 12-17,169, and amendments thereto;

42 (3) a statement of how the jobs and taxes obtained from the STAR
43 bond project will contribute significantly to the economic development of

1 the state and region;

2 (4) visitation expectations and a plan describing how the number of
3 visitors to the STAR bond project district will be tracked and reported to
4 the secretary ~~on an annual~~ *a quarterly* basis. Such plan shall include, but
5 not be limited to, obtaining and reporting visitor residence zip code data to
6 the secretary. ~~All businesses located in the STAR bond district shall~~
7 ~~provide visitor residence data requested by the secretary. Any such data~~
8 ~~shall be provided in an aggregate manner without personally identifiable~~
9 ~~information;~~

10 (5) the unique quality of the project;

11 (6) economic impact study, including the anticipated effect of the
12 project on the regional and statewide economies;

13 (7) market study;

14 (8) market impact study;

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

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

18 (11) project accountability, measured according to best industry
19 practices;

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

22 (13) a net return on investment analysis;

23 (14) a statement concerning whether a portion of the local sales and
24 use taxes are pledged to other uses and are unavailable as revenue for the
25 STAR bond project. If a portion of local sales and use taxes is so
26 committed, the applicant shall describe the following:

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

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

31 (15) an anticipated principal and interest payment schedule on the
32 bond issue;

33 (16) a summary of community involvement, participation and support
34 for the STAR bond project; and

35 (17) a full disclosure and description of all state, federal and local tax
36 incentives that apply or, pursuant to the project plan, are anticipated to
37 apply within the STAR bond district or that apply to any business located
38 in or, pursuant to the project plan, that will locate in the district.

39 The failure to include all information enumerated in this subsection in
40 the feasibility study for a STAR bond project shall not affect the validity of
41 bonds issued pursuant to this act.

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

1 (1) A summary of the feasibility study done as defined in subsection
2 (b);

3 (2) a reference to the district plan established under K.S.A. 12-
4 17,165, and amendments thereto, that identifies the project area that is set
5 forth in the project plan that is being considered;

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

7 (4) the relocation assistance plan as described in K.S.A. 12-17,172,
8 and amendments thereto;

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

11 (6) the names of the owners, partners, officers or principals of any
12 developer of the project and of any associated business partner of any
13 developer of the project that is involved in the STAR bond project; and

14 (7) any other information the governing body of the city or county
15 deems necessary to advise the public of the intent of the project plan.

16 (d) A copy of the STAR bond project plan prepared by a city shall be
17 delivered to the board of county commissioners of the county and the
18 board of education of any school district levying taxes on property within
19 the STAR bond project area. A copy of the STAR bond project plan
20 prepared by a county shall be delivered to the board of education of any
21 school district levying taxes on property within the STAR bond project
22 area.

23 (e) Upon a finding by the planning commission that the STAR bond
24 project plan is consistent with the intent of the comprehensive plan for the
25 development of the city, and a finding by the planning commission of the
26 county, if any, with respect to a STAR bond project located wholly outside
27 the boundaries of the city, that the STAR bond project plan is consistent
28 with the intent of the comprehensive plan for the development of the
29 county, the governing body of the city or county shall adopt a resolution
30 stating that the city or county is considering the adoption of the STAR
31 bond project plan. Such resolution shall:

32 (1) Give notice that a public hearing will be held to consider the
33 adoption of the STAR bond project plan and fix the date, hour and place of
34 such public hearing. In addition to any other notice, such notice shall be
35 conspicuously provided at a prominent location on the first page of the
36 website of the county or city, if the county or city has a website;

37 (2) describe the boundaries of the STAR bond project district within
38 which the STAR bond project will be located and the date of establishment
39 of such district;

40 (3) describe the boundaries of the area proposed to be included within
41 the STAR bond project area; and

42 (4) state that the STAR bond project plan, including a summary of the
43 feasibility study, market study, relocation assistance plan and financial

1 guarantees of the prospective developer and a description and map of the
2 area to be redeveloped or developed are available for inspection during
3 regular office hours in the office of the city clerk or county clerk,
4 respectively.

5 (f) (1) The date fixed for the public hearing to consider the adoption
6 of the STAR bond project plan shall be not less than 30 nor more than 70
7 days following the date of the adoption of the resolution fixing the date of
8 the hearing.

