

SENATE BILL No. 490

By Committee on Assessment and Taxation

2-5

1 AN ACT concerning taxation; relating to community improvement
2 districts; authorizing the imposition of a privilege tax by a municipality
3 for the privilege of selling alcoholic beverages, food and food
4 ingredients and tobacco within a community improvement district;
5 amending K.S.A. 12-194, 12-6a26, 12-6a27, 12-6a29, 12-6a30, 12-
6 6a32, 12-6a33, 12-6a34 and 12-6a35 and repealing the existing
7 sections.

8
9 *Be it enacted by the Legislature of the State of Kansas:*

10 New Section 1. (a) In addition to and notwithstanding any imposition
11 of retailers' sales tax or other excise tax, for the privilege of selling
12 alcoholic beverages, food and food ingredients and tobacco, any
13 municipality may impose a community improvement district privilege tax
14 at a rate of up to 1%, in increments of 0.10% or 0.25%, upon the gross
15 receipts derived from the sale of alcoholic beverages, food and food
16 ingredients and tobacco sold within a community improvement district for
17 purposes of financing a project in such district and pledging the revenue
18 received therefrom to pay the bonds issued for the project or to reimburse
19 the cost of the project pursuant to pay-as-you-go financing. In the event
20 that bonds are issued to finance a project or refunding bonds are issued
21 therefor, the community improvement district privilege tax imposed
22 pursuant to this section shall expire not later than the date that such bonds
23 shall mature. In the event that pay-as-you-go financing is utilized, the
24 community improvement district privilege tax shall expire 22 years from
25 the date that the state director of taxation begins collecting such tax or
26 when the project bonds or pay-as-you-go costs have been paid.

27 (b) Any community improvement district privilege tax imposed by
28 this section shall be paid by the consumer to the seller. Every seller subject
29 to this section shall collect from the consumer the full amount of such tax
30 and remit such tax to the department of revenue in the manner prescribed
31 by subsection (d). The department of revenue shall administer and enforce
32 the payment of such tax.

33 (c) Upon receipt of a certified copy of the resolution or ordinance
34 authorizing the levy of the community improvement district privilege tax
35 pursuant to this section, the state director of taxation shall cause such tax
36 to be collected and make a reasonable effort to provide sellers with as

1 much advanced notice as practicable. The levy of a community
2 improvement district privilege tax pursuant to this section shall take effect
3 on the first day of a month, but in no event shall such tax levy commence
4 less than 30 days after receipt of the certified copy of the resolution or
5 ordinance by the state director of taxation.

6 (d) The tax levied and collected pursuant to this section shall become
7 due and payable by the seller monthly, on or before the 25th day of the
8 following month from when such tax is collected, but any seller filing an
9 annual or quarterly return under the Kansas retailers' sales tax act, as
10 prescribed in K.S.A. 79-3607, and amendments thereto, shall, upon such
11 conditions as the secretary of revenue may prescribe, pay the tax required
12 by this section on the same basis and at the same time that the seller pays
13 such retailers' sales tax. Each seller shall make a true report to the
14 department of revenue, on a form prescribed by the secretary of revenue,
15 providing such information as may be necessary to determine the amounts
16 to which any such tax shall apply for all gross receipts derived from the
17 sale of alcoholic beverages, food and food ingredients or tobacco by the
18 seller for the applicable month or months. Such report shall be
19 accompanied by the tax disclosed by such report.

