

SENATE BILL No. 497

By Committee on Federal and State Affairs

2-9

1 AN ACT concerning economic development; establishing the Pike
2 reservoir project district act; providing for the construction of a dam
3 and a lake in Bourbon county, residential and commercial property
4 development and water resource development therein; authorizing the
5 establishment of a governing board for the project and the
6 establishment of real property tax and sales tax increment financing
7 districts for the purpose of financing the project costs; creating the Pike
8 reservoir district sales tax fund and the Pike reservoir district sales tax
9 refund fund; authorizing the creation of a special district fund for the
10 purpose of paying project costs; authorizing the issuance of special
11 obligation bonds and pay-as-you-go financing to pay project costs.
12

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

14 Section 1. (a) Sections 1 through 11, and amendments thereto, shall
15 be known and may be cited as the Pike reservoir project district act.

16 (b) The purpose of the act shall be to develop the Pike reservoir
17 project, which shall include the use of bonds or pay-as-you-go financing to
18 be paid by a portion of the sales taxes and real property taxes collected
19 within the Pike reservoir project district. The development of the Pike
20 reservoir project shall consist of the construction of a dam and a lake,
21 residential and commercial development of the waterfront of the lake and
22 adjacent areas, the development of recreational facilities and use of the
23 lake as a public water resource and reservoir.

24 (c) The powers conferred by this act are for public uses, economic
25 development purposes or purposes for which public money may be
26 expended. The necessity in the public interest for the provisions of this act
27 is hereby declared as a matter of legislative determination.

28 (d) Except as specifically provided, powers granted pursuant to this
29 act shall be in addition to any other powers provided by law.

30 Sec. 2. As used in this act:

31 (a) "Act" means the provisions of sections 1 through 11, and
32 amendments thereto;

33 (b) "base year assessed valuation" means the assessed valuation of all
34 real property within the boundaries of the district prior to the date the
35 district was established for the purpose of determining the real property tax
36 revenue increment;

1 (c) "base year sales tax revenue" means the base year sales tax
2 revenue established by the secretary of revenue for the purpose of
3 determining the sales tax revenue increment;

4 (d) "bonds" means special obligation bonds payable from the sources
5 described in section 4, and amendments thereto, issued by the district in
6 accordance with the provisions of section 10, and amendments thereto;

7 (e) "consultants" means engineers, architects, planners, attorneys,
8 financial advisors or other persons deemed competent by the governing
9 board to advise and assist in the planning, construction, developing or
10 financing of the project;

11 (f) "developer" means any person, firm, corporation, partnership or
12 limited liability company other than a city, an agency, political subdivision
13 or instrumentality of the state;

14 (g) "district" means the Pike reservoir project district created pursuant
15 to this act, acting through its governing board, the boundaries of which
16 shall be in Bourbon county as follows:

17 Beginning at the intersection of Highway 3 and Highway 65; East
18 along Highway 65 to 95th Street; North along 95th Street to the Linn county
19 line; West along the Linn county line to Highway 3; South along Highway
20 3 to the intersection of Highway 3 and Highway 65;

21 (h) "governing board" means the board of the Pike reservoir project
22 district created pursuant to this act;

23 (i) "owner" means the owner or owners of record, whether resident or
24 not, of real property within the district;

25 (j) "Pike reservoir project" or "project" means the construction,
26 within the district of a dam and a lake, residential and commercial
27 development of the lake waterfront and adjacent areas and the construction
28 and maintenance of recreational facilities and facilities to enable use of the
29 lake as a public water resource and reservoir and for fish and wildlife
30 conservation;

31 (k) "project costs" means:

32 (1) Costs necessary to implement the project, including, but not
33 limited to, costs incurred for:

34 (A) The preparation of preliminary reports, plans and specifications,
35 preparation and publication of notices of hearings, resolutions and other
36 proceedings relating to the creation or administration of the district or
37 issuance of bonds for the project;

38 (B) interest accrued on borrowed money during the period of
39 construction and the amount of a reserve fund for the bonds;

40 (C) necessary fees and expenses of consultants for any purpose
41 related to the project;

42 (D) acquisition of real or personal property, including, but not limited
43 to, property for lots for cabins;

1 (E) relocation assistance;

2 (F) site preparation for the dam, lake and related facilities and
3 waterfront residential and commercial development, including, but not
4 limited to, utility relocations and relocation of a cemetery;