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

22 (3) At the public hearing, a representative of the city or county shall
23 present the city's or county's proposed STAR bond project plan. The
24 presentation shall include a discussion of the feasibility study, including a
25 description of all state, federal and local tax incentives that apply within
26 the STAR bond district or are anticipated to apply within the district
27 pursuant to the project plan or to any business located in the district or that
28 will locate in the district pursuant to the project plan. Following the
29 presentation of the STAR bond project area, all interested persons shall be
30 given an opportunity to be heard. The governing body for good cause
31 shown may recess such hearing to a time and date certain, which shall be
32 fixed in the presence of persons in attendance at the hearing.

33 (g) The public hearing records and feasibility study shall be subject to
34 the open records act, K.S.A. 45-215, and amendments thereto, and, if the
35 city or county has a website, shall be placed conspicuously on such
36 website at the same location or linked to the same location on the first
37 page of the website as the notice for the hearing.

38 (h) Upon conclusion of the public hearing, the governing body may
39 adopt the STAR bond project plan by ordinance or resolution passed upon
40 a two-thirds vote of the members.

41 (i) ~~After~~ *Within 90 days of the adoption or modification by the city or*
42 *county governing body of a STAR bond project plan; and within 90 days*
43 *of the selling of the bonds:*

1 (1) The clerk of the city or county shall transmit a copy of the
2 description of the land within the STAR bond project district, a copy of the
3 ordinance or resolution adopting the plan and a map or plat indicating the
4 boundaries of the district to the clerk, appraiser and treasurer of the county
5 in which the district is located and to the governing bodies of the county
6 and school district which levy taxes upon any property in the district. ~~Such~~
7 ~~documents shall be transmitted following the adoption or modification of~~
8 ~~the plan or a revision of the plan on or before January 1 of the year in~~
9 ~~which the increment is first allocated to the taxing subdivision.~~

10 ~~(j)~~ If the STAR bond project plan is approved,;

11 (2) the feasibility study shall be supplemented to include a copy of
12 the minutes of the governing body meetings of any city or county whose
13 bonding authority will be utilized in the STAR bond project, evidencing
14 that a STAR bond project plan has been created, discussed and adopted by
15 the city or county in a regularly scheduled open public meeting;

16 (3) *the city or county shall notify the residents thereof;*

17 (A) *That the STAR bond project plan has been adopted; and*

18 (B) *on a continuing basis, the amount of tax increment revenue*
19 *received under K.S.A. 12-17,169, and amendments thereto; and*

20 (4) *the secretary shall make the following information publicly*
21 *available on the department of commerce's website:*

22 (A) *The feasibility study;*

23 (B) *the STAR bond project plan;*

24 (C) *the financial guarantees of the prospective developer;*

25 (D) *on a continuing basis, any subsequent modified versions of the*
26 *information required by subparagraphs (A) through (C); and*

27 (E) *on a continuing basis, visitor data pursuant to subsection (n).*

28 ~~(k)~~(j) Any substantial changes as defined in K.S.A. 12-17,162, and
29 amendments thereto, to the STAR bond project plan as adopted shall be
30 subject to a public hearing following publication of notice thereof at least
31 twice in the official city or county newspaper.

32 ~~(k)~~(k) Any STAR bond project shall be completed within 20 years
33 from the date of the approval of the STAR bond project plan. The
34 maximum maturity on bonds issued to finance projects pursuant to this act
35 shall not exceed 20 years.

36 ~~(m)~~(l) Kansas resident employees shall be given priority
37 consideration for employment in construction projects located in a STAR
38 bond project area.

39 ~~(n)~~(m) Any developer of a STAR bond project shall commence work
40 on the project within two years from the date of adoption of the STAR
41 bond project plan. Should the developer fail to commence work on the
42 STAR bond project within the two-year period, funding for such project
43 shall cease and the developer of such project or complex shall have one

1 year to resubmit the project to the secretary and to appeal to the secretary
2 for reapproval of such project and the funding for it. Should the project be
3 reapproved, the two-year period for commencement shall apply.

