

Senate Substitute for HOUSE BILL No. 2382

AN ACT concerning economic development; concerning the STAR bonds financing act; relating to the provisions regarding STAR bond projects; extending the sunset date; regarding bond interest rates; amending K.S.A. 2011 Supp. 10-1009 and 12-17,179 and repealing the existing sections.

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

Section 1. K.S.A. 2011 Supp. 10-1009 is hereby amended to read as follows: 10-1009. (a) The maximum stated rate of interest which may be fixed on fixed-rate bonds issued by a municipality or taxing subdivision of the state of Kansas shall be determined on the day the bonds are sold and shall not exceed the daily yield for the ten-year treasury bonds published by The Bond Buyer, in New York, New York, on the Monday next preceding the day on which the bonds are sold, plus (1) three percent, if the interest on the bonds is excluded from gross income for federal income tax purposes or (2) four percent, if the interest on the bonds is included in gross income for federal income tax purposes.

(b) The maximum stated rate of interest which may be fixed on variable-rate bonds issued by a municipality or taxing subdivision of the state of Kansas shall be determined on the date on which the rate is determined in accordance with the resolution or ordinance of the issuer and shall not exceed the daily yield for the ten-year treasury bonds published by The Bond Buyer, in New York, New York, on the Monday next preceding such date, plus (1) three percent, if the interest on the bonds is excluded from gross income for federal income tax purposes or (2) four percent, if the interest on the bonds is included in gross income for federal income tax purposes.

(c) Except as provided for variable-rate bonds, the maximum rate of interest specified in this section shall be applicable to bonds issued after the effective date of this act. The maximum rate of interest on variable-rate bonds issued prior to the effective date of this act shall be the higher of (1) the maximum rate of interest specified by subsection (a) or (b) of this section, as in effect prior to the effective date of this act, (2) the maximum rate of interest specified in this section or (3) the rate for such variable-rate bonds specified in the documents authorizing the issuance thereof.

(d) Notwithstanding the foregoing, for the period from the effective date of this act until and including June 30, ~~2012~~ 2017, the maximum stated rate of interest which may be fixed on fixed-rate or variable-rate bonds issued by a municipality or taxing subdivision of the state of Kansas shall be determined on the day the bonds are sold and shall not exceed the daily yield for the ten-year treasury bonds published by The Bond Buyer, in New York, New York, on the Monday next preceding the day on which the bonds are sold, plus (1) 6%, if the interest on the bonds is excluded from gross income for federal income tax purposes or (2) 7%, if the interest on the bonds is included in gross income for federal income tax purposes.

Sec. 2. K.S.A. 2011 Supp. 12-17,179 is hereby amended to read as follows: 12-17,179. (a) A city that created a redevelopment district in an eligible area that was approved for STAR bonds prior to the effective date of this act for the city of Manhattan Discovery Center on December 28, 2006, and the Schlitterbahn project in Wyandotte county on December 23, 2005, may by ordinance elect to have the provisions of this act applicable to such redevelopment district.

(b) The provisions of this act regarding STAR bond projects shall expire on and after July 1, ~~2012~~ 2017.

Sec. 3. K.S.A. 2011 Supp. 10-1009 and 12-17,179 are hereby repealed.

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

I hereby certify that the above BILL originated in the HOUSE, and passed that body

HOUSE concurred in
SENATE amendments _____

Speaker of the House.

Chief Clerk of the House.

Passed the SENATE
as amended _____

President of the Senate.

Secretary of the Senate.

APPROVED _____

Governor.