5 (G) development and construction of the dam, lake and related
6 facilities, including, but not limited to, auxiliary dams, spillways, public
7 docks, public wharfs, public beaches or swimming areas, marinas,
8 channels and levies, waterways and drainage conduits and erosion control,
9 environmental protection and fish and wildlife conservation measures;

10 (H) infrastructure and site improvements, including sidewalks,
11 streets, roads, interchanges, highway access roads, intersections, alleys,
12 bridges, ramps, tunnels, overpasses and underpasses, traffic signs and
13 signals, utilities, pedestrian amenities, drainage systems, water systems,
14 storm systems, sewer systems, lift stations, underground gas, heating and
15 electrical services and connections located within the public right-of-way,
16 water mains and extensions and other necessary site improvements;

17 (I) public parking facilities and RV sites;

18 (J) public recreational facilities, including, but not limited to, beach
19 development and related facilities, parks, camping sites, hiking or biking
20 trails, picnic benches and facilities, playgrounds, shelters, visitor centers,
21 recreational centers, restrooms, communication and information booths
22 and kiosks;

23 (K) public landscaping and plantings, fountains, benches, sculptures,
24 lighting, decorations and similar public amenities;

25 (L) bus stop shelters and other public transportation facilities;

26 (M) contracts for maintenance services and purchase or construction
27 of related equipment or facilities within public areas, including, but not
28 limited to, security, cleaning and maintenance, landscape maintenance and
29 inspection and maintenance of the dam and related structures;

30 (N) professional services relating to the promotion of tourism,
31 recreational activity, business activity, real estate sales and private
32 residential and commercial development;

33 (O) cultural, environmental and wildlife studies, fish stocking and
34 other wildlife and wildlife habitat conservation and management;

35 (P) reservoir condition monitoring, data collection, research and
36 management and reservoir conservation;

37 (Q) related infrastructure and other expenses to develop and finance
38 the project; and

39 (R) project costs permitted by this subsection for locations outside the
40 district but contiguous to any portion of the district if such project costs are
41 convenient or necessary for the implementation of the project as
42 determined by the governing board;

43 (2) "project costs" does not include:

- 1 (A) Private residential or commercial building construction;
2 (B) salaries for local government employees;
3 (C) moving expenses for employees of businesses locating within the
4 district;
5 (D) property taxes for businesses that locate in the district;
6 (E) lobbying costs; and
7 (F) travel, entertainment and hospitality, except that payment or
8 reimbursement for the reasonable expenses of governing board members
9 to attend meetings shall be allowed;

10 (l) "real property taxes" means all taxes levied on an ad valorem basis
11 upon land and improvements thereon;

12 (m) "real property tax increment" means that amount of real property
13 taxes collected from real property located within the district that is in
14 excess of the amount of real property taxes attributable to the base year
15 assessed valuation of real property within the district established prior to
16 when the district is created. For purposes of this subsection, the base year
17 assessed valuation shall be the most recent assessed valuation prior to the
18 month the district is established; and

19 (n) "sales tax increment" means that portion of the revenue derived
20 from state and local sales and use tax imposed pursuant to K.S.A. 12-187
21 et seq., 79-3601 et seq. and 79-3701 et seq., and amendments thereto,
22 collected from taxpayers doing business within the district that is in excess
23 of the amount of base year sales tax revenue established when the district
24 is created. For purposes of this subsection, the base year shall be the 12-
25 month period immediately prior to the month in which the district is
26 established. The secretary of revenue shall determine base year sales tax
27 revenue by reference to the revenue collected during the base year from
28 taxpayers doing business within the specific area where the district is
29 subsequently established. For purposes of this subsection, revenue
30 collected from taxpayers doing business within the district, or within the
31 specific area in which the district is subsequently established shall not
32 include local sales and use tax revenue that is sourced to jurisdictions other
33 than those in which the district is located.

34 Sec. 3. (a) There is hereby created the Pike reservoir project district
35 for the purposes provided by this act.

36 (b) There shall be a governing board for such district, which shall be
37 composed of five members, as follows:

38 (1) Three members to be appointed by the board of county
39 commissioners of Bourbon county. Each commissioner shall separately
40 appoint one of such members unless the number of commissioners is other
41 than three, in which case the board of county commissioners shall appoint
42 all such members; and

43 (2) two members to be appointed by the governing board of Franklin

1 township.