4 *(n) In collaboration with the STAR bond project developer or*
5 *developers and the governing body of a city or county that established the*
6 *STAR bond district, the secretary shall collect visitor data using ticket*
7 *sales tracking, reliable software or other similar technology that tracks*
8 *visitation trends for each STAR bond district that receives state sales tax*
9 *revenues until the bond debt service associated with the STAR bond*
10 *district has been satisfied but in any event not later than the maturity*
11 *period of the bond issuance. The secretary shall compile and include this*
12 *data in the report required to be submitted to the house of representatives*
13 *committee on commerce, labor and economic development and the senate*
14 *committee on commerce pursuant to K.S.A. 12-17,169, and amendments*
15 *thereto. Any such data shall be collected in an aggregate manner without*
16 *personally identifiable information.*

17 Sec. 8. K.S.A. 2024 Supp. 12-17,169 is hereby amended to read as
18 follows: 12-17,169. (a) (1) Any city or county shall have the power to
19 issue special obligation bonds in one or more series to finance the
20 undertaking of any STAR bond project in accordance with the provisions
21 of this act. Rural redevelopment projects, as defined in K.S.A. 12-17,162,
22 and amendments thereto, may also be financed without the issuance of
23 special obligation bonds up to an amount not to exceed \$10,000,000 for
24 each project. Such special obligation bonds or rural redevelopment project
25 costs shall be made payable, both as to principal and interest:

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

30 (B) from any private sources, contributions or other financial
31 assistance from the ~~state or~~ federal government;

32 (C) from a pledge of 100% of the tax increment revenue received by
33 the city from any local sales and use taxes, including the city's share of any
34 county sales tax, which are collected from taxpayers doing business within
35 that portion of the city's STAR bond project district established pursuant to
36 K.S.A. 12-17,165, and amendments thereto, occupied by a STAR bond
37 project, except for amounts committed to other uses by election of voters
38 or pledged to bond repayment prior to the approval of the STAR bond
39 project;

40 (D) at the option of the county in a city STAR bond project district,
41 from a pledge of all of the tax increment revenues received by the county
42 from any local sales and use taxes which are collected from taxpayers
43 doing business within that portion of the city's STAR bond project district

1 established pursuant to K.S.A. 12-17,165, and amendments thereto, except
2 for amounts committed to other uses by election of voters or pledged to
3 bond repayment prior to the approval of a STAR bond project;

4 (E) in a county STAR bond project district, from a pledge of 100% of
5 the tax increment revenue received by the county from any county sales
6 and use tax, but excluding any portions of such taxes that are allocated to
7 the cities in such county pursuant to K.S.A. 12-192, and amendments
8 thereto, which are collected from taxpayers doing business within that
9 portion of the county's STAR bond project district established pursuant to
10 K.S.A. 12-17,165, and amendments thereto, occupied by a STAR bond
11 project;

12 (F) from a pledge of all or a portion of the tax increment revenue
13 received from any state sales taxes which are collected from taxpayers
14 doing business within that portion of the city's or county's STAR bond
15 project district occupied by a STAR bond project, except that for any
16 STAR bond project district established and approved by the secretary on or
17 after January 1, 2017, such tax increment shall not include any sales tax
18 revenue from retail automobile dealers, and except that for any STAR
19 bond project district established after July 1, 2021, with existing sales tax
20 revenue at the time the district was established, such pledge shall not
21 exceed 90% of the new tax increment revenue that is in excess of the base
22 existing sales tax revenue received from any state sales taxes;

23 (G) at the option of the city or county and with approval of the
24 secretary, from all or a portion of the transient guest tax of such city or
25 county;

26 (H) at the option of the city or county and with approval of the
27 secretary: (i) From a pledge of all or a portion of increased revenue
28 received by the city or county from franchise fees collected from utilities
29 and other businesses using public right-of-way within the STAR bond
30 project district; or (ii) from a pledge of all or a portion of the revenue
31 received by a city or county from local sales taxes or local transient guest
32 and local use taxes; or

33 (I) by any combination of these methods.

34 The city or county may pledge such revenue to the repayment of such
35 special obligation bonds prior to, simultaneously with, or subsequent to the
36 issuance of such special obligation bonds.

