AN ACT concerning STAR bonds and tax increment financing; relating to
STAR bond urban redevelopment districts; STAR bond definitions;
STAR bond projects; bonds, pledge of tax increment revenue; tax
abatements or revenues, limitations; distribution of sales tax revenues
from within STAR bond districts; creating STAR bond administration
funds; economic impact studies; base year assessed valuation; STAR
bond financing limitations; tax increment financing, eligible areas;
amending K.S.A. 2015 Supp. 12-1770a, 12-17,162, 12-17,163, 12-
17,164, 12-17,166, 12-17,168, 12-17,169, 12-17,171, 12-17,172, 12-
17,174, 12-17,177, 79-3620, 79-3620b and 79-3710 and repealing the
existing sections.

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

Section 1. K.S.A. 2015 Supp. 12-1770a is hereby amended to read as
follows: 12-1770a. As used in this act, and amendments thereto, the
following words and phrases shall have the following meanings unless a
different meaning clearly appears from the content:

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

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

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

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

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

(B) predominance of defective or inadequate street layout;

(C) unsanitary or unsafe conditions;

(D) deterioration of site improvements;
(E) tax or special assessment delinquency exceeding the fair market value of the real property;
(F) defective or unusual conditions of title including, but not limited to, cloudy or defective titles, multiple or unknown ownership interests to the property;
(G) improper subdivision or obsolete platting or land uses;
(H) the existence of conditions which endanger life or property by fire or other causes; or
(I) conditions which create economic obsolescence;
(2) has been identified by any state or federal environmental agency as being environmentally contaminated to an extent that requires a remedial investigation; feasibility study and remediation or other similar state or federal action;
(3) a majority of the property is a 100-year floodplain area; or
(4) previously was found by resolution of the governing body to be a slum or a blighted area under K.S.A. 17-4742 et seq., and amendments thereto.
(d) "Conservation area" means any improved area comprising 15% or less of the land area within the corporate limits of a city in which 50% or more of the structures in the area have an age of 35 years or more, which area is not yet blighted, but may become a blighted area due to the existence of a combination of two or more of the following factors:
(1) Dilapidation, obsolescence or deterioration of the structures;
(2) illegal use of individual structures;
(3) the presence of structures below minimum code standards;
(4) building abandonment;
(5) excessive vacancies;
(6) overcrowding of structures and community facilities; or
(7) inadequate utilities and infrastructure.
(e) "De minimus" means an amount less than 15% of the land area within a redevelopment district.
(f) "Developer" means any person, firm, corporation, partnership or limited liability company, other than a city and other than an agency, political subdivision or instrumentality of the state or a county when relating to a bioscience development district.
(g) "Eligible area" means a blighted area, conservation area, enterprise zone, intermodal transportation area, major tourism area or a major commercial entertainment and tourism area or bioscience development area. "Eligible area" also means a building or buildings which are 65 years of age or older and any adjacent vacant or condemned lots.
(h) "Enterprise zone" means an area within a city that was designated as an enterprise zone prior to July 1, 1992, pursuant to K.S.A. 12-17,107
through 12-17,113, and amendments thereto, prior to its repeal and the
conservation, development or redevelopment of the area is necessary to
promote the general and economic welfare of such city.

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

(j) "Environmentally contaminated area" means an area of land
having contaminated groundwater or soil which is deemed
environmentally contaminated by the department of health and
environment or the United States environmental protection agency.

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

(A) A study which shows whether a redevelopment project's or
bioscience development project's benefits and tax increment revenue and
other available revenues under K.S.A. 12-1774(a)(1), and amendments
thereto, are expected to exceed or be sufficient to pay for the
redevelopment or bioscience development project costs; and

(B) the effect, if any, the redevelopment project costs or bioscience
development project will have on any outstanding special obligation bonds
payable from the revenues described in K.S.A. 12-1774(a)(1)(D), and
amendments thereto.

(2) For a redevelopment project or bioscience project financed by
bonds payable from revenues described in K.S.A. 12-1774(a)(1)(D), and
amendments thereto, the feasibility study must also include:

(A) A statement of how the taxes obtained from the project will
contribute significantly to the economic development of the jurisdiction in
which the project is located;

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

(i) The percentage of sales and use taxes collected that are so
committed; and

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

(C) an anticipated principal and interest payment schedule on the
bonds;

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

(E) the failure to include all information enumerated in this
subsection in the feasibility study for a redevelopment or bioscience
project shall not affect the validity of bonds issued pursuant to this act.

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

(m) "Real property taxes" means all taxes levied on an ad valorem basis upon land and improvements thereon, except that when relating to a bioscience development district, as defined in this section, "real property taxes" does not include property taxes levied for schools, pursuant to K.S.A. 2015 Supp. 72-6470, and amendments thereto.

(n) "Redevelopment project area" means an area designated by a city within a redevelopment district or, if the redevelopment district is established for an intermodal transportation area, an area designated by a city within or outside of the redevelopment district.

(o) "Redevelopment project costs" means: (1) Those costs necessary to implement a redevelopment project plan or a bioscience development plan, including costs incurred for:

(A) Acquisition of property within the redevelopment project area;
(B) payment of relocation assistance pursuant to a relocation assistance plan as provided in K.S.A. 12-1777, and amendments thereto;
(C) site preparation including utility relocations;
(D) sanitary and storm sewers and lift stations;
(E) drainage conduits, channels, levees and river walk canal facilities;
(F) street grading, paving, graveling, macadamizing, curbing, guttering and surfacing;
(G) street light fixtures, connection and facilities;
(H) underground gas, water, heating and electrical services and connections located within the public right-of-way;
(I) sidewalks and pedestrian underpasses or overpasses;
(J) drives and driveway approaches located within the public right-of-way;
(K) water mains and extensions;
(L) plazas and arcades;
(M) major multi-sport athletic complex;
(N) museum facility;
(O) parking facilities including multilevel parking facilities;
(P) landscaping and plantings, fountains, shelters, benches, sculptures, lighting, decorations and similar amenities;
(Q) related expenses to redevelop and finance the redevelopment project;
(R) for purposes of an incubator project, such costs shall also include wet lab equipment including hoods, lab tables, heavy water equipment and all such other equipment found to be necessary or appropriate for a
commercial incubator wet lab facility by the city in its resolution establishing such redevelopment district or a bioscience development district;

(S) costs for the acquisition of land for and the construction and installation of publicly-owned infrastructure improvements which serve an intermodal transportation area and are located outside of a redevelopment district; and

(T) costs for infrastructure located outside the redevelopment district but contiguous to any portion of the redevelopment district and such infrastructure is necessary for the implementation of the redevelopment plan as determined by the city.

(2) Redevelopment project costs shall not include: (A) Costs incurred in connection with the construction of buildings or other structures to be owned by or leased to a developer, however, the "redevelopment project costs" shall include costs incurred in connection with the construction of buildings or other structures to be owned or leased to a developer which includes an auto race track facility or a multilevel parking facility.

(B) In addition, for a redevelopment project financed with special obligation bonds payable from the revenues described in K.S.A. 12-1774(a)(1)(D), and amendments thereto, redevelopment project costs shall not include:

(i) Fees and commissions paid to developers, real estate agents, financial advisors or any other consultants who represent the developers or any other businesses considering locating in or located in a redevelopment district;

(ii) salaries for local government employees;

(iii) moving expenses for employees of the businesses locating within the redevelopment district;

(iv) property taxes for businesses that locate in the redevelopment district;

(v) lobbying costs;

(vi) a bond origination fee charged by the city pursuant to K.S.A. 12-1742, and amendments thereto;

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

(viii) travel, entertainment and hospitality.