20 (e) All taxes collected under the provisions of this section shall be
21 remitted by the secretary of revenue to the state treasurer in accordance
22 with the provisions of K.S.A. 75-4215, and amendments thereto. Upon
23 receipt of each such remittance, the state treasurer shall deposit the entire
24 amount in the state treasury, and the state treasurer shall credit 2% of all
25 taxes so collected to the community improvement district privilege tax
26 administration fund, which fund is hereby established in the state treasury,
27 to defray the expenses of the department of revenue in administration and
28 enforcement of the collection thereof. The aggregate amount of moneys
29 credited to the community improvement district privilege tax
30 administration fund shall not exceed \$50,000 in any state fiscal year. The
31 remainder of such taxes shall be credited to the community improvement
32 district privilege tax fund, which fund is hereby established in the state
33 treasury. All moneys in the community improvement district privilege tax
34 fund shall be remitted at least quarterly by the state treasurer, on
35 instruction from the secretary of revenue, to the treasurers of
36 municipalities that are qualified to receive disbursements from such fund
37 for the amount collected within such municipality. Any refund due on any
38 community improvement district privilege tax collected pursuant to this
39 section shall be paid out of the community improvement district privilege
40 tax refund fund, which is hereby established in the state treasury and
41 reimbursed by the director of taxation from collections of the community
42 improvement district privilege tax authorized by this section. Community
43 improvement district privilege tax received by a municipality pursuant to

1 this section shall be deposited in the community improvement district
2 privilege tax fund created pursuant to K.S.A. 12-6a34, and amendments
3 thereto.

4 (f) Notwithstanding any provisions of law to the contrary, copies of
5 all privilege tax returns filed with the secretary of revenue in connection
6 with a district for which privilege tax revenues are pledged or otherwise
7 intended to be used in whole or in part for the payment of bonds issued to
8 finance costs of a project shall be provided by the secretary of revenue to
9 the bond trustee, escrow agent or paying agent for such bonds upon a
10 written request of the municipality within 15 days of receipt by the
11 secretary of revenue. The bond trustee, escrow agent or paying agent shall
12 keep such privilege tax returns and the information contained therein
13 confidential but may use such information for purposes of allocating and
14 depositing such privilege tax revenues in connection with the bonds used
15 to finance costs of a project. Except as otherwise provided herein, the
16 privilege tax returns received by the bond trustee, escrow agent or paying
17 agent and any information obtained by the department of revenue in
18 connection with the administration of such privilege tax shall be subject to
19 the confidentiality provisions as set forth in K.S.A. 75-5133, and
20 amendments thereto.

21 (g) The director of taxation shall have the power to require any seller
22 to furnish additional information deemed necessary for the purpose of
23 computing the amount of the taxes due pursuant to this section and, for
24 such purpose, examine all books, records and files of such persons or
25 entities and issue subpoenas and examine witnesses under oath. If any
26 witness fails or refuses to appear at the request of the director, or refuse
27 access to books, records and files, the district court of the proper county, or
28 the judge thereof, on application of the director, shall compel obedience by
29 proceedings for contempt, as in the case of disobedience of the
30 requirements of a subpoena issued from such court or a refusal to testify
31 therein. The provisions of K.S.A. 75-5133, 79-3610, 79-3611, 79-3612,
32 79-3613, 79-3615 and 79-3617, and amendments thereto, relating to the
33 assessment, collection, appeal and administration of the retailers' sales tax,
34 insofar as practicable, shall have full force and effect with respect to the
35 taxes, interest, penalties and fines imposed by this section.

36 (h) A tax imposed pursuant to this section shall be in addition to any
37 applicable state or local sales and compensating use taxes and state excise
38 taxes. The retailers' sales tax exemption of K.S.A. 79-3606(a), and
39 amendments thereto, shall not apply to sales of alcoholic beverages, food
40 and food ingredients and tobacco that are subject to a privilege tax
41 imposed pursuant to this section. Notwithstanding any provisions of law to
42 the contrary, the imposition of a tax pursuant to this section shall not result
43 in a new exemption from any otherwise applicable state or local sales and

1 use taxes or state excise taxes.

2 (i) As used in this section, "alcoholic beverages," "food and food
3 ingredients" and "tobacco" mean the same as defined in K.S.A. 79-3602,
4 and amendments thereto.

5 (j) This section shall be a part of and supplemental to the community
6 improvement district act.