37 *As authorized by the secretary, the Kansas development finance*
38 *authority shall have the power to issue special obligation bonds in one or*
39 *more series to finance the undertaking of a STAR bond project as defined*
40 *in K.S.A. 12-17,162(aa)(1) and (3), and amendments thereto, that has*
41 *been established by a city or county and approved by the secretary of*
42 *commerce pursuant to K.S.A. 12-17,164 and 12-17,167, and amendments*
43 *thereto. Such special obligation bonds shall not be general obligations of*

1 *the state. Any such bonds and interest thereon shall be an obligation only*
2 *of the Kansas development finance authority and shall not constitute a*
3 *debt of the state of Kansas within the meaning of section 6 or 7 of article*
4 *11 of the constitution of the state of Kansas and shall not pledge the full*
5 *faith and credit or the taxing power of the state of Kansas. Such special*
6 *obligation bonds shall be made payable, both as to principal and interest,*
7 *solely from the revenues described in subsection (a)(1)(A) through (I).*

8 (2) (A) Special obligation bonds issued by a city or county to finance
9 a STAR bond project as defined in K.S.A. 12-17,162(aa)(2), and
10 amendments thereto, that has been approved by the secretary in
11 accordance with K.S.A. 2024 Supp. 12-17,181, and amendments thereto,
12 shall be made payable, both as to principal and interest, from a pledge of:

13 (i) Any method or combination of the methods described in
14 paragraph (1), except that tax increment revenue from sales taxes shall
15 include sales tax revenue from all retail sales of any business located
16 within the district and up to 100% of the new state sales tax increment
17 revenue that is in excess of the base sales tax revenue, as set in the
18 secretary's discretion, received from any state sales taxes. The city or
19 county shall have discretion to set the base sales tax revenue for local sales
20 and use taxes as approved by the secretary;

21 (ii) tax increment revenue from up to 100% of the taxes imposed on
22 the sale of alcoholic liquor, as defined in K.S.A. 79-41a01, and
23 amendments thereto, collected from sales within the district pursuant to
24 K.S.A. 79-4101 and 79-41a02, and amendments thereto; and

25 (iii) if approved by the secretary, moneys from the attracting
26 professional sports to Kansas fund of the department of commerce.

27 (B) As authorized by the secretary, the Kansas development finance
28 authority shall have the power to issue special obligation bonds in one or
29 more series to finance the undertaking of a STAR bond project as defined
30 in K.S.A. 12-17,162(aa)(2), and amendments thereto, that has been
31 established by a city or county and approved by the secretary of commerce
32 pursuant to K.S.A. 2024 Supp. 12-17,181, and amendments thereto, or
33 undertaken independently by the secretary pursuant to K.S.A. 12-17,164,
34 and amendments thereto, with or without the participation of the city or
35 county. Such special obligation bonds shall not be general obligations of
36 the state. Any such bonds and interest thereon shall be an obligation only
37 of the Kansas development finance authority and shall not constitute a debt
38 of the state of Kansas within the meaning of section 6 or 7 of article 11 of
39 the constitution of the state of Kansas and shall not pledge the full faith
40 and credit or the taxing power of the state of Kansas. Such special
41 obligation bonds shall be made payable, both as to principal and interest,
42 solely from:

43 (i) Tax increment revenue as determined in the secretary's discretion,

1 from up to 100% of state sales taxes, including state sales tax revenue
2 from all retail sales of any business located within the district;

3 (ii) tax increment revenue from up to 100% of the taxes imposed on
4 the sale of alcoholic liquor as defined in K.S.A. 79-41a01, and
5 amendments thereto, from sales within the district pursuant to K.S.A. 79-
6 4101 and 79-41a02, and amendments thereto;

7 (iii) if approved by the city or county, revenue from any of the other
8 methods or combination of methods as provided in subparagraph (A)(i);
9 and

10 (iv) if approved by the secretary, moneys from the attracting
11 professional sports to Kansas fund of the department of commerce.

12 (C) For purposes of this paragraph, "district" means the STAR bond
13 project district as defined in K.S.A. 12-17,162(cc)(2), and amendments
14 thereto. Revenues may be collected pursuant to this paragraph from
15 noncontiguous parcels of real estate and areas not being developed by a
16 STAR bond project as defined in subsection (aa)(2) within such STAR
17 bond project district.

18 (D) Any revenues that have been pledged to pay one or more STAR
19 bonds previously issued pursuant to this act shall be used first to satisfy
20 any remaining obligations of such bonds.

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

27 (4) Bonds issued *by a city or county* under the provisions of
28 subsection (a)(1) or (a)(2)(A) shall be special obligations of the city or
29 county and are declared to be negotiable instruments. Such bonds shall be
30 executed by the mayor and clerk of the city or the chairperson of the board
31 of county commissioners and the county clerk and sealed with the
32 corporate seal of the city or county. All details pertaining to the issuance of
33 such special obligation bonds and terms and conditions thereof shall be
34 determined by ordinance of the city or by resolution of the county.