(p) "Redevelopment district" means the specific area declared to be an eligible area in which the city may develop one or more redevelopment projects.

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

(r) "Redevelopment project" means the approved project to
implement a project plan for the development of the established
redevelopment district.

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

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

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

(v) "Taxing subdivision" means the county, city, unified school
district and any other taxing subdivision levying real property taxes, the
territory or jurisdiction of which includes any currently existing or
subsequently created redevelopment district including a bioscience
development district.

(w) "River walk canal facilities" means a canal and related water
features which flows through a redevelopment district and facilities related
or contiguous thereto, including, but not limited to pedestrian walkways
and promenades, landscaping and parking facilities.

(x) "Major commercial entertainment and tourism area" may include,
but not be limited to, a major multi-sport athletic complex.

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

(z) "Bioscience" means the use of compositions, methods and
organisms in cellular and molecular research, development and
manufacturing processes for such diverse areas as pharmaceuticals,
medical therapeutics, medical diagnostics, medical devices, medical
instruments, biochemistry, microbiology, veterinary medicine, plant
biology, agriculture, industrial environmental and homeland security
applications of bioscience and future developments in the biosciences.
Bioscience includes biotechnology and life sciences.

(aa) "Bioscience development area" means an area that:
(1) Is or shall be owned, operated, or leased by, or otherwise under
the control of the Kansas bioscience authority;
(2) is or shall be used and maintained by a bioscience company; or
(3) includes a bioscience facility.

(bb) "Bioscience development district" means the specific area,
created under K.S.A. 12-1771, and amendments thereto, where one or
more bioscience development projects may be undertaken.

(cc) "Bioscience development project" means an approved project to
implement a project plan in a bioscience development district.

(dd) "Bioscience development project plan" means the plan adopted
by the authority for a bioscience development project pursuant to K.S.A.
12-1772, and amendments thereto, in a bioscience development district.

(ee) "Bioscience facility" means real property and all improvements
thereof used to conduct bioscience research, including, without limitation,
laboratory space, incubator space, office space and any and all facilities
directly related and necessary to the operation of a bioscience facility.

(ff) "Bioscience project area" means an area designated by the
authority within a bioscience development district.

(gg) "Biotechnology" means those fields focusing on technological
developments in such areas as molecular biology, genetic engineering,
genomics, proteomics, physiomics, nanotechnology, biodefense,
biocomputing, bioinformatics and future developments associated with
biotechnology.

(ii) "Life sciences" means the areas of medical sciences,
pharmaceutical sciences, biological sciences, zoology, botany, horticulture,
ecology, toxicology, organic chemistry, physical chemistry, physiology and
any future advances associated with life sciences.

(jj) "Revenue increase" means that amount of real property taxes
collected from real property located within the bioscience development
district that is in excess of the amount of real property taxes which is
collected from the base year assessed valuation.

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

(ll) "Floodplain increment" means the increment determined pursuant
to K.S.A. 2015 Supp. 12-1771e(b), and amendments thereto.

(mm) "100-year floodplain area" means an area of land existing in a
100-year floodplain as determined by either an engineering study of a
Kansas certified engineer or by the United States federal emergency
management agency.

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

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

(pp) "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.

Sec. 2. K.S.A. 2015 Supp. 12-17,162 is hereby amended to read as
follows: 12-17,162. As used in this act, and amendments thereto, the
following words and phrases shall have the following meanings unless a
different meaning clearly appears from the context:

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

(b) "Aquarium facility" means: (1) A separate newly-constructed
aquarium building and facilities directly related and necessary to the
operation thereof, including, but not limited to, aquatic life display and
holding facilities, theater and audio-visual facilities, classrooms or other
learning facilities, gift shops, lounge or restaurant facilities, but excluding
(2) hotels, motels, restaurants and retail facilities not directly related to or necessary to the operation of such facility.

(c) "Athletic facility" means a separate newly-constructed athletic building or buildings and facilities utilized for training of athletes, practice of athletes or athletic teams, playing of athletic games, recreational athletic use by the public, or the hosting of athletic-related events or rental or leasing of athletic facilities to the public. "Athletic facility" includes: (1) All facilities directly related and necessary to the operation thereof, including, but not limited to, athletic game playing facilities, practice and training facilities, grandstands, suites and viewing areas, shower, sauna, locker room facilities, sports-related injury and medical facilities, meeting rooms, dormitories sufficient to house students or trainees, athletic performance film review facilities, exercise facilities, weight-room facilities, swimming pool facilities, gift shops, lounge facilities, restaurant facilities, office and staff facilities or sports and athletic retail sales or rental facilities and equipment thereto, but excluding (2) hotels, motels, restaurants and retail facilities not directly related to the operation or business of such facility.

(d) "Commence work" means the manifest commencement of actual operations on the development site, such as, erecting a building, excavating the ground to lay a foundation or a basement or work of like description which a person with reasonable diligence can see and recognize as being done with the intention and purpose to continue work until the project is completed.

(e) "De minimus" means an amount less than 15% of the land area within a STAR bond project district.

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

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

(h) "Eligible area" means a historic theater, major tourism area, major motorsports complex, auto race track facility, river walk canal facility, major multi-sport athletic complex, major urban redevelopment district, or a major commercial entertainment and tourism area as determined by the secretary.

(i) "Feasibility study" means a feasibility study as defined in subsection (b) of K.S.A. 2015 Supp. 12-17,166(b), and amendments thereto.

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

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

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

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

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

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

(p) "Major urban redevelopment district" means a STAR bond district
within the boundaries of a city and not exceeding the greater of 24
contiguous or noncontiguous square blocks or 50 acres in total size, that
shall include one or more major urban STAR bond projects.

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

"Meeting space" means a separate newly-constructed building and facilities for the purpose of hosting events and meetings, including, but not limited to, conventions, business or other group meetings involving small or large groups and for renting or leasing facilities for such events or meetings to the public. Such facilities may include, but not be limited to: (1) Meeting halls, rooms or suites, auditoriums, stages, catering or kitchen facilities, office and staff facilities, dining facilities, restaurant facilities, lounge facilities or gift shop facilities, but excluding (2) hotels, motels, restaurants and retail facilities not directly related to or necessary to the operation of such facility.

"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, except for a museum facility that is part of an urban redevelopment complex, may not be leased to any developer and shall not be located within any retail or commercial building.

"Project" means a STAR bond project.