2 (c) The members of the governing board shall elect a chairperson and
3 a secretary of the governing board at the board's first meeting.

4 (d) The governing board shall meet upon the call of the chairperson
5 as necessary to carry out its duties. The quorum of the governing board
6 shall be three members. Business conducted by the board shall be recorded
7 in the board's minutes by the secretary. Decisions or actions of the board
8 shall require the affirmative vote of at least three members.

9 (e) The initial appointment for the members appointed by the
10 Bourbon county board of commissioners shall be for a term of two years.
11 The initial appointment for the members appointed by the governing board
12 of Franklin township shall be for a term of one year. Subsequent
13 appointments for all members shall be for a term of two years. Each
14 member shall continue in such position until a successor is appointed and
15 qualified. Members shall be eligible for reappointment. Whenever a
16 vacancy occurs in the membership of the board, a successor shall be
17 selected to fill such vacancy in the same manner as the appointment and
18 for the unexpired term of the member who vacated such position.

19 (f) The chairperson and the secretary shall serve for terms of one year
20 and shall be eligible for reelection.

21 (g) The governing board shall have the following powers and duties
22 and the authority to:

23 (1) Collect a sales tax increment pursuant to the provisions of section
24 7, and amendments thereto;

25 (2) collect a property tax increment from real property taxes assessed
26 against real property located within the real property tax increment
27 financing district pursuant to the provisions of sections 5 and 6, and
28 amendments thereto;

29 (3) issue bonds pursuant to the provisions of section 10, and
30 amendments thereto, for purposes of financing the costs of the project;

31 (4) pay costs of the project pursuant to pay-as-you-go financing;

32 (5) manage the project and manage public recreational facilities
33 within the district or contiguous to the district;

34 (6) enter into contracts for the purposes of implementing the project
35 and to sue and be sued;

36 (7) purchase or otherwise acquire, hold or sell, lease or otherwise
37 transfer real or personal property for the purposes of the project;

38 (8) use the power of eminent domain to acquire real property for the
39 purposes of the project, except that such power shall be limited to
40 acquiring real property that will be occupied by the lake, the dam and any
41 water management or control facilities directly related to the dam
42 necessary for safety and operation of the dam. Such acquired property
43 shall remain public property and not be sold, transferred or leased to any

1 developer. The governing board shall exercise the power of eminent
2 domain in the manner provided by K.S.A. 26-501 et seq., and amendments
3 thereto; and

4 (9) use such other powers as necessary or convenient to implement
5 the project and accomplish the purposes of this act.

6 (h) Any real property acquired by the governing board pursuant to
7 this act that is sold, transferred or leased to a developer for the project shall
8 be sold, transferred or leased to such developer on the condition that such
9 property shall be used only for the purposes of the project. If the developer
10 does not utilize the entire tract of the real property acquired, that portion of
11 property not used shall not be sold, transferred or leased by the developer
12 to another developer party without the permission of the governing board
13 but shall be deeded back to the governing board. If the developer paid the
14 governing board for the land, the amount of the original purchase price
15 that is a percentage of the original purchase price paid to the governing
16 board that represents the percentage of the entire tract being deeded back
17 to the governing board shall be reimbursed to the developer upon the
18 deeding of the property back to the governing board.

19 (i) Any transfer by a developer of real property acquired from the
20 governing board or by means of financing pursuant to this act shall be
21 valid only if approved by the governing board.

22 (j) The governing board shall set reduced rates on any fee schedule
23 imposed for use of recreational facilities within the district or managed by
24 the governing board for residents of Bourbon county and any owner who
25 is an individual or such individual's immediate family who sold real
26 property located within the district or immediately adjacent to the district
27 to the board or a developer.

28 (k) The governing board shall provide for relocation payments to be
29 made to persons, families and businesses who move from real property
30 located in the district as a result of the acquisition of the real property by
31 the board or a developer in carrying out the provisions of this act.

32 (l) The board shall provide that no individuals or families residing in
33 the district who wish to remain in the area shall be displaced unless there
34 is a suitable housing unit within Bourbon county, or such other adjacent
35 county acceptable to the individual or family, available and ready for
36 occupancy by such displaced individual or family with a rental cost within
37 their ability to pay and at a reasonable distance from their place of work.
38 Such housing units shall be suitable to the needs of such displaced persons
39 or families and shall be decent, safe, sanitary and otherwise standard
40 dwellings.