35 All special obligation bonds issued pursuant to this act and all income
36 or interest therefrom shall be exempt from all state taxes. Such special
37 obligation bonds shall contain none of the recitals set forth in K.S.A. 10-
38 112, and amendments thereto. Such special obligation bonds shall,
39 however, contain the following recitals: (i) The authority under which such
40 special obligation bonds are issued; (ii) such bonds are in conformity with
41 the provisions, restrictions and limitations thereof; and (iii) that such
42 special obligation bonds and the interest thereon are to be paid from the
43 money and revenue received as provided in subsection (a)(1) and (a)(2).

1 (5) Any city or county issuing special obligation bonds under the
2 provisions of this act may refund all or part of such issue pursuant to the
3 provisions of K.S.A. 10-116a, and amendments thereto. If and as approved
4 by the secretary of commerce, the Kansas development finance authority
5 may refund all or part of any issue of special obligation bonds issued for a
6 project as defined in K.S.A. ~~12-17,162(aa)(2)~~ 12-17,162(aa), and
7 amendments thereto, by the Kansas development finance authority under
8 the provisions of this act pursuant to the provisions of K.S.A. 74-8912, and
9 amendments thereto, and this act.

10 (6) *Under no circumstance shall state general fund moneys be*
11 *pledged for the repayment of any special obligation bond issued by a city*
12 *or county to finance a STAR bond project pursuant to subsection (a)(1) or*
13 *(a)(2).*

14 (b) (1) Subject to the provisions of subsection (b)(2), any city shall
15 have the power to issue full faith and credit tax increment bonds to finance
16 the undertaking, establishment or redevelopment of any major motorsports
17 complex, as defined in K.S.A. 12-17,162, and amendments thereto. Such
18 full faith and credit tax increment bonds shall be made payable, both as to
19 principal and interest: (A) From the revenue sources identified in
20 subsection (a)(1) or by any combination of these sources; and (B) subject
21 to the provisions of subsection (b)(2), from a pledge of the city's full faith
22 and credit to use its ad valorem taxing authority for repayment thereof in
23 the event all other authorized sources of revenue are not sufficient.

24 (2) Except as provided in subsection (b)(3), before the governing
25 body of any city proposes to issue full faith and credit tax increment bonds
26 as authorized by this subsection, the feasibility study required by K.S.A.
27 12-17,166(b), and amendments thereto, shall demonstrate that the benefits
28 derived from the project will exceed the cost and that the income
29 therefrom will be sufficient to pay the costs of the project. No full faith
30 and credit tax increment bonds shall be issued unless the governing body
31 states in the resolution required by K.S.A. 12-17,166(e), and amendments
32 thereto, that it may issue such bonds to finance the proposed STAR bond
33 project. The governing body may issue the bonds unless within 60 days
34 following the conclusion of the public hearing on the proposed STAR
35 bond project plan a protest petition signed by 3% of the qualified voters of
36 the city is filed with the city clerk in accordance with the provisions of
37 K.S.A. 25-3601 et seq., and amendments thereto. If a sufficient petition is
38 filed, no full faith and credit tax increment bonds shall be issued until the
39 issuance of the bonds is approved by a majority of the voters voting at an
40 election thereon. Such election shall be called and held in the manner
41 provided by the general bond law. The failure of the voters to approve the
42 issuance of full faith and credit tax increment bonds shall not prevent the
43 city from issuing special obligation bonds in accordance with this section.

1 No such election shall be held in the event the board of county
2 commissioners or the board of education determines, as provided in
3 K.S.A. 12-17,165, and amendments thereto, that the proposed STAR bond
4 project district will have an adverse effect on the county or school district.

5 (3) As an alternative to subsection (b)(2), any city which adopts a
6 STAR bond project plan for a major motorsports complex, but does not
7 state its intent to issue full faith and credit tax increment bonds in the
8 resolution required by K.S.A. 12-17,166(e), and amendments thereto, and
9 has not acquired property in the STAR bond project area may issue full
10 faith and credit tax increment bonds if the governing body of the city
11 adopts a resolution stating its intent to issue the bonds and the issuance of
12 the bonds is approved by a majority of the voters voting at an election
13 thereon. Such election shall be called and held in the manner provided by
14 the general bond law. The failure of the voters to approve the issuance of
15 full faith and credit tax increment bonds shall not prevent the city from
16 issuing special obligation bonds pursuant to subsection (a)(1). Any project
17 plan adopted by a city prior to the effective date of this act in accordance
18 with K.S.A. 12-1772, and amendments thereto, shall not be invalidated by
19 any requirements of this act.