"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. 2015 Supp. 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 connections located within the public right-of-way;
9. Sidewalks and pedestrian underpasses or overpasses;
10. Drives and driveway approaches located within the public right-of-way;
11. Water mains and extensions;
12. Plazas and arcades;
parking facilities and multilevel parking structures devoted to parking only;
landscaping and plantings, fountains, shelters, benches, sculptures, statues, lighting, decorations and similar amenities;
auto race track facility;
major multi-sport athletic complex;
museum facility;
major motorsports complex;
urban redevelopment complex;
aquarium facility;
athletic facility;
meeting space, if part of a major urban STAR bond project;
the following personal property, as specified by a major urban STAR bond project plan for an urban redevelopment complex and approved by the secretary, up to a maximum of $3,000,000 in total for the project:
(A) For an aquarium facility, personal property directly related to enabling the aquarium facility to carry out the aquarium facility's functions and intended for use over a period of years, including, but not limited to, chairs, pedestals or other display furniture, tanks and related equipment, lighting, video monitors, computers, audio-visual or other major electronic equipment, major appliances or furniture;
(B) For an athletic facility, personal property directly related to enabling the athletic facility to carry out the athletic facility's functions and intended for use over a period of years, including, but not limited to, chairs, athletic equipment, exercise equipment, video monitors, computers, audio-visual or other major electronic equipment, major appliances or furniture; or
(C) For a museum facility, personal property directly related to enabling the museum facility to carry out the museum facility's functions and intended for use over a period of years, including, but not limited to, pedestals, stands, glass enclosures and other exhibit and display equipment, furniture or set-ups, exhibit and display lighting, chairs, furniture, video monitors, audio-visual or other major electronic equipment or major appliances;
within a major urban STAR bond project area, the purchase of any real estate or buildings owned by a city or county;
an economic impact study;
historic theater;
for a historic theater, personal property as approved by the secretary;
related expenses to redevelop and finance the project, except that for a STAR bond project financed with special obligation bonds payable
from the revenues described in subsection (a)(1) of K.S.A. 2015 Supp. 12-17,169(a)(1), and amendments thereto, such expenses shall require prior approval by the secretary of commerce; and

(20) (29) except as specified in subsections (1) through (19) (28) above, project costs shall not include:

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

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

(C) salaries for local government employees;

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

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

(F) lobbying costs;

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

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

(I) travel, entertainment and hospitality.

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

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

(y) "Sales tax and revenue" are those revenues available to finance the issuance of special obligation bonds as identified in K.S.A. 2015 Supp. 12-17,168, and amendments thereto.

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

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

(1) At least a $50,000,000 capital investment and $50,000,000 in projected gross annual sales; or

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

(A) The project is an eligible area as defined in subsection (f), and amendments thereto (h); and

(B) would be of regional or statewide importance; or
(3) is a major tourism area as defined in subsection (l), and amendments thereto (n); or

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

(5) is a major urban STAR bond project, as defined in subsection (ii); or

(6) for areas in metropolitan statistical areas which are "blighted areas" as defined by K.S.A. 12-177b, and amendments thereto, with at least a $25,000,000 capital investment and $25,000,000 in projected gross annual sales and which the secretary finds the project meets the requirements in subsection (aa)(2)(A) and (B).

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

(γ) (cc) "STAR bond project district" means the specific area declared to be an eligible area as determined by the secretary in which the city or county may develop one or more STAR bond projects. A STAR bond project district includes a redevelopment district, as defined in K.S.A. 12-1770a, and amendments thereto, created prior to the effective date of this act for the Wichita Waterwalk project in Wichita, Kansas, provided, the city creating such redevelopment district submits an application for approval for STAR bond financing to the secretary on or before July 31, 2007, and receives a final letter of determination from the secretary approving or disapproving the request for STAR bond financing on or before November 1, 2007. A STAR bond project district includes a major urban redevelopment district, as defined in subsection (p).

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

(aa) (ee) "STAR bond project plan" means the plan adopted by a city or county for the development of a STAR bond project or projects in a STAR bond project district.

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

(ee) (gg) "Substantial change" means, as applicable, a change wherein the proposed plan or plans differ substantially from the intended purpose for which the STAR bond project district plan was approved.

(dd) (hh) "Tax increment" means that portion of the revenue derived from state and local sales, use and transient guest tax imposed pursuant to K.S.A. 12-187 et seq., 12-1692 et seq., 79-3601 et seq. and 79-3701 et seq., and amendments thereto, collected from taxpayers doing business within that portion of a STAR bond project district occupied by a project.
that is in excess of the amount of base year revenue. For purposes of this subsection, the base year shall be the 12-month period immediately prior to the month in which the STAR bond project district is established. The department of revenue shall determine base year revenue by reference to the revenue collected during the base year from taxpayers doing business within the specific area in which a STAR bond project district is subsequently established. The base year of a STAR bond project district following the addition of area to the STAR bond project district shall be the base year of the original area. For purposes of this subsection, revenue collected from taxpayers doing business within a STAR bond project district, or within a specific area in which a STAR bond project district is subsequently established shall not include local sales and use tax revenue that is sourced to jurisdictions other than those in which the project is located. The secretary of revenue and the secretary of commerce shall certify the appropriate amount of base year revenue for taxpayers relocating from within the state into a STAR bond district. For purposes of determining the tax increment within a major urban redevelopment district occupied by a major urban STAR bond project, the base year revenue shall be set to zero for specific areas constituting real estate or buildings acquired by a developer from a city or county.

(ii) “Major urban STAR bond project” means a STAR bond project for the purpose of commercially redeveloping either contiguous or separate noncontiguous STAR bond project areas within the boundaries of a major urban redevelopment district where the secretary has determined that for the project as a whole, visitation is projected to be at least 100,000 people per year, projected gross annual sales will be at least $10,000,000, and capital investment, including all non-STAB bond-funded new development within the major urban redevelopment district occurring in connection with the project located within the boundaries of such major urban redevelopment district, will be at least $25,000,000. Such a project may include an urban redevelopment complex. In the secretary's discretion, such a project may include an urban commercial redevelopment project if the secretary has additionally determined that the project is of significant local area importance or of regional importance and would be unlikely to meet the requirements of a STAR bond project not a major urban STAR bond project, but shall not include a major tourism area or major motor sports complex.

(jj) “Urban redevelopment complex” means a building or buildings and facilities that may be in one or more noncontiguous areas within a major urban redevelopment district and are part of a major urban STAR bond project and that may include a museum facility, athletic facility, aquarium facility or meeting space facility and all facilities directly related and necessary to the operation of an urban redevelopment
complex, but excluding hotels, motels, restaurants and retail facilities not
directly related to or necessary to the operation of such facility.

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

Sec. 3. K.S.A. 2015 Supp. 12-17,163 is hereby amended to read as
follows: 12-17,163. The governing body of any city or county may
designate a building within such municipality to be an historic theater if
the governing body of the municipality and the secretary of commerce
agree that the building satisfies the requirements of subsection (h) of
K.S.A. 2015 Supp. 12-17,162(j), and amendments thereto, and will
contribute significantly to the economic development of the city and
surrounding area or the county.

Sec. 4. K.S.A. 2015 Supp. 12-17,164 is hereby amended to read as
follows: 12-17,164. (a) The governing body of a city may establish one or
more STAR bond projects in any area within such city or wholly outside
the boundaries of such city. A STAR bond project wholly outside the
boundaries of such city must be approved by the board of county
commissioners by the passage of a county resolution.

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

The projects shall be eligible for financing by special obligation bonds
payable from revenues described by subsection (a)(1) of K.S.A. 2015
Supp. 12-17,169(a)(1), and amendments thereto.

(b) Each STAR bond project shall first be approved by the secretary,
if the secretary determines that the proposed project or complex
sufficiently promotes, stimulates and develops the general and economic
welfare of the state as described in K.S.A. 2015 Supp. 12-17,160, and
amendments thereto. The secretary, upon approving the project, may
approve such financing in an amount not to exceed 50% of the total costs
including all project costs and any other costs related to the project. The
proceeds of such STAR bond financing may only be used to pay for
incurred project costs.

(c) For a city proposing to finance a major motorsports complex
pursuant to subsection (a)(1)(C) or (a)(1)(E) of K.S.A. 2015 Supp. 12-
17,169(a)(1)(C) or (a)(1)(E), and amendments thereto, the secretary, upon
approving the project, may approve such financing in an amount not to
exceed 50% of the STAR bond project costs.