41 Sec. 4. (a) The project costs of all or any portion of the project,
42 including, but not limited to, pay-as-you-go financing or the principal and
43 interest upon one or more series of special obligation bonds issued by the

1 governing board, shall be paid from all, any or any combination of the
2 following sources:

3 (1) A pledge of all or a portion of the sales tax increment revenue
4 received by the district from any local sales and use taxes, including any
5 county sales tax, that are collected from taxpayers doing business within
6 the district, except for amounts committed to other uses by election of
7 voters or pledged to bond repayment prior to the approval of the district;

8 (2) a pledge of all or a portion of sales tax increment revenue
9 received from state sales and use taxes that are collected from taxpayers
10 doing business within the district, except that such pledge shall not exceed
11 90% of the new tax increment revenue that is in excess of the base existing
12 sales tax revenue received from any state sales taxes;

13 (3) a pledge of all or a portion of revenue received from the property
14 tax increment funding authorized by this act, except that such pledge shall
15 not exceed 90% of the new real property tax increment revenue that is in
16 excess of the base existing real property tax revenue established for the
17 district;

18 (4) the proceeds of any bonds issued pursuant to this act; and

19 (5) any other funds made available to the district, including from
20 private sources, federal funds or funds appropriated by the state or from a
21 state agency or a watershed district.

22 (b) The district may pledge such revenue to the repayment of such
23 special obligation bonds prior to, simultaneously with or subsequent to the
24 issuance of such special obligation bonds.

25 Sec. 5. (a) In addition to or in lieu of a sales tax financing district
26 pursuant to section 7, and amendments thereto, the governing board may
27 establish a real property tax increment financing district with the same
28 boundaries as the district for the purpose of financing the project and
29 operational and management costs of the project.

30 (b) When the governing board proposes to establish a real property
31 tax increment financing district, the governing board shall adopt a
32 resolution stating that the governing board is considering the establishment
33 of a real property tax increment financing district. Such resolution shall:

34 (1) Give notice that a public hearing will be held to consider the
35 establishment of a real property tax increment financing district for the
36 purpose of financing the project and state the date, hour and place of such
37 public hearing;

38 (2) describe the proposed boundaries of the real property tax
39 increment financing district that shall have the same boundaries as that of
40 the district;

41 (3) describe the project;

42 (4) explain the estimated cost of the project;

43 (5) describe the proposed methods of financing the project;

1 (6) advise that a detailed description and map of the proposed real
2 property tax increment financing district and project are available for
3 inspection at a time and place designated; and

4 (7) state that the governing board will consider findings necessary for
5 the establishment of a property tax increment financing district.

6 (c) The date that shall be fixed for the public hearing shall be not less
7 than 30 nor more than 70 days following the date of the adoption of the
8 resolution fixing the date of the hearing.

9 (d) (1) A copy of the resolution providing for the public hearing shall
10 be sent by certified mail, return receipt requested, to the board of county
11 commissioners of Bourbon county, the governing board of Franklin
12 township and the board of education of any school district levying taxes on
13 property within the proposed property tax increment financing district.
14 Copies shall be sent by certified mail, return receipt requested to each
15 owner and to each occupant of land within the proposed property tax
16 increment financing district area. Such copies shall be mailed not more
17 than 10 days following the date of the adoption of the resolution. The
18 resolution shall be published at least once a week for two consecutive
19 weeks in the official county newspaper of Bourbon county and
20 continuously for such two consecutive weeks on the website of such
21 county if the county has a website. The second notice in the official county
22 newspaper shall be published at least seven days prior to the date of the
23 hearing. A sketch or map clearly delineating the area in sufficient detail to
24 advise the reader of the area to be included within the property tax
25 increment financing district shall be published with the resolution.

26 (2) At the public hearing, a representative of the governing board
27 shall present the plan for the proposed project. Following the presentation
28 of the proposed project, all interested persons shall be given an
29 opportunity to be heard. The governing board may recess such hearing to a
30 time and date certain or the hearing may be adjourned from time to time.
31 The time and date that the hearing will resume shall be fixed in the
32 presence of persons in attendance at the hearing.