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

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

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

40 (c) (1) For each project established by a city or county financed with
41 special obligation bonds payable from the revenues described in
42 subsection (a)(1) and (a)(2), the city or county shall prepare and submit to
43 the secretary by October 1 of each year, a report describing the status of

1 any projects within such STAR bond project area, any expenditures of the
2 proceeds of special obligation bonds that have occurred since the last
3 annual report and any expenditures of the proceeds of such bonds expected
4 to occur in the future, including the amount of sales tax revenue, how such
5 revenue has been spent, the projected amount of such revenue, the
6 anticipated use of such revenue and the names of the owners, partners,
7 officers or principals of any developer and of any associated business
8 partners of any developer that are involved in the STAR bond project. The
9 department of commerce shall compile this information and submit a
10 report annually to the governor and the legislature by February 1 of each
11 year.

12 (2) (A) In addition to the report referenced in paragraph (1), the
13 department of commerce, in cooperation with the department of revenue,
14 shall submit a report to the senate commerce committee and the house
15 commerce, labor and economic development committee by January 31 of
16 each session. The report shall include the following information for the last
17 three calendar years and the most current year-to-date information
18 available with respect to each STAR bond district:

19 (i) The gross annual sales, gross annual sales projected pursuant to
20 the STAR bond project plan and feasibility study, gross annual sales
21 required to meet bond debt service requirements and other expenses,
22 amount of sales tax collected and the amount of any "base" sales taxes
23 being allocated to the district;

24 (ii) the total amount of bond payments and other expenses incurred;

25 (iii) the total amount of bonds issued and the balance of the bonds, by
26 district and by project in the district;

27 (iv) the remaining cash balance in the project to pay future debt
28 service and other expenses;

29 (v) any new income producing properties being brought into a district
30 and the base revenue going to the state general fund and incremental sales
31 tax increases going to the district with respect to such properties;

32 (vi) the amount of bonds issued to repay private investors in the
33 project with calculations showing the private and state share of
34 indebtedness;

35 (vii) the percentage of local effort sales tax actually committed to the
36 district compared to the state's share of sales tax percentage committed to
37 the district;

38 (viii) the number of out-of-state visitors to a project and description
39 of the data gathered pursuant to the visitor tracking plan, including, but not
40 limited to, residence zip code data, a discussion of the visitor attraction
41 properties of projects in the districts, and a comparison of the number of
42 out-of-state visitors with the number of in-state visitors; and

43 (ix) if any information or data is not available, an explanation as to

1 why it is not available.

2 (B) Either the senate commerce committee or the house committee on
3 commerce, labor and economic development may amend the information
4 required in the report with additional requests and clarification on a going
5 forward basis.

6 (3) Cities, counties and developers shall provide all information
7 requested by the secretary for the secretary's database as provided by
8 K.S.A. 2024 Supp. 74-50,227, and amendments thereto. If the city or
9 county has a website, a conspicuous link directly to the information
10 pertaining to the city or county's STAR bond project on the secretary's
11 database shall be placed on the city's or county's website. A separate link
12 shall be provided for each STAR bond project of the city or county.

13 (d) The reports pursuant to subsection (c)(1) and (2) shall include a
14 description of all state, federal and local tax incentives that apply within
15 the STAR bond district or to any business located in the district.

16 (e) (1) A city or county may use the proceeds of special obligation
17 bonds or any uncommitted funds derived from sources set forth in this
18 section to pay the bond project costs as defined in K.S.A. 12-17,162, and
19 amendments thereto, to implement the STAR bond project plan.

20 (2) As authorized by the secretary, the Kansas development finance
21 authority may issue and use the proceeds of special obligation bonds to
22 pay the bond project costs as defined in K.S.A. 12-17,162, and
23 amendments thereto, to implement a STAR bond project plan for a project
24 as defined in K.S.A. 12-17,162(aa)(2), and amendments thereto.