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

(e) A project shall not be granted to any business that proposes to
relocate its business from another area of the state into such city or county, for the purpose of consideration for a STAR bond project provided by K.S.A. 2015 Supp. 12-17,160 et seq., and amendments thereto. For a period of five years from the date the STAR bond project district is established, no business, other than a business owned by the property owner or in which the property owner has a majority ownership, may relocate its business to a STAR bond project district unless the business to be relocated is located more than 50 miles from the proposed relocation site. The foregoing does not apply to any businesses located outside the state of Kansas.

(f) A project shall not be approved by the secretary if the market study required by K.S.A. 2015 Supp. 12-17,166, and amendments thereto, indicates a substantial negative impact upon businesses in the project or complex market area or the granting of such project or complex would cause a default in the payment of any outstanding special obligation bond payable from revenues authorized pursuant to subsection (a)(1) of K.S.A. 2015 Supp. 12-17,169(a)(1), and amendments thereto.

(g) The maximum maturity of special obligation bonds payable primarily from revenues described by subsection (a)(1) of K.S.A. 2015 Supp. 12-17,169(a)(1), and amendments thereto, to finance STAR bond projects pursuant to this section shall not exceed 20 years.

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

(i) Any approval by the secretary of an application by a city or county for STAR bond project financing pursuant to this section shall specify that should the financing exceed 50% of the total costs, including all project costs and any other costs related to the project, or in the case of a major motorsports complex pursuant to K.S.A. 2015 Supp. 12-17,169(a)(1)(c) or (a)(1)(E), and amendments thereto, exceed 50% of the STAR bond project costs, the city or county shall remit to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto, an amount equal to the amount of financing that exceeded such limit. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the state general fund.

Sec. 5. K.S.A. 2015 Supp. 12-17,166 is hereby amended to read as follows: 12-17,166. (a) One or more projects may be undertaken by a city or county within an established STAR bond project district. Any city or county proposing to undertake a STAR bond project, shall prepare a STAR bond project plan in consultation with the planning commission of the city, and in consultation with the planning commission of the county, if any, if such project is located wholly outside the boundaries of the city. Any such
project plan may be implemented in separate development stages.

(b) Any city or county proposing to undertake a STAR bond project within a STAR bond project district established pursuant to K.S.A. 2015 Supp. 12-17,165, and amendments thereto, shall prepare a feasibility study. The feasibility study shall contain the following:

1. Whether a STAR bond project's revenue and tax increment revenue and other available revenues under K.S.A. 2015 Supp. 12-17,169, and amendments thereto, are expected to exceed or be sufficient to pay for the project costs;
2. the effect, if any, a STAR bond project will have on any outstanding special obligation bonds payable from the revenues described in K.S.A. 2015 Supp. 12-17,169, and amendments thereto;
3. a statement of how the jobs and taxes obtained from the STAR bond project will contribute significantly to the economic development of the state and region;
4. visitation expectations;
5. the unique quality of the project;
6. economic impact study pursuant to the following requirements:
   A. The economic impact study shall be commissioned and directed by the secretary and conducted by an independent economic consultant selected by the secretary. Prior to the secretary initiating the process of selecting and engaging an independent economic consultant for the economic impact study, the secretary and the city or county proposing to undertake the STAR bond project shall consult for the limited purpose of determining an acceptable range of fees or costs for the economic impact study; and
   B. the secretary shall solely procure, negotiate and execute an agreement with an independent economic consultant for the purpose of performing the economic impact study and shall solely make payment for services rendered by the independent economic consultant in providing the economic impact study in accordance with such agreement. The secretary shall advise the city or county proposing to undertake the STAR bond project of costs or fees and when such costs or fees are due under the secretary's agreement with the independent economic consultant. At the secretary's request, the city or county proposing to undertake the STAR bond project shall timely pay over to the secretary the amount of such costs or fees before such costs or fees are due. The secretary shall then make payment to the independent consultant in accordance with the secretary's agreement with the independent consultant. In the secretary's discretion, any costs or fees, including, but not limited to, costs that are not certain in time or amount, pursuant to the secretary's agreement with the independent consultant may be paid to the independent economic consultant by the secretary and shall be reimbursed to the secretary by the
city or county proposing to undertake the STAR bond project within 15
days of the secretary's payment thereof to the independent consultant.
Upon approval of the STAR bond project plan, the city or county
proposing to undertake the STAR bond project may recover the costs of the
economic impact study from the STAR bond proceeds;
(7) market study;
(8) market impact study;
(9) integration and collaboration with other resources or businesses;
(10) the quality of service and experience provided, as measured
against national consumer standards for the specific target market;
(11) project accountability, measured according to best industry
practices;
(12) the expected return on state and local investment that the project
is anticipated to produce;
(13) a statement concerning whether a portion of the local sales and
use taxes are pledged to other uses and are unavailable as revenue for the
STAR bond project. If a portion of local sales and use taxes is so
committed, the applicant shall describe the following:
(A) The percentage of city and county sales and use taxes collected
that are so committed; and
(B) the date or dates on which the city and county sales and use taxes
pledged to other uses can be pledged for repayment of bonds; and
(14) an anticipated principal and interest payment schedule on the
bond issue.
The failure to include all information enumerated in this subsection in
the feasibility study for a STAR bond project shall not affect the validity of
bonds issued pursuant to this act.
(c) If the city or county determines the project is feasible, the project
plan shall include:
(1) A summary of the feasibility study done as defined in subsection
(b) of this section, and amendments thereto;
(2) a reference to the district plan established under K.S.A. 2015
Supp. 12-17,165, and amendments thereto, that identifies the project area
that is set forth in the project plan that is being considered;
(3) a description and map of the project area to be redeveloped;
(4) the relocation assistance plan as described in K.S.A. 2015 Supp.
12-17,172, and amendments thereto;
(5) a detailed description of the buildings and facilities proposed to be
constructed or improved in such area; and
(6) any other information the governing body of the city or county
deems necessary to advise the public of the intent of the project plan.
(d) A copy of the STAR bond project plan prepared by a city shall be
delivered to the board of county commissioners of the county and the
board of education of any school district levying taxes on property within
the STAR bond project area. A copy of the STAR bond project plan
prepared by a county shall be delivered to the board of education of any
school district levying taxes on property within the STAR bond project
area.

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

(1) Give notice that a public hearing will be held to consider the
adoption of the STAR bond project plan and fix the date, hour and place of
such public hearing;

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

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

(4) state that the STAR bond project plan, including a summary of the
feasibility study, market study, relocation assistance plan and financial
guarantees of the prospective developer and a description and map of the
area to be redeveloped or developed are available for inspection during
regular office hours in the office of the city clerk or county clerk,
respectively.

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

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

(3) At the public hearing, a representative of the city or county shall present the city's or county's proposed STAR bond project plan. Following the presentation of the STAR bond project area, all interested persons shall be given an opportunity to be heard. The governing body for good cause shown may recess such hearing to a time and date certain, which shall be fixed in the presence of persons in attendance at the hearing.

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

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

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

(j) If the STAR bond project plan is approved, the feasibility study shall be supplemented to include a copy of the minutes of the governing body meetings of any city or county whose bonding authority will be utilized in the STAR bond project, evidencing that a STAR bond project plan has been created, discussed and adopted by the city or county in a regularly scheduled open public meeting.

(k) Any substantial changes as defined in K.S.A. 2015 Supp. 12-17,162, and amendments thereto, to the STAR bond project plan as adopted shall be subject to a public hearing following publication of notice thereof at least twice in the official city or county newspaper.