33 (e) Upon the conclusion of the public hearing, the governing board
34 may pass a resolution. The resolution shall:

35 (1) Make findings that the development of the project and the real
36 property tax increment financing district will promote the general and
37 economic welfare of the district and Bourbon county;

38 (2) make findings that, as proposed or as modified by the governing
39 board, the project provides that ad valorem property tax revenues of the
40 county or the school district levying taxes on such property will not be
41 adversely impacted;

42 (3) contain the project and district description and plan that identifies
43 the proposed real property tax increment financing district area and

1 describes in a general manner the site development, dam, lake,
2 infrastructure, buildings and facilities that are proposed to be constructed,
3 developed or improved. The boundaries of such district shall not include
4 any area not designated in the notice required by subsection (d);

5 (4) contain the legal description of the property tax increment
6 financing district; and

7 (5) describe the intended function and use of the property tax
8 increment financing district for financing the project and bonds that may
9 be issued by the governing board.

10 (f) (1) If at the conclusion of the public hearing, the governing board
11 proposes to impose a real property tax increment financing district, the
12 governing board shall submit a proposition to impose such real property
13 tax increment financing district to the qualified electors within Bourbon
14 county. Notice of such election and the resolution adopted by the board
15 establishing the property tax increment financing district shall be
16 published at least once a week for two consecutive weeks in the official
17 county newspaper of Bourbon county and continuously for such two
18 consecutive weeks on the website of such county if the county has a
19 website. The second notice shall be published at least seven days prior to
20 the date of such election. Any such election shall be called and held at any
21 general election, as defined in K.S.A. 25-2502, and amendments thereto,
22 or at a special election called for that purpose. In lieu thereof, such election
23 may be called and held in the manner provided by K.S.A. 25-431 et seq.,
24 and amendments thereto. If an election is held and the proposition is
25 approved by a majority of the voters voting at such election, the governing
26 board, by resolution, may establish the real property tax increment
27 financing district as approved by the voters and proceed to collect the real
28 property tax increment.

29 (2) (A) If a proposition is not approved by a majority of the voters
30 voting at such election, the governing board may, as often as the board
31 determines appropriate, resubmit the same proposition to the qualified
32 voters of Bourbon county in a subsequent election with notice of such
33 election as provided in paragraph (1).

34 (B) The governing board may submit one or more amended
35 propositions for a real property tax increment financing district for the
36 approval of the qualified electors after a hearing on any such amended
37 proposition and notice as provided in this subsection. Any amended
38 proposition may include property tax increment financing district borders
39 that differ from the borders of the project district but shall be within
40 Bourbon county. If any amended proposition is not approved by a majority
41 of the qualified voters voting at any such election, the board may resubmit
42 such amended proposition to the qualified voters at an election after notice
43 for an election as provided by paragraph (1) or, after a hearing and notice

1 as provided by this subsection, submit a different amended proposition to
2 the qualified voters. If approved by a majority of the qualified voters
3 voting at such election, the governing board, by resolution, may establish
4 or amend the real property tax increment financing district as approved by
5 the voters and proceed to collect the real property tax increment pursuant
6 to the established or amended proposition.

7 (g) After the adoption by the governing board of the real property tax
8 increment financing district, as approved by the qualified voters, the
9 governing board shall transmit a copy of the description of the land within
10 the district, a copy of the resolution adopting the plan and a map or plat
11 indicating the boundaries of the district to the clerk, appraiser and treasurer
12 of Bourbon county and to the governing bodies of Franklin township and
13 any school district that levies taxes upon any property in the district. Such
14 documents shall be transmitted following the adoption or modification of
15 the real estate tax increment financing district on or before January 1 of the
16 year in which the increment is first allocated to the taxing subdivision.

17 (h) Any addition of area to the real property tax increment financing
18 district or any substantial change to the project shall be subject to the same
19 procedure for public notice and hearing as is required for the establishment
20 of the real property tax increment financing district. The base year
21 assessed valuation of the real property tax increment financing district
22 following the addition of area shall be revised to reflect the base year
23 assessed valuation of the original area and the added area as of the date of
24 the original establishment of the real property tax increment financing
25 district.

26 (i) The governing board may remove real property from the tax
27 increment financing district by resolution. If more than a de minimus
28 amount of real property is removed, the base year assessed valuation of the
29 tax increment financing district shall be revised to reflect the base year
30 assessed valuation of the remaining real property as of the date of the
31 original establishment of the tax increment financing district.