7 Sec. 2. K.S.A. 12-194 is hereby amended to read as follows: 12-194.

8 (a) Subject to the provisions of subsections (b) and (c), no city or county
9 shall levy or impose an excise tax or a tax in the nature of an excise, other
10 than a retailers' sales tax and a compensating use tax *or a privilege tax*
11 *pursuant to section 1, and amendments thereto*, but the provisions of this
12 section shall not be construed as prohibiting any city from: (1) Contracting
13 with a utility for a fixed charge based upon a percentage of gross receipts
14 derived from the service permitted by grant, right, privilege or franchise to
15 such utility; (2) imposing an occupation tax or license fee for the privilege
16 of engaging in any business, trade, occupation or profession, or rendering
17 or furnishing any service, but the determination of any such license fee
18 shall not be based upon any amount the licensee has received from the sale
19 or transfer of personal or real property, or for the rendering or furnishing
20 of a service, or on the income of the licensee; (3) levying any occupation
21 tax or license fee imposed by such city prior to the effective date of this
22 act; (4) retaining any development excise tax as levied or imposed by such
23 city in existence on January 1, 2006; or (5) levying an excise tax on tickets
24 for admissions to concerts, theatrical performances, sports contests or
25 other similar performances ~~which~~ *that* take place on property owned by a
26 city or county.

27 (b) No license fee described in subsection (a)(2) shall be imposed
28 upon any utility contracting with and subject to a charge, described in
29 subsection (a)(1), by such city.

30 (c) (1) On or after July 1, 2006, no city that has levied or imposed any
31 tax described in subsection (a)(4) shall increase the rate of such tax
32 without the governing body of such city having first submitted a
33 proposition to increase the rate of such development excise tax to and
34 having received the approval of a majority of the electors of the city voting
35 thereon at an election called and held therefor.

36 (2) Any city proposing to increase the rate of a development excise
37 tax shall give notice of its intention to submit such proposition for
38 approval by the electors by publishing notice of such election in a
39 newspaper of general circulation in the city, once each week for two
40 consecutive weeks. The first publication shall be not less than 21 days
41 prior to the election. The notices shall state the time of the election and the
42 rate and effective date of the proposed tax rate increase. If a majority of
43 the electors voting thereon at such election fail to approve the proposition,

1 such proposition may be resubmitted under the conditions and in the
2 manner provided in this act for submission of the proposition. If a majority
3 of the electors voting thereon at such election shall approve the increase of
4 such tax rate, the governing body of any such city shall provide by
5 ordinance for the increase of the tax rate.

6 (3) Every election held under this act shall be conducted by the
7 county election officer.

8 (4) The governing body of the city proposing to increase such a
9 development excise tax shall specify the purpose or purposes for which the
10 revenue would be used, and a statement generally describing such purpose
11 or purposes shall be included as a part of the ballot proposition.

12 Sec. 3. K.S.A. 12-6a26 is hereby amended to read as follows: 12-
13 6a26. (a) The provisions of K.S.A. 12-6a26 through 12-6a36, and
14 amendments thereto, *and section 1, and amendments thereto*, shall be
15 known and may be cited as the community improvement district act.

16 (b) The powers conferred by this act are for economic development
17 purposes and any other purpose for which public money may be expended.

18 Sec. 4. K.S.A. 12-6a27 is hereby amended to read as follows: 12-
19 6a27. As used in this act, and amendments thereto, the following words
20 and phrases shall have the following meanings unless a different meaning
21 clearly appears from the context:

22 (a) "Act" means the provisions of K.S.A. 12-6a26 through 12-6a36,
23 and amendments thereto, *and section 1, and amendments thereto*.

24 (b) "Assessments" means special assessments imposed and levied
25 pursuant to the provisions of this act.

26 (c) "Bonds" means special obligation bonds, special obligation notes,
27 full faith and credit bonds or full faith and credit notes payable solely from
28 the sources described in K.S.A. 12-6a33, and amendments thereto, issued
29 by a municipality in accordance with the provisions of this act.

30 (d) *"Community improvement district privilege tax" means the tax*
31 *authorized by section 1, and amendments thereto.*

32 (e) "Community improvement district sales tax" means the tax
33 authorized by K.S.A. 12-6a31, and amendments thereto.