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

33 Sec. 9. K.S.A. 12-17,172 is hereby amended to read as follows: 12-
34 17,172. ~~(a) Any city or county which has adopted a STAR bond project~~
35 ~~plan in accordance with the provisions of this act may purchase or~~
36 ~~otherwise acquire real property in connection with such project plan. Upon~~
37 ~~a ²/₃ vote of the members of the governing body thereof, a city or county~~
38 ~~may acquire by condemnation any interest in real property, including a fee~~
39 ~~simple title thereto, which it deems necessary for or in connection with any~~
40 ~~project plan of an area located within the project district; however, eminent~~
41 ~~domain may be used only as authorized by K.S.A. 26-501b, and~~
42 ~~amendments thereto.~~

43 Any such city or county may exercise the power of eminent domain in

1 ~~the manner provided by K.S.A. 26-501 et seq., and amendments thereto. In~~
2 ~~addition to any compensation or damages allowed under the eminent~~
3 ~~domain procedure act, such city or county shall also provide for the~~
4 ~~payment of relocation assistance as provided in K.S.A. 12-17,173, and~~
5 ~~amendments thereto.~~ *No city or county shall exercise eminent domain*
6 *power to acquire real property for a STAR bond project.*

7 (b) Any real property *otherwise* acquired by a city or county ~~under~~
8 ~~the provisions of K.S.A. 26-501 et seq., and amendments thereto,~~ may be
9 sold, transferred or leased to a developer, in accordance with the STAR
10 bond project plan and under such other conditions as may be agreed upon.
11 Any real property acquired pursuant to this section that is sold, transferred
12 or leased to a project developer for a specific project shall be sold,
13 transferred or leased to such developer on the condition that such property
14 shall be used only for that specific approved project. If the developer does
15 not utilize the entire tract of the real property acquired pursuant to this
16 section that is sold, transferred or leased in accordance with the STAR
17 bond project plan, that portion of property not used shall not be sold,
18 transferred or leased by the developer to another developer party, but shall
19 be deeded back to the city or county. If the developer paid the city or
20 county for the land, a percentage of the original purchase price paid to the
21 city or county ~~which~~ *that* represents the percentage of the entire tract being
22 deeded back to the city or county shall be reimbursed to the developer
23 upon the deeding of the property back to the city or county.

24 (c) Any transfer by the project developer of real property acquired
25 pursuant to this section shall be valid only if approved by a $\frac{2}{3}$ majority
26 vote of the members of the governing body of ~~this~~ *the* city or county
27 *where such real property is located.*

28 Sec. 10. K.S.A. 12-17,179 is hereby amended to read as follows: 12-
29 17,179. (a) A city that created a redevelopment district in an eligible area
30 that was approved for STAR bonds prior to the effective date of this act for
31 the city of Manhattan Discovery Center on December 28, 2006, and the
32 Schlitterbahn project in Wyandotte county on December 23, 2005, may by
33 ordinance elect to have the provisions of this act applicable to such
34 redevelopment district.

35 (b) ~~Subject to the provisions of section 61(h) of chapter 5 of the 2020~~
36 ~~Session Laws of Kansas, The provisions of this act K.S.A. 12-17,160 et~~
37 ~~seq., and amendments thereto, regarding STAR bond projects shall expire~~
38 ~~on and after July 1, 2026 2031.~~

39 Sec. 11. K.S.A. 12-3402 is hereby amended to read as follows: 12-
40 3402. (a) (1) It is the purpose of this act to promote, stimulate and develop
41 the general welfare, economic development and prosperity of the state of
42 Kansas by *authorizing port authorities to be established in each city and*
43 *each county of the state that shall achieve such purpose by:*

1 (A) Fostering the growth of intrastate and interstate commerce within
2 the state; ~~to promote;~~

3 (B) *promoting* the advancement and retention of ports within the
4 state; ~~to encourage and assist in the location of~~

5 (C) *assisting and encouraging* new business and industry in this state
6 and the expansion, relocation or retention of existing business and industry
7 when so doing will help maintain existing levels of commerce within the
8 state or increase the movement of commodities, goods and products
9 produced, manufactured or grown within or without the state through
10 existing ports within the state or lead to the development of new ports
11 within the state; and ~~to promote~~

12 (D) *promoting* the economic stability of the state by maintaining and
13 providing employment opportunities, thus promoting the general welfare
14 of the citizens of this state; ~~by authorizing port authorities to be established~~
15 ~~in each city and in each county of the state.~~

16 (2) A port authority shall be a public body corporate and politic,
17 which if established, shall be known as the "port authority" of the city or
18 of the county. Joint port authorities may be created under authority of this
19 act by cooperative agreement executed by the governing bodies of any city
20 or county or cities or counties. Such joint authorities formed by such
21 cooperative agreement shall have all the powers and jurisdiction
22 enumerated in this act. Such creation shall be by ordinance or resolution.
23 Except for port authorities created prior to April 1, 1981, no port authority
24 shall be created without approval of the legislature by concurrent
25 resolution *or by the enactment of a bill*. The authority shall not transact
26 any business or exercise powers ~~hereunder pursuant to this section~~ until
27 the passage of a concurrent resolution *or the enactment of a bill* by the
28 legislature ~~as hereinbefore provided~~.