32 (j) The governing board may change by resolution the specified
33 percentage or amount of the real property tax increment realized from
34 taxpayers in the real property tax increment district pledged to the
35 redevelopment project. The governing board shall allocate the specified
36 percentage or amount of the tax increment for deposit in the special fund
37 of the district to finance the project costs, pursuant to section 9, and
38 amendments thereto. Such change shall be subject to the same procedure
39 for public notice and hearing as is required for the establishment of the real
40 property tax increment financing district. Any portion of such real property
41 tax increment not allocated by the governing board for the project shall be
42 allocated and paid in the same manner as other ad valorem taxes.

43 Sec. 6. (a) If the governing board establishes a real property tax

1 increment financing district, all tangible taxable property located within
2 the real property tax increment financing district shall be assessed and
3 taxed for ad valorem tax purposes pursuant to law in the same manner that
4 such property would be assessed and taxed if located outside the real
5 property tax increment financing district, and all ad valorem taxes levied
6 on such property shall be paid to and collected by the county treasurer of
7 Bourbon county in the same manner as other taxes are paid and collected.
8 Except as otherwise provided in this section, the county treasurer of
9 Bourbon county shall distribute such taxes as may be collected in the same
10 manner as if such property were located outside the real property tax
11 increment financing district. Such district shall constitute a separate taxing
12 unit for the purpose of the computation and levy of taxes.

13 (b) Beginning with the first payment of real property taxes that are
14 levied following the date of the establishment of the real property tax
15 increment financing district, real property taxes received by the Bourbon
16 county treasurer resulting from taxes that are levied subject to the
17 provisions of this act by and for the benefit of the real property tax
18 increment financing district on property located within such district
19 constituting a separate taxing unit under the provisions of this section shall
20 be divided as follows:

21 (1) From the real property taxes levied each year subject to the
22 provisions of this act by or for each of the taxing subdivisions upon
23 property located within such district constituting a separate taxing unit
24 under the provisions of this act, the county treasurer shall first allocate and
25 pay to each such taxing subdivision all of the real property taxes collected
26 that are produced from the base year assessed valuation;

27 (2) 90% of the real property taxes produced from that portion of the
28 current assessed valuation of property within the real property tax
29 increment financing district constituting a separate taxing unit under the
30 provisions of this section in excess of the base year assessed valuation
31 shall be allocated and paid by the county treasurer of Bourbon county to
32 the governing board and deposited in a special fund of the governing board
33 pursuant to section 9, and amendments thereto, to pay the project costs,
34 including the payment of principal of and interest on any bonds issued by
35 the governing board to finance, in whole or in part, the project. The
36 remainder of such real property taxes shall be distributed in accordance
37 with applicable law. When the project costs have been paid and such bonds
38 and interest thereon have been paid, the governing board may continue to
39 use such moneys for any purpose authorized by this act but not to exceed
40 20 years from the date of the approval of the real property tax increment
41 financing district. At such time, or by resolution of the governing board
42 after all bonds and interest thereon have been paid, all moneys thereafter
43 received from real property taxes within such district shall be allocated and

1 paid to the respective taxing subdivisions in the same manner as are other
2 ad valorem taxes.

3 Sec. 7. (a) In addition to or in lieu of real property tax increment
4 funding, as provided by sections 5 and 6, and amendments thereto, the
5 governing board may implement sales tax increment funding for the
6 project within a sales tax increment financing district with the same
7 boundaries as the project district for the purpose of financing the project
8 and operational or management costs of the project. Prior to the imposition
9 of sales tax increment funding, the governing board shall adopt a
10 resolution stating its intention to retain the sales tax increment for the
11 purpose of financing the project and management and operational
12 expenses of the project as provided by this act.

13 (b) The governing board shall give notice of a public hearing to be
14 held by the board on the imposition of such sales tax increment financing.
15 Such notice shall be published at least once a week for two consecutive
16 weeks in the official county newspaper of Bourbon county and
17 continuously for such two consecutive weeks on the website of such
18 county if the county has a website. The second notice in the official county
19 newspaper shall be published at least seven days prior to the date of
20 hearing. The notice shall:

21 (1) Contain the proposed amount of the sales tax increment financing
22 to be imposed and the termination date of such funding, which shall not
23 exceed 20 years from the date of authorization of the sales tax increment
24 financing district;

25 (2) provide that a public hearing will be held to consider the
26 establishment of a sales tax increment financing district for the purpose of
27 financing the project and state the date, hour and place of such public
28 hearing;

29 (3) describe the proposed boundaries of the sales tax increment
30 financing district;

31 (4) describe the project;

32 (5) explain the estimated cost of the project;

33 (6) describe the proposed methods of financing the project;

34 (7) advise that a detailed description and map of the proposed sales
35 tax increment financing district and the project are available for inspection
36 at a time and place designated; and

37 (8) state that the governing board will consider findings necessary for
38 the establishment of a sales tax increment financing district.