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

37 ~~(f)~~(g) "Cost" means: (1) All costs necessarily incurred for the
38 preparation of preliminary reports, the preparation of plans and
39 specifications, the preparation and publication of notices of hearings,
40 resolutions, ordinances and other proceedings relating to the creation or
41 administration of the district or the issuance of bonds ~~therefor~~ *therefor*,
42 necessary fees and expenses of consultants, interest accrued on borrowed
43 money during the period of construction and the amount of a reserve fund

1 for the bonds, together with the cost of land, materials, labor; and other
2 lawful expenses incurred in planning and ~~doing~~ *executing* any project and
3 may include a charge of not to exceed 5% of the total cost of the project or
4 the cost of work done by the municipality to reimburse the municipality
5 for the services rendered by the municipality in the administration and
6 supervision of such project by its general officers; and (2) in the case of
7 property and projects already owned by the municipality and previously
8 financed by the issuance of bonds, "cost" means costs authorized by
9 K.S.A. 10-116a, and amendments thereto.

10 ~~(g)~~(h) "District" means a community improvement district created
11 pursuant to this act.

12 ~~(h)~~(i) "Governing body" means the governing body of a city or the
13 board of county commissioners of a county.

14 ~~(i)~~(j) "Municipality" means any city or county.

15 ~~(j)~~(k) "Newspaper" means the official newspaper of the municipality.

16 ~~(k)~~(l) "Owner" means the owner or owners of record, whether
17 resident or not, of real property within the district.

18 ~~(l)~~(m) "Pay-as-you-go financing" means a method of financing in
19 which the costs of a project are financed without notes or bonds, and the
20 costs of such project are thereafter reimbursed as moneys are deposited in
21 the district fund described in K.S.A. 12-6a34, and amendments thereto.

22 ~~(m)~~(n) "Project" means:

23 (1) Any project within the district to acquire, improve, construct,
24 demolish, remove, renovate, reconstruct, rehabilitate, maintain, restore,
25 replace, renew, repair, install, relocate, furnish, equip or extend:

26 (A) Buildings, structures and facilities;

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

34 (C) parking garages;

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

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

39 (F) communication and information booths, bus stops and other
40 shelters, stations, terminals, hangers, restrooms and kiosks;

41 (G) paintings, murals, display cases, sculptures, fountains and other
42 cultural amenities;

43 (H) airports, railroads, light rail and other mass transit facilities; and

1 (1) lakes, dams, docks, wharfs, lakes or river ports, channels and
2 levies, waterways and drainage conduits;

3 (2) within the district, to operate or ~~to~~ contract for the provision of
4 music, news, child-care, or parking lots or garages, and buses, minibuses
5 or other modes of transportation;

6 (3) within the district, to provide or contract for the provision of
7 security personnel, equipment or facilities for the protection of property
8 and persons;

9 (4) within the district, to provide or contract for cleaning,
10 maintenance and other services to public or private property;

11 (5) within the district, to produce and promote any tourism,
12 recreational or cultural activity or special event, including, but not limited
13 to, advertising, decoration of any public place in the district, promotion of
14 such activity and special events and furnishing music in any public place;

15 (6) within the district, to support business activity and economic
16 development, including, but not limited to, the promotion of business
17 activity, development and retention and the recruitment of developers and
18 business;

19 (7) within the district, to provide or support training programs for
20 employees of businesses;

21 (8) to contract for or conduct economic impact, planning, marketing
22 or other studies; and

23 (9) within or without the district, costs for infrastructure located
24 outside the district but contiguous to any portion of the district and such
25 infrastructure is related to a project within the district or substantially for
26 the benefit of the district.