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

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

(n) Any developer of a STAR bond project shall commence work on the project within two years from the date of adoption of the STAR bond project plan. Should the developer fail to commence work on the STAR
bond project within the two-year period, funding for such project shall cease and the developer of such project or complex shall have one year to appeal to the secretary for reapproval of such project and the funding for it. Should the project be reapproved, the two-year period for commencement shall apply.

Sec. 6. K.S.A. 2015 Supp. 12-17,168 is hereby amended to read as follows: 12-17,168. (a) Any city or county which has received approval for a STAR bond project may request STAR bond issuance authority to issue additional STAR bonds in an amount in excess of the amount previously approved by the secretary. Any city or county requesting such additional STAR bond issuance authority shall make application for approval to the secretary. Such application shall include all information required to be submitted to the secretary for initial approval of a STAR bond project, including, but not limited to, a feasibility study as required by K.S.A. 2015 Supp. 12-17,166, and amendments thereto.

(b) The secretary shall review all of the information submitted by the city or county in the request for additional STAR bond issuance authority and determine whether to approve a request, and, if approved, issue an approval letter for additional STAR bond issuance authority based upon the requirements within this act and rules and regulations developed by the secretary.

(c) The secretary may approve such additional STAR bond issuance authority in an amount not to exceed 50% of the total costs of the addition or expansion to the STAR bond project for which the additional STAR bond issuance authority is sought, including all project costs and any other costs related to the project addition or expansion. The proceeds of such additional STAR bond financing may only be used to pay for incurred project costs of such addition or expansion.

(d) Any approval by the secretary of an application by a city or county for additional STAR bond project financing pursuant to this section shall specify that should the financing exceed 50% of the total costs of the addition or expansion to the STAR bond project for which the additional STAR bond issuance authority is sought, including all project costs and any other costs related to the project addition or expansion, the city or county shall remit to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto, an amount equal to the amount of financing that exceeded such limit. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the state general fund.

Sec. 7. K.S.A. 2015 Supp. 12-17,169 is hereby amended to read as follows: 12-17,169. (a) (1) Any city or county shall have the power to issue special obligation bonds in one or more series to finance the undertaking of any STAR bond project in accordance with the provisions
of this act. Such special obligation bonds shall be made payable, both as to
principal and interest:
(A) From revenues of the city or county derived from or held in
connection with the undertaking and carrying out of any STAR bond
project or projects under this act including historic theater sales tax
increments;
(B) from any private sources, contributions or other financial
assistance from the state or federal government;
(C) from a pledge of 100% of the tax increment revenue received by
the city from any local sales and use taxes, including the city's share of any
county sales tax, which are collected from taxpayers doing business within
that portion of the city's STAR bond project district established pursuant to
K.S.A. 2015 Supp. 12-17,165, and amendments thereto, occupied by a
STAR bond project, except for amounts committed to other uses by
election of voters or pledged to bond repayment prior to the approval of
the STAR bond project;
(D) at the option of the county in a city STAR bond project district,
from a pledge of all of the tax increment revenues received by the county
from any local sales and use taxes which are collected from taxpayers
doing business within that portion of the city's STAR bond project district
established pursuant to K.S.A. 2015 Supp. 12-17,165, and amendments
thereto, except for amounts committed to other uses by election of voters
or pledged to bond repayment prior to the approval of a STAR bond
project;
(E) in a county STAR bond project district, from a pledge of 100% of
the tax increment revenue received by the county from any county sales
and use tax, but excluding any portions of such taxes that are allocated to
the cities in such county pursuant to K.S.A. 12-192, and amendments
thereto, which are collected from taxpayers doing business within that
portion of the county's STAR bond project district established pursuant to
K.S.A. 2015 Supp. 12-17,165, and amendments thereto, occupied by a
STAR bond project;
(F) from a pledge of all or a portion of the tax increment revenue
received from any state sales taxes which are collected from taxpayers
doing business within that portion of the city's or county's STAR bond
project district occupied by a STAR bond project;
(G) at the option of the city or county and with approval of the
secretary, from all or a portion of the transient guest tax of such city or
county;
(H) at the option of the city or county and with approval of the
secretary; (i) From a pledge of all or a portion of increased revenue
received by the city or county from franchise fees collected from utilities
and other businesses using public right-of-way within the STAR bond
(I) for purposes of financing a major urban STAR bond project, from a pledge of all or a portion of revenues from any source or financing method or combination of sources or financing methods permitted by this section and in addition, from any source or financing method or combination of sources or financing methods permitted by this section, pledged, received, derived from or held by the city in connection with any other STAR bond project, in another STAR bond district within the same city, where such revenues exceed revenue required to satisfy project costs of such other STAR bond project and the secretary of revenue has determined, as provided by K.S.A. 2015 Supp. 12-17,174(b), and amendments thereto, that the amount of sales tax and other revenues that have been collected and distributed to the bond debt service or reserve fund for such other STAR bond project is sufficient to satisfy all principal and interest costs, to the maturity date or dates, of any special obligation bonds issued by a city or county to finance such other STAR bond project; or

(J) by any combination of these methods.

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

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

(3) Bonds issued under the provisions of paragraph (1) of this subsection (a)(1) shall be special obligations of the city or county and are declared to be negotiable instruments. Such bonds shall be executed by the mayor and clerk of the city or the chairperson of the board of county commissioners and the county clerk and sealed with the corporate seal of the city or county. All details pertaining to the issuance of such special obligation bonds and terms and conditions thereof shall be determined by ordinance of the city or by resolution of the county.

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

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

(b) (1) Subject to the provisions of paragraph (2) of this subsection (b)(2), any city shall have the power to issue full faith and credit tax increment bonds to finance the undertaking, establishment or redevelopment of any major motorsports complex, as defined in subsection (k) of K.S.A. 2015 Supp. 12-17,162(m), and amendments thereto. Such full faith and credit tax increment bonds shall be made payable, both as to principal and interest: (A) From the revenue sources identified in paragraph (1) of subsection (a)(1) or by any combination of these sources; and (B) subject to the provisions of paragraph (2) of this subsection (b)(2), from a pledge of the city's full faith and credit to use its ad valorem taxing authority for repayment thereof in the event all other authorized sources of revenue are not sufficient.

(2) Except as provided in paragraph (3) of this subsection (b)(3), before the governing body of any city proposes to issue full faith and credit tax increment bonds as authorized by this subsection, the feasibility study required by subsection (b) of K.S.A. 2015 Supp. 12-17,166(b), and amendments thereto, shall demonstrate that the benefits derived from the project will exceed the cost and that the income therefrom will be sufficient to pay the costs of the project. No full faith and credit tax increment bonds shall be issued unless the governing body states in the resolution required by subsection (e) of K.S.A. 2015 Supp. 12-17,166(e), and amendments thereto, that it may issue such bonds to finance the proposed STAR bond project. The governing body may issue the bonds unless within 60 days following the conclusion of the public hearing on the proposed STAR bond project plan a protest petition signed by 3% of the qualified voters of the city is filed with the city clerk in accordance with the provisions of K.S.A. 25-3601 et seq., and amendments thereto. If a sufficient petition is filed, no full faith and credit tax increment bonds shall be issued until the issuance of the bonds is approved by a majority of the voters voting at an election thereon. Such election shall be called and held in the manner provided by the general bond law. The failure of the voters to approve the issuance of full faith and credit tax increment bonds shall not prevent the city from issuing special obligation bonds in accordance with this section. No such election shall be held in the event the board of county commissioners or the board of education determines, as provided in K.S.A. 2015 Supp. 12-17,165, and amendments thereto, that
the proposed STAR bond project district will have an adverse effect on the county or school district.