39 (c) The date fixed for the public hearing shall be not less than 30 nor
40 more than 70 days following the date of the adoption of the resolution
41 fixing the date of the hearing.

42 (d) (1) A copy of the resolution providing for the public hearing shall
43 be sent by certified mail, return receipt requested, to the board of county

1 commissioners of Bourbon county and the governing board of Franklin
2 township. The resolution shall be published at least once a week for two
3 consecutive weeks in the official county newspaper of Bourbon county and
4 continuously for such two consecutive weeks on the website of such
5 county if the county has a website. The second notice in the official county
6 newspaper shall be published at least seven days prior to the date of
7 hearing. A sketch or map clearly delineating the area in sufficient detail to
8 advise the reader of the area to be included within the sales tax increment
9 financing district shall be published with the resolution.

10 (2) At the public hearing, a representative of the governing board
11 shall present the plan for the project. Following the presentation of the
12 project, all interested persons shall be given an opportunity to be heard.
13 The governing board may recess such hearing to a time and date certain or
14 the hearing may be adjourned from time to time. The time and date that the
15 hearing will resume shall be fixed in the presence of persons in attendance
16 at the hearing.

17 (e) Upon the conclusion of the public hearing, the governing board
18 may pass a resolution. The resolution shall be conspicuously posted or
19 linked to a prominent location on the first page of the city or county's
20 website if the city or county has a website. The resolution shall:

21 (1) Make findings that the development of the project and the sales
22 tax increment financing district will promote the general and economic
23 welfare of the area of and adjacent to the project district and Bourbon
24 county;

25 (2) contain the project and sales tax increment financing district
26 description and plan that identifies the proposed sales tax increment
27 financing district area and describes in a general manner the site
28 development, dam, lake, infrastructure, buildings and facilities that are
29 proposed to be constructed, developed or improved. The boundaries of
30 such district shall not include any area not designated in the notice
31 required by subsection (a);

32 (3) contain the legal description of the sales tax increment financing
33 district;

34 (4) describe the intended function and use of the sales tax increment
35 financing district for financing the project costs and bonds that may be
36 issued by the governing board; and

37 (5) may establish the sales tax increment financing district.

38 (f) Upon receipt of a certified copy of the resolution, the state director
39 of taxation shall cause such sales and use tax to be collected in the sales
40 tax increment financing district at the same time and in the same manner
41 provided for the collection of the state retailers' sales tax and use tax as
42 provided by K.S.A. 79-3603 and 79-3703, and amendments thereto. All
43 taxes collected under the provisions of this act shall be remitted by the

1 secretary of revenue to the state treasurer in accordance with the
2 provisions of K.S.A 75-4215, and amendments thereto. Upon receipt of
3 each such remittance, the state treasurer shall deposit the entire amount of
4 all such local taxes collected and 90% of such state retailers' sales and use
5 tax collected under the provisions of this act in the state treasury to the
6 credit of the Pike reservoir district sales tax fund, which fund is hereby
7 established in the state treasury. The remainder of such state retailers' sales
8 and use tax shall be distributed in accordance with applicable law. All
9 moneys in the Pike reservoir district sales tax fund shall be remitted at
10 least quarterly by the state treasurer, on instruction from the secretary of
11 revenue, to the governing board. Any refund due on any Pike reservoir
12 district sales tax collected pursuant to this section shall be paid out of the
13 Pike reservoir district sales tax refund fund, which is hereby established in
14 the state treasury, and reimbursed by the director of taxation from
15 collections of the sales tax increment financing district authorized by this
16 section.

17 (g) Upon the date specified in the resolution adopted by the
18 governing board, or the date as amended by resolution of the governing
19 board, all sales and use tax shall be collected and distributed in accordance
20 with applicable law.