27 Sec. 5. K.S.A. 12-6a29 is hereby amended to read as follows: 12-
28 6a29. (a) In addition to any other power provided by law and as a complete
29 alternative to all other methods provided by law, the governing body of
30 any municipality may create a district as provided by this act for the
31 purpose of financing projects. As an alternative to the requirements and
32 procedures described in K.S.A. 12-6a28, and amendments thereto, under
33 this section, a municipality may create a district, or may modify a district
34 previously created under this section, upon receipt of a petition that is
35 signed by the owners of more than 55% of the land area within the
36 proposed district; and signed by owners collectively owning more than
37 55% by assessed value of the land area within the proposed district. Under
38 this section, the petition may be seeking financing in whole or in part by a
39 proposed community improvement district sales tax authorized by K.S.A.
40 12-6a31, and amendments thereto, *a proposed community improvement*
41 *district privilege tax authorized by section 1, and amendments thereto*, or
42 ~~seeking~~ the issuance of full faith and credit bonds authorized by K.S.A.
43 12-6a36, and amendments thereto, or ~~both~~ *more than one of such*

1 *financing methods*. The petition shall contain:

- 2 (1) The general nature of the proposed project;
- 3 (2) the estimated cost of the project;
- 4 (3) the proposed method of financing the project, including, if
- 5 applicable, the issuance of full faith and credit bonds;
- 6 (4) the proposed amount and method of assessment, if any;
- 7 (5) the proposed amount of community improvement district sales
- 8 tax, if any;
- 9 (6) *the proposed amount of community improvement district privilege*
- 10 *tax, if any;*
- 11 (7) a map of the proposed district; and
- 12 ~~(7)~~(8) a legal description of the proposed district.

13 (b) Names may not be withdrawn from the petitions by the signers
14 thereof after the governing body commences consideration of the petitions
15 or later than seven days after the filing of such petition with the clerk of
16 the municipality, whichever occurs first. The petition shall contain a notice
17 that: (1) The names of the signers may not be withdrawn after such a
18 period of time; and (2) if applicable, the signers consent to any
19 assessments to the extent described therein without regard to benefits
20 conferred by the project.

21 (c) Upon filing of the petition pursuant to this section, the
22 municipality shall adopt a resolution to give notice of a public hearing on
23 the advisability of creating or modifying the district. Such resolution shall
24 be published at least once each week for two consecutive weeks in the
25 newspaper and ~~shall be~~ sent by certified mail to all owners. The second
26 publication of such resolution shall occur at least seven days prior to the
27 date of hearing, and the certified mailed notice shall be sent at least ~~ten~~ 10
28 days prior to the date of hearing. Such resolution shall contain the
29 following information:

- 30 (1) The time and place of the hearing;
- 31 (2) the general nature of the proposed project;
- 32 (3) the estimated cost of the project;
- 33 (4) the proposed method of financing the project, including, if
- 34 applicable, the issuance of full faith and credit bonds;
- 35 (5) the proposed amount of the community improvement district sales
- 36 tax, if any;
- 37 (6) *the proposed amount of community improvement district privilege*
- 38 *tax, if any;*
- 39 (7) the proposed amount and method of assessment, if any;
- 40 ~~(7)~~(8) a map of the proposed district; and
- 41 ~~(8)~~(9) a legal description of the proposed district.

42 (d) The hearing on the advisability of creating or modifying the
43 district may be adjourned from time to time. Following the hearing or any

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

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

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

19 Sec. 6. K.S.A. 12-6a30 is hereby amended to read as follows: 12-
20 6a30. (a) In addition to any other power provided by law and as a complete
21 alternative to all other methods provided by law, the governing body may
22 make, or cause to be made, projects identified in the petition submitted
23 pursuant to either K.S.A. 12-6a28 or 12-6a29, and amendments thereto,
24 and may levy and collect special assessments upon property in the district
25 and provide for the payment of all or any part of the cost of the project out
26 of the proceeds of such special assessments. If special assessments shall be
27 levied to finance all or a portion of the cost of a project, the municipality
28 shall follow the procedures in K.S.A. 12-6a01 et seq., and amendments
29 thereto, to levy such assessments, except that no assessments may be
30 levied against the municipality at large and annual installments of the
31 assessments may be levied as provided in subsection (b).