(3) As an alternative to paragraph (2) of this subsection (b)(2), any city which adopts a STAR bond project plan for a major motorsports complex, but does not state its intent to issue full faith and credit tax increment bonds in the resolution required by subsection (e) of K.S.A. 2015 Supp. 12-17,166(e), and amendments thereto, and has not acquired property in the STAR bond project area may issue full faith and credit tax increment bonds if the governing body of the city adopts a resolution stating its intent to issue the bonds and the issuance of the bonds is approved by a majority of the voters voting at an election thereon. Such election shall be called and held in the manner provided by the general bond law. The failure of the voters to approve the issuance of full faith and credit tax increment bonds shall not prevent the city from issuing special obligation bonds pursuant to paragraph (1) of subsection (a)(1). Any project plan adopted by a city prior to the effective date of this act in accordance with K.S.A. 12-1772, and amendments thereto, shall not be invalidated by any requirements of this act.

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

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

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

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

(d) A city or county may use the proceeds of special obligation bonds or any uncommitted funds derived from sources set forth in this section to pay the bond project costs as defined in K.S.A. 2015 Supp. 12-17,162, and amendments thereto, to implement the STAR bond project plan.

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

Sec. 8. K.S.A. 2015 Supp. 12-17,171 is hereby amended to read as follows: 12-17,171. (a) Any addition of area to the STAR bond project district, or any substantial change as defined in K.S.A. 2015 Supp. 12-17,162, and amendments thereto, to the STAR bond project district plan shall be subject to the same procedure for public notice and hearing as is required for the establishment of the STAR bond project district. The base year of a STAR bond project district following the addition of area to the STAR bond project district shall be revised to reflect the base year of the original area.

(b) A city or county may remove real property from a STAR bond project district by an ordinance or resolution of the governing body respectively.

(c) A city or county may divide the real property in a STAR bond project district, including real property in different project areas within a STAR bond project district, into separate STAR bond project districts. Any division of real property within a STAR bond project district into more than one STAR bond project district shall be subject to the same procedure of public notice and hearing as is required for the establishment of the STAR bond project district.

(d) If a city or county has undertaken a STAR bond project within a STAR bond project district, and either the city or county wishes to subsequently remove more than a de minimus amount of real property from the STAR bond project district, or the city or county wishes to subsequently divide the real property in the STAR bond project district into more than one STAR bond project district, then prior to any such
removal or division the city or county must provide a feasibility study which shows that the tax revenue from the resulting STAR bond project district within which the STAR bond project is located is expected to be sufficient to pay the project costs.

(e) Removal of real property from one STAR bond project district and addition of all or a portion of that real property to another STAR bond project district may be accomplished by the adoption of an ordinance or resolution, and in such event the determination of the existence or nonexistence of an adverse effect on the county or school district under subsection (f) of K.S.A. 2015 Supp. 12-17,165(f), and amendments thereto, shall apply to both such removal and such addition of real property to a STAR bond project district.

Sec. 9. K.S.A. 2015 Supp. 12-17,172 is hereby amended to read as follows: 12-17,172. (a) Any city or county which has adopted a STAR bond project plan in accordance with the provisions of this act may purchase or otherwise acquire real property in connection with such project plan. Upon a 2/3 vote of the members of the governing body thereof, a city or county may acquire by condemnation any interest in real property, including a fee simple title thereto, which it deems necessary for or in connection with any project plan of an area located within the project district; however, eminent domain may be used only as authorized by K.S.A. 26-501b, and amendments thereto.

Any such city or county may exercise the power of eminent domain in the manner provided by K.S.A. 26-501 et seq., and amendments thereto. In addition to any compensation or damages allowed under the eminent domain procedure act, such city or county shall also provide for the payment of relocation assistance as provided in K.S.A. 2015 Supp. 12-17,173, and amendments thereto.

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

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

d) Within a major urban redevelopment STAR bond district, as
defined by K.S.A. 2015 Supp. 12-17,162, and amendments thereto, any
real property, land or building owned by a city or county may be sold by
the city or county to a developer at a price equal to a current appraisal, in
accordance with a major urban STAR bond project plan. Any real
property, land or building sold to a project developer by the city or county
for a specific project shall be sold to such developer on the condition that
such property shall be used only for that specific approved project. If the
developer does not utilize the entire tract of the real property or land or
utilize the building acquired pursuant to this section that is sold by the city
or county in accordance with the major urban STAR bond project plan, the
building or that portion of real property or land not used shall not be sold,
transferred or leased by the developer to another developer party without
the express permission of the city and, if the prior owner, the county, but
shall be deeded back to the city or county. If deeded back to the city or
county and the developer paid the city or county for the property, a
percentage of the original purchase price paid to the city or county which
represents the percentage of the entire property being deeded back to the
property back to the city or county.

Sec. 10. K.S.A. 2015 Supp. 12-17,174 is hereby amended to read as
follows: 12-17,174. (a) Notwithstanding any other provisions of law to the
contrary, copies of all retailers' sales, use and transient guest tax returns
filed with the secretary of revenue in connection with a STAR bond project
area or STAR bond project, for which sales, use and transient guest tax
revenues are pledged or otherwise intended to be used in whole or in part
for the payment of bonds issued to finance project costs in such STAR
bond project area, shall be provided by the secretary of revenue to the
bond trustee, escrow agent or paying agent for such bonds upon the written
request of the city or county within 15 days of receipt by the secretary of
revenue. The bond trustee, escrow agent or paying agent shall keep such
retailers' sales, use and transient guest tax returns and the information
contained therein confidential, but may use such information for purposes
of allocating and depositing such sales, use and transient guest tax
revenues in connection with the bonds used to finance project costs in such
STAR bond project area. Except as otherwise provided herein, the sales,
use and transient guest tax returns received by the bond trustee, escrow
agent or paying agent shall be subject to the provisions of K.S.A. 79-3614,
and amendments thereto.

(b) The secretary of revenue shall determine when the amount of sales tax and other revenues that have been collected and distributed to the bond debt service or reserve fund is sufficient to satisfy all principal and interest costs to the maturity date or dates, of any special obligation bonds issued by a city or county to finance a STAR bond project, including the financing of a major urban STAR bond project as permitted by K.S.A. 2015 Supp. 12-17,169(a)(1)(I), and amendments thereto. Thereafter, all sales tax and other revenues shall be collected and distributed in accordance with applicable law.

Sec. 11. K.S.A. 2015 Supp. 12-17,177 is hereby amended to read as follows: 12-17,177. (a) The boundaries of any STAR bond project district in a major tourism area including an auto race track facility located in Wyandotte county, shall, without regard to that portion of the district pertaining to the auto race track facility, be as follows: Beginning at the intersection of Interstate 70 and Interstate 435; West along Interstate 70 to 118th Street; North along 118th Street to State Avenue; Northeasterly along proposed relocated State Avenue to 110th Street; North along 110th Street to Parallel Parkway; East along Parallel Parkway to Interstate 435; South along Interstate 435 to Interstate 70.

(b) Any major tourism area may include an additional area not exceeding 400 acres of additional property, excluding roads and highways, in addition to the property necessary for the auto race track facility upon a finding by the governor that the development plan and each project within such additional 400 acre area will enhance the major tourism area. For the development of each project within such additional 400 acre area the city shall select qualified developers pursuant to a request for proposals in accordance with written official procedures approved by the governing body of the city.