21 (h) If sales tax increment financing for the project has been
22 implemented, the secretary of revenue, in connection with the governing
23 board, shall provide reports identifying each retailer having a place of
24 business in the project district setting forth the tax liability and the amount
25 of such tax remitted by each retailer during the preceding month and
26 identifying each business location maintained by the retailer within the
27 district. If revenue from sales tax increment financing has been pledged for
28 the payment of principal and interest on bonds by the governing board,
29 such report shall be made available to the bond trustee, escrow agent or
30 paying agent for such bonds within a reasonable time after it has been
31 requested from the director of taxation. The bond trustee, escrow agent or
32 paying agent shall keep such retailers' district sales tax returns and the
33 information contained therein confidential but may use such information
34 for purposes of allocating and depositing such district sales tax revenues in
35 connection with the bonds used to finance the costs of the project in the
36 district. Except as otherwise provided, the sales tax returns received by the
37 bond trustee, escrow agent or paying agent shall be subject to the
38 provisions of K.S.A. 79-3614, and amendments thereto.

39 Sec. 8. No suit to set aside the creation of the district, the
40 authorization or funding of the district or the project, the real property tax
41 increment district funding or the sales tax increment district funding shall
42 be brought after the expiration of 30 days from the date of publication of
43 the authorizing resolution following the public hearing or, if an election is

1 held, the certification of canvass of the votes at an election that authorizes
2 the imposition of such tax increment funding.

3 Sec. 9. A fund shall be created by the governing board of the district
4 for the project and identified by a suitable title. The proceeds from the sale
5 of bonds, the collection of sales tax increment funding, the collection of
6 real property tax increment funding and any other moneys appropriated by
7 the governing board for the purpose of paying project costs, including the
8 principal of and interest on bonds issued pursuant to this act, shall be
9 credited to the fund. The fund shall be used solely to pay the costs of the
10 project. Upon payment of the principal and interest on the bonds, if any,
11 the governing board shall have authority to expend any moneys in the fund
12 for the purpose of additional project costs, management or operation of the
13 project. Such fund shall be used solely to pay project costs through either
14 the issuance of bonds or pay-as-you-go financing and shall not be limited
15 by any estimated cost amount listed in the resolution authorizing the
16 project, the sales tax increment financing or the real property tax
17 increment financing district. In the event moneys remain in the fund after
18 the completion of the project, such moneys shall continue to be used solely
19 to pay the cost of the project.

20 Sec. 10. (a) The governing board of the district may issue bonds in
21 one or more series to finance the undertaking of the project in accordance
22 with the provisions of this act. Such bonds shall be made payable, both as
23 to principal and interest, solely from a pledge of the sources of funds
24 described in section 4, and amendments thereto. The governing board may
25 pledge such revenue to the repayment of such bonds prior to,
26 simultaneously with or subsequent to the issuance of such bonds.

27 (b) Bonds issued pursuant to subsection (a), which shall be so stated
28 on the face of such bonds, shall not be general obligations of the district or
29 of Bourbon county, give rise to a charge against any general credit or
30 taxing powers or be payable out of any funds or properties other than any
31 of those set forth in subsection (a).

32 (c) Bonds issued pursuant to subsection (a) shall be special
33 obligations of the district and are declared to be negotiable instruments.
34 Such bonds shall be executed by the governing board of the district and
35 sealed with the corporate seal of the district. All details pertaining to the
36 issuance of the bonds and the terms and conditions thereof shall be
37 determined by resolution of the governing board. The provisions of K.S.A.
38 10-106, and amendments thereto, requiring a public sale of bonds shall not
39 apply to bonds issued under this act. All bonds issued pursuant to this act
40 and all income or interest therefrom shall be exempt from all state taxes.
41 Such bonds shall contain none of the recitals set forth in K.S.A. 10-112,
42 and amendments thereto. Such bonds shall contain the following recitals:
43 The authority under which such bonds are issued; that such bonds are in

1 conformity with the provisions, restrictions and limitations thereof; and
2 that such bonds and the interest thereon are to be paid from the money and
3 revenue received as provided in subsection (a).

4 (d) The district may refund all or a part of a bond issue or issues, or
5 part thereof, under this act pursuant to the provisions of K.S.A. 10-116a,
6 and amendments thereto.

7 (e) Bonds issued under the provisions of this act shall be in addition
8 to and not subject to any statutory limitation of bonded indebtedness
9 imposed on Bourbon county.

10 (f) In the event that the district shall default in the payment of any
11 bonds payable from revenues described in section 4, and amendments
12 thereto, no public funds shall be used to pay the holders thereof.

13 Sec. 11. The notice, hearing and resolutions required by sections 5
14 and 7, and amendments thereto, may be combined by the governing board.

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