32 (b) If the method of financing for the project includes payment from
33 the sources described in ~~subsections (e) or (e) of~~ K.S.A. 12-6a33(c), (d) or
34 (f), and amendments thereto, the ordinance or resolution of the
35 municipality that authorizes the levy of special assessments may provide
36 that the annual installments of such assessment for any year may be
37 reduced or eliminated to the extent that, prior to the date the municipality
38 certifies the tax levy of the municipality to the county clerk pursuant to
39 K.S.A. 79-1801, and amendments thereto, the municipality has received
40 sufficient funds from the sources described in ~~subsections (e) and (e) of~~
41 K.S.A. 12-6a33(c), (d) or (f), and amendments thereto, to pay the debt
42 service on any bonds issued under the provisions of this act, and
43 amendments thereto, for the project ~~which~~ *that* would have been paid by

1 such annual installment. The municipality is not required to refund any
2 prepayment of assessments after such prepayment is made to the
3 municipality, and any prepayment of assessments under this section shall
4 be in compliance with the provisions of K.S.A. 10-115, and amendments
5 thereto.

6 Sec. 7. K.S.A. 12-6a32 is hereby amended to read as follows: 12-
7 6a32. No suit to set aside the assessments or otherwise question the
8 validity of the proceedings for the creation of the district or the
9 authorization of the project shall be brought after the expiration of 30 days
10 from the publication of the ordinance or resolution creating the district. No
11 suit to set aside the community improvement district sales tax shall be
12 brought after the expiration of 30 days from the publication of the
13 ordinance or resolution declaring the intent to impose the community
14 improvement district sales tax. *No suit to set aside the community*
15 *improvement district privilege tax shall be brought after the expiration of*
16 *30 days from the publication of the ordinance or resolution declaring the*
17 *intent to impose the community improvement district privilege tax.* No
18 protest petition pertaining to the issuance of full faith and credit bonds, as
19 described in K.S.A. 12-6a36, and amendments thereto, shall be brought
20 after the expiration of 60 days following the date of the public hearing
21 described in K.S.A. 12-6a29, and amendments thereto.

22 Sec. 8. K.S.A. 12-6a33 is hereby amended to read as follows: 12-
23 6a33. The cost of all or a portion of any project authorized pursuant to this
24 act shall be paid from all or any of the following sources:

25 (a) A pledge of special assessments imposed in the district pursuant to
26 this act ~~which~~ *that* have been paid in full prior to the date set aside by the
27 governing body as provided in K.S.A. 12-6a10, and amendments thereto.

28 (b) A pledge of special assessments imposed in the district pursuant
29 to this act, to be paid in installments.

30 (c) A pledge of all of the revenue received from the community
31 improvement district sales tax authorized by K.S.A. 12-6a31, and
32 amendments thereto.

33 (d) *A pledge of all of the revenue received from the community*
34 *improvement district privilege tax authorized by section 1, and*
35 *amendments thereto.*

36 (e) A pledge of a municipality's full faith and credit to use its ad
37 valorem taxing authority for the repayment of full faith and credit bonds
38 issued pursuant to K.S.A. 12-6a36, and amendments thereto.

39 ~~(e)(f)~~ Any other funds appropriated by the municipality for the
40 purpose of paying project costs, including the principal and interest of
41 bonds issued pursuant to this act.

42 Sec. 9. K.S.A. 12-6a34 is hereby amended to read as follows: 12-
43 6a34. A separate fund shall be created for each district, and such fund shall

1 be identified by a suitable title. Community improvement district sales tax
2 remitted to the municipality pursuant to K.S.A. 12-6a31, and amendments
3 thereto, *community improvement district privilege tax remitted to the*
4 *municipality pursuant to section 1, and amendments thereto*, special
5 assessments paid to the municipality pursuant to this act, proceeds from
6 the sale of bonds issued pursuant to this act, and any other moneys
7 appropriated by the governing body for the purpose of paying project
8 costs, including the principal of and interest on bonds issued pursuant to
9 this act, shall be credited to such fund. Such fund shall be used solely to
10 pay the cost of the project through either the issuance of bonds or pay-as-
11 you-go financing; and shall not be limited by the estimated cost amount
12 listed in the ordinance or resolution authorizing the project. In the event
13 *that* moneys remain in the fund after the expiration of the community
14 improvement district sales tax, such moneys shall continue to be used
15 solely to pay the cost of the project. Upon payment of all project costs and
16 principal of and interest on any bonds issued for such district, the
17 municipality shall have the authority to spend any moneys remaining in
18 such fund for the purposes for which local sales tax receipts may be spent.