(c) Any project within such additional 400 acre area that is financed in whole or in part by special obligation bonds payable from revenues derived from subsection (a)(1)(C), (a)(1)(F) or (a)(1)(G) of K.S.A. 2015 Supp. 12-17,169, and amendments thereto, shall not be entitled to any real property tax abatements or the revenues described in K.S.A. 12-1775, and amendments thereto.

(d) Any project within such additional 400 acre area must be approved by the governor and construction must be commenced by July 1, 2002.

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

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

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

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

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

(h) Any business located in Kansas within 50 miles of a major tourism area that relocates into a major tourism area, including such additional 400 acre area, shall not receive any of the benefits of K.S.A. 2015 Supp. 12-17,160 et seq., and amendments thereto.

(i) If a city determines that revenues from sources other than property taxes will be sufficient to pay any special obligation bonds issued to finance a STAR bond project for an auto race track facility as described in K.S.A. 2015 Supp. 12-17,162, and amendments thereto, and the secretary makes a finding that such project will create a major tourism area as defined in K.S.A. 2015 Supp. 12-17,162, and amendments thereto, all real and personal property, constituting an auto race track facility described in K.S.A. 2015 Supp. 12-17,162, and amendments thereto, in such STAR bond project district shall be exempt from property taxation for a period ending on the earlier of:

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

(2) the date on which no such special obligation bonds issued to finance such auto race track facility in a major tourism area remain outstanding.

(j) The city which is authorized to issue bonds pursuant to the provisions of K.S.A. 2015 Supp. 12-17,160 et seq., and amendments thereto, in order to finance a STAR bond project in a major tourism area as
defined by K.S.A. 2015 Supp. 12-17,162, and amendments thereto, shall
obtain underwriting services required by the city for the issuance of such
bonds pursuant to written proposals received in accordance with this
section.

Each city which is authorized to issue such bonds shall establish
written official procedures for obtaining underwriting services required for
the issuance of such bonds, including specifications for requests for
proposals and criteria for evaluation of proposals on a competitive basis.
The proposal evaluation criteria shall include factors based on cost,
capacity to provide the required services, qualifications and experience.

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

(k) (j) A STAR bond project in a major tourism area for an auto race
track facility, shall be completed within 30 years from the date the
secretary makes the finding that the STAR bond project will create a major
tourism area pursuant to subsection (I) of K.S.A. 2015 Supp. 12-17,162(n),
and amendments thereto.

(l) (k) The maximum maturity on bonds issued to finance projects
pursuant to this act shall not exceed 20 years as provided in K.S.A. 2015
Supp. 12-17,166, and amendments thereto, except that:

(1) Such maximum period of special obligation bonds not payable
from revenues described by subsections (a)(1)(C), (a)(1)(F) and (a)(1)(G)
of K.S.A. 2015 Supp. 12-17,169(a)(1)(C), (a)(1)(F) and (a)(1)(G), and
amendments thereto, issued to finance an auto race track facility shall not
exceed 30 years; and

(2) such maximum period, if the governor determines and makes and
submits a finding to the speaker of the house of representatives and the
president of the senate that a maturity greater than 20 years, but in no
event exceeding 30 years, is necessary for the economic feasibility of the
financing of an auto race track facility with special obligation bonds
payable primarily from revenues described by subsections (a)(1)(C), (a)(1)
(F) and (a)(1)(G) of K.S.A. 2015 Supp. 12-17,169(a)(1)(C), (a)(1)(F) and
(a)(1)(G), and amendments thereto, may be extended in accordance with
such determination and finding.

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

Sec. 12. K.S.A. 2015 Supp. 79-3620 is hereby amended to read as follows: 79-3620. (a) All revenue collected or received by the director of taxation from the taxes imposed by this act shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury, less amounts withheld as provided in subsection (b) and amounts credited as provided in subsections (c), (d) and (e), to the credit of the state general fund.

(b) A refund fund, designated as "sales tax refund fund" not to exceed $100,000 shall be set apart and maintained by the director from sales tax collections and estimated tax collections and held by the state treasurer for prompt payment of all sales tax refunds. Such fund shall be in such amount, within the limit set by this section, as the director shall determine is necessary to meet current refunding requirements under this act. In the event such fund as established by this section is, at any time, insufficient to provide for the payment of refunds due claimants thereof, the director shall certify the amount of additional funds required to the director of accounts and reports who shall promptly transfer the required amount from the state general fund to the sales tax refund fund, and notify the state treasurer, who shall make proper entry in the records.

(c) (1) On July 1, 2010, the state treasurer shall credit 11.427% of the revenue collected and received from the tax imposed by K.S.A. 79-3603, and amendments thereto, at the rate of 6.3%, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(2) On July 1, 2011, the state treasurer shall credit 11.26% of the revenue collected and received from the tax imposed by K.S.A. 79-3603, and amendments thereto, at the rate of 6.3%, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(3) On July 1, 2012, the state treasurer shall credit 11.233% of the revenue collected and received from the tax imposed by K.S.A. 79-3603, and amendments thereto, at the rate of 6.3%, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(4) On July 1, 2013, the state treasurer shall credit 17.073% of the revenue collected and received from the tax imposed by K.S.A. 79-3603, and amendments thereto, at the rate of 6.15%, and deposited as provided
by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(5) On July 1, 2015, the state treasurer shall credit 16.226% of the revenue collected and received from the tax imposed by K.S.A. 79-3603, and amendments thereto, at the rate of 6.5%, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(6) On July 1, 2016, and thereafter, the state treasurer shall credit 16.154% of the revenue collected and received from the tax imposed by K.S.A. 79-3603, and amendments thereto, at the rate of 6.5%, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(d) Except as provided in subsection (f)(1) and (2), the state treasurer shall credit all revenue collected or received from the tax imposed by K.S.A. 79-3603, and amendments thereto, as certified by the director, from taxpayers doing business within that portion of a STAR bond project district occupied by a STAR bond project or taxpayers doing business with such entity financed by a STAR bond project as defined in K.S.A. 2015 Supp. 12-17,162, and amendments thereto, that was determined by the secretary of commerce to be of statewide as well as local importance or will create a major tourism area for the state or the project was designated as a STAR bond project as defined in K.S.A. 2015 Supp. 12-17,162, and amendments thereto, to the city bond finance fund, which fund is hereby created. The provisions of this subsection shall expire when the total of all amounts credited hereunder and under K.S.A. 79-3710(d), and amendments thereto, is sufficient to retire the special obligation bonds issued for the purpose of financing all or a portion of the costs of such STAR bond project or of a major urban STAR bond project as defined in K.S.A. 2015 Supp. 12-17,162, and amendments thereto, as permitted by K.S.A. 2015 Supp. 12-17,169(a)(1)(I), and amendments thereto.