29 (3) No port authority located in Cowley county shall modify, amend
30 or extend the port authority's official plan as originally adopted by the port
31 authority to change the purpose for which it was created or alter the
32 character of the work to be undertaken, as provided by K.S.A. 12-3406,
33 and amendments thereto, without approval of the legislature by concurrent
34 resolution *or the enactment of a bill*. The port authority shall not transact
35 any business or exercise powers ~~hereunder pursuant to this section~~
36 concerning any business or actions related to such modification,
37 amendment or extension of the original plan.

38 (4) A cooperative agreement creating a joint port authority may be
39 amended by the governing bodies of the cities and counties ~~which that~~
40 comprise such port authority. Any amendment to such a cooperative
41 agreement, including amendments ~~which that~~ allow other cities located
42 within counties ~~which that~~ are parties to the original agreement to join in
43 such agreement, shall not require approval by the legislature.

1 (5) No member of the authority shall ~~serve as such who owns own~~
2 land, other than a residence, or ~~represents~~ *represent* in a fiduciary capacity
3 or as agent any person who owns land surveyed or examined for port
4 locations, except that this prohibition shall not prevent a user of a port
5 facility from serving as a member of the authority.

6 (6) A port authority may sue and be sued, plead and be impleaded,
7 subject to the limitations and other provisions of the Kansas tort claims
8 act. The exercise by such port authority of the powers conferred upon it
9 shall be deemed to be essential governmental functions of the creating city
10 or county.

11 (b) Any city or county creating or participating in the creation of a
12 port authority, before any taxes are levied shall submit the question of
13 whether an annual tax levy may be made on the assessed taxable tangible
14 property of such city, county, or a combination thereof, and the amount
15 thereof to the electors of such city or county comprising such authority. If
16 a majority of those voting on the question vote in favor of such tax levy,
17 ~~the same tax may be made levied~~ for such purpose and to pay a portion of
18 the principal and interest on bonds issued under the authority of K.S.A. 12-
19 1774, and amendments thereto, by cities located in the county, ~~and~~
20 ~~otherwise such tax levy shall not be made.~~ *If a majority of those voting on*
21 *the question vote against such tax levy, the tax shall not be levied, unless*
22 *approved by the majority of the electors at a subsequent election on a*
23 *question of whether such a tax should be levied for such purpose.* If such
24 tax levy is approved, the authority may expend funds not otherwise
25 appropriated to defray the expense of surveys and examinations incidental
26 to the purposes of the port authority and may expend funds for any of the
27 purposes as set forth in K.S.A. 12-3406, and amendments thereto.

28 (c) Subject to making due provisions for payment and performance of
29 its obligations, a port authority may be dissolved by the city or county, or
30 combination thereof, comprising ~~it the port authority~~. If the port authority
31 is dissolved, the properties of the port authority shall be transferred to the
32 subdivision comprising ~~it the port authority~~, or, if comprised by more than
33 one city or county, to the city or county comprising ~~it the port authority~~ in
34 such manner as may be agreed upon by them. Obligations of the authority
35 shall not be obligations of the state of Kansas, nor of any city or county
36 which creates the authority, unless the obligations are specifically
37 approved by a majority vote of the electors of such city or county voting
38 on the issue. Notice of such election shall be published in a newspaper of
39 general circulation in the county or counties once each week for two
40 consecutive weeks. The first publication shall be not less than 21 days
41 prior to such election. Such notice shall set forth the time and place of
42 holding the election and the issue which the vote is to determine.

43 Sec. 12. K.S.A. 12-17,160, 12-17,166, 12-17,172, 12-17,179 and 12-

1 3402 and K.S.A. 2024 Supp. 12-17,162, 12-17,164 and 12-17,169 are
2 hereby repealed.

3 Sec. 13. This act shall take effect and be in force from and after its
4 publication in the statute book.