19 Sec. 10. K.S.A. 12-6a35 is hereby amended to read as follows: 12-
20 6a35. (a) Any municipality may issue special obligation bonds in one or
21 more series to finance any project in accordance with the provisions of this
22 act. Such bonds shall be made payable, both as to principal and interest,
23 solely from a pledge of the sources of funds described in ~~subsections (a),~~
24 ~~(b), (c) and (e)~~ of K.S.A. 12-6a33(a), (b), (c), (d) and (f), and amendments
25 thereto. Any municipality may also execute and deliver a loan with respect
26 to any project from the Kansas transportation revolving fund pursuant to
27 K.S.A. 75-5063 et seq., and amendments thereto. The municipality may
28 pledge such revenue to the repayment of such bonds or such loans prior to,
29 simultaneously with or subsequent to the issuance of such bonds, except
30 for any revenues received under the provisions of ~~subsection (e)~~ of K.S.A.
31 12-6a33(f), and amendments thereto, which revenues are subject to annual
32 appropriation.

33 (b) Bonds issued pursuant to this section shall not be general
34 obligations of the municipality, give rise to a charge against its general
35 credit or taxing powers; or be payable out of any funds or properties other
36 than any of those set forth in ~~subsections (a), (b), (c) and (e)~~ of K.S.A. 12-
37 6a33(a), (b), (c), (d) and (f), and amendments thereto, and such bonds shall
38 so state on ~~their~~ *the face of such bonds*. This subsection shall not apply to
39 loans from the Kansas transportation revolving fund pursuant to K.S.A.
40 75-5063 et seq., and amendments thereto.

41 (c) Bonds issued pursuant to this section shall be special obligations
42 of the municipality and are declared to be negotiable instruments. Such
43 bonds shall be executed by the authorized representatives of the

1 municipality and sealed with the corporate seal of the municipality. All
2 details pertaining to the issuance of the bonds and terms and conditions
3 thereof shall be determined by ordinance or resolution of the municipality.
4 The provisions of K.S.A. 10-106, and amendments thereto, requiring a
5 public sale of bonds shall not apply to bonds issued under this section. All
6 bonds issued pursuant to this section and all income or interest therefrom
7 shall be exempt from all state taxes, except inheritance taxes. Such bonds
8 shall contain none of the recitals set forth in K.S.A. 10-112, and
9 amendments thereto. Such bonds shall contain the following recitals: The
10 authority under which such bonds are issued; that such bonds are in
11 conformity with the provisions, restrictions and limitations thereof and that
12 such bonds and the interest thereon are to be paid from the money and
13 revenue received as provided in this section. Such bonds shall mature in ~~no~~
14 *not* more than 22 years.

15 (d) Any municipality issuing bonds under the provisions of this
16 section may refund all or part of such bonds pursuant to the provisions of
17 K.S.A. 10-116a, and amendments thereto.

18 (e) Bonds issued under the provisions of this section or loans incurred
19 from the Kansas transportation revolving fund pursuant to K.S.A. 75-5063
20 et seq., and amendments thereto, shall be in addition to and not subject to
21 any statutory limitation of bonded indebtedness imposed on such
22 municipality.

23 Sec. 11. K.S.A. 12-194, 12-6a26, 12-6a27, 12-6a29, 12-6a30, 12-
24 6a32, 12-6a33, 12-6a34 and 12-6a35 are hereby repealed.

25 Sec. 12. This act shall take effect and be in force from and after its
26 publication in the statute book.