(e) All revenue certified by the director of taxation as having been collected or received from the tax imposed by K.S.A. 79-3603(c), and amendments thereto, on the sale or furnishing of gas, water, electricity and heat for use or consumption within the intermodal facility district described in this subsection, shall be credited by the state treasurer to the state highway fund. Such revenue may be transferred by the secretary of transportation to the rail service improvement fund pursuant to law. The provisions of this subsection shall take effect upon certification by the secretary of transportation that a notice to proceed has been received for the construction of the improvements within the intermodal facility district, but not later than December 31, 2010, and shall expire when the secretary of revenue determines that the total of all amounts credited hereunder and pursuant to K.S.A. 79-3710(e), and amendments thereto, is
equal to $53,300,000, but not later than December 31, 2045. Thereafter, all revenues shall be collected and distributed in accordance with applicable law. For all tax reporting periods during which the provisions of this subsection are in effect, none of the exemptions contained in K.S.A. 79-3601 et seq., and amendments thereto, shall apply to the sale or furnishing of any gas, water, electricity and heat for use or consumption within the intermodal facility district. As used in this subsection, "intermodal facility district" shall consist of an intermodal transportation area as defined by K.S.A. 12-1770a(oo), and amendments thereto, located in Johnson county within the polygonal-shaped area having Waverly Road as the eastern boundary, 191st Street as the southern boundary, Four Corners Road as the western boundary, and Highway 56 as the northern boundary, and the polygonal-shaped area having Poplar Road as the eastern boundary, 183rd Street as the southern boundary, Waverly Road as the western boundary, and the BNSF mainline track as the northern boundary, that includes capital investment in an amount exceeding $150 million for the construction of an intermodal facility to handle the transfer, storage and distribution of freight through railway and trucking operations.

(f) (1) The state treasurer shall credit 0.05% of all revenue collected or received from the tax imposed by K.S.A. 79-3603, and amendments thereto, as certified by the director, from taxpayers as described in subsection (d), to the department of commerce STAR bond administration fund, which is hereby created in the state treasury. All expenditures from such fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary of commerce or a person designated by the secretary.

(2) The state treasurer shall credit 0.05% of all revenue collected or received from the tax imposed by K.S.A. 79-3603, and amendments thereto, as certified by the director, from taxpayers as described in subsection (d), to the department of revenue STAR bond administration fund, which is hereby created in the state treasury. All expenditures from such fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary of revenue or a person designated by the secretary.

Sec. 13. K.S.A. 2015 Supp. 79-3620b is hereby amended to read as follows: 79-3620b. Moneys credited to the city bond finance fund in accordance with the provisions of subsections (d) of K.S.A. 79-3620(d) and (d) of K.S.A. 79-3710(d), and amendments thereto, shall be distributed biannually to cities which have issued special obligation bonds to finance, in whole or in part, a STAR bond project which was determined by the secretary of commerce to be of statewide as well as local importance or
will create a major tourism area for the state or the project was designated as a STAR bond project as defined in K.S.A. 2015 Supp. 12-17,162, and amendments thereto. The state treasurer shall make such biannual distributions on such dates as mutually agreed to by the city and the state treasurer. The total of all distributions under this section shall not exceed an amount determined to be sufficient to retire the principal and interest payable on such special obligation bonds. Moneys paid to cities hereunder shall be deposited in a special fund of the city to pay the costs described herein.

Sec. 14. K.S.A. 2015 Supp. 79-3710 is hereby amended to read as follows: 79-3710. (a) All revenue collected or received by the director under the provisions of this act shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury, less amounts set apart as provided in subsection (b) and amounts credited as provided in subsection (c), (d) and (e), to the credit of the state general fund.

(b) A revolving fund, designated as "compensating tax refund fund" not to exceed $10,000 shall be set apart and maintained by the director from compensating tax collections and estimated tax collections and held by the state treasurer for prompt payment of all compensating tax refunds. Such fund shall be in such amount, within the limit set by this section, as the director shall determine is necessary to meet current refunding requirements under this act.

(c) (1) On July 1, 2010, the state treasurer shall credit 11.427% of the revenue collected and received from the tax imposed by K.S.A. 79-3703, and amendments thereto, at the rate of 6.3%, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(2) On July 1, 2011, the state treasurer shall credit 11.26% of the revenue collected and received from the tax imposed by K.S.A. 79-3703, and amendments thereto, at the rate of 6.3%, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(3) On July 1, 2012, the state treasurer shall credit 11.233% of the revenue collected and received from the tax imposed by K.S.A. 79-3703, and amendments thereto, at the rate of 6.3%, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(4) On July 1, 2013, the state treasurer shall credit 17.073% of the revenue collected and received from the tax imposed by K.S.A. 79-3703, and amendments thereto, at the rate of 6.15%, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection
(d), in the state highway fund.

(5) On July 1, 2015, the state treasurer shall credit 16.226% of the revenue collected and received from the tax imposed by K.S.A. 79-3703, and amendments thereto, at the rate of 6.5%, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(6) On July 1, 2016, and thereafter, the state treasurer shall credit 16.154% of the revenue collected and received from the tax imposed by K.S.A. 79-3703, and amendments thereto, at the rate of 6.5%, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(d) The state treasurer shall credit all revenue collected or received from the tax imposed by K.S.A. 79-3703, and amendments thereto, as certified by the director, from taxpayers doing business within that portion of a redevelopment district occupied by a redevelopment project that was determined by the secretary of commerce to be of statewide as well as local importance or will create a major tourism area for the state as defined in K.S.A. 12-1770a, and amendments thereto, to the city bond finance fund created by K.S.A. 79-3620(d), and amendments thereto. The provisions of this subsection shall expire when the total of all amounts credited hereunder and under K.S.A. 79-3620(d), and amendments thereto, is sufficient to retire the special obligation bonds issued for the purpose of financing all or a portion of the costs of such redevelopment project or sufficient to retire the special obligation bonds issued for the purpose of financing all or a portion of the costs of a major urban STAR bond project as defined in K.S.A. 2015 Supp. 12-17,162, and amendments thereto, as permitted by K.S.A. 2015 Supp. 12-17,169(a)(1)(I), and amendments thereto.

This subsection shall not apply to a project designated as a special bond project as defined in K.S.A. 12-1770a(z), and amendments thereto.

(e) All revenue certified by the director of taxation as having been collected or received from the tax imposed by K.S.A. 79-3603(c), and amendments thereto, on the sale or furnishing of gas, water, electricity and heat for use or consumption within the intermodal facility district described in this subsection, shall be credited by the state treasurer to the state highway fund. Such revenue may be transferred by the secretary of transportation to the rail service improvement fund pursuant to law. The provisions of this subsection shall take effect upon certification by the secretary of transportation that a notice to proceed has been received for the construction of the improvements within the intermodal facility district, but not later than December 31, 2010, and shall expire when the secretary of revenue determines that the total of all amounts credited hereunder and pursuant to K.S.A. 79-3620(e), and amendments thereto, is
equal to $53,300,000, but not later than December 31, 2045. Thereafter, all revenues shall be collected and distributed in accordance with applicable law. For all tax reporting periods during which the provisions of this subsection are in effect, none of the exemptions contained in K.S.A. 79-3601 et seq., and amendments thereto, shall apply to the sale or furnishing of any gas, water, electricity and heat for use or consumption within the intermodal facility district. As used in this subsection, "intermodal facility district" shall consist of an intermodal transportation area as defined by K.S.A. 12-1770a(oo), and amendments thereto, located in Johnson county within the polygonal-shaped area having Waverly Road as the eastern boundary, 191st Street as the southern boundary, Four Corners Road as the western boundary, and Highway 56 as the northern boundary, and the polygonal-shaped area having Poplar Road as the eastern boundary, 183rd Street as the southern boundary, Waverly Road as the western boundary, and the BNSF mainline track as the northern boundary, that includes capital investment in an amount exceeding $150 million for the construction of an intermodal facility to handle the transfer, storage and distribution of freight through railway and trucking operations.

Sec. 15. K.S.A. 2015 Supp. 12-1770a, 12-17,162, 12-17,163, 12-17,164, 12-17,166, 12-17,168, 12-17,169, 12-17,171, 12-17,172, 12-17,174, 12-17,177, 79-3620, 79-3620b and 79-3710 are hereby repealed.

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