

HOUSE BILL No. 2738

By Committee on Taxation

3-17

1 AN ACT concerning economic development; relating to STAR bonds and
2 tax increment financing; blighted urban areas; STAR bond definitions;
3 STAR bond projects; bonds, pledge of tax increment revenue; tax
4 abatements or revenues, limitations; economic impact, market and
5 market impact studies; base year assessed valuation; STAR bond
6 financing limitations; tax increment financing, eligible areas; amending
7 K.S.A. 2015 Supp. 12-1770a, 12-17,162, 12-17,163, 12-17,164, 12-
8 17,166, 12-17,168, 12-17,169, 12-17,171, 12-17,172, 12-17,174, 12-
9 17,177, 79-3620b and 79-3710 and repealing the existing sections.

10

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

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

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

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

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

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

- 31 (A) A substantial number of deteriorated or deteriorating structures;
32 (B) predominance of defective or inadequate street layout;
33 (C) unsanitary or unsafe conditions;
34 (D) deterioration of site improvements;
35 (E) tax or special assessment delinquency exceeding the fair market
36 value of the real property;

1 (F) defective or unusual conditions of title including, but not limited
2 to, cloudy or defective titles, multiple or unknown ownership interests to
3 the property;

4 (G) improper subdivision or obsolete platting or land uses;

5 (H) the existence of conditions which endanger life or property by
6 fire or other causes; or

7 (I) conditions which create economic obsolescence; ~~or~~

8 (2) has been identified by any state or federal environmental agency
9 as being environmentally contaminated to an extent that requires a
10 remedial investigation; feasibility study and remediation or other similar
11 state or federal action; ~~or~~

12 (3) a majority of the property is a 100-year floodplain area; or

13 (4) previously was found by resolution of the governing body to be a
14 slum or a blighted area under K.S.A. 17-4742 et seq., and amendments
15 thereto.

16 (d) "Conservation area" means any improved area comprising 15% or
17 less of the land area within the corporate limits of a city in which 50% or
18 more of the structures in the area have an age of 35 years or more, which
19 area is not yet blighted, but may become a blighted area due to the
20 existence of a combination of two or more of the following factors:

21 (1) Dilapidation, obsolescence or deterioration of the structures;

22 (2) illegal use of individual structures;

23 (3) the presence of structures below minimum code standards;

24 (4) building abandonment;

25 (5) excessive vacancies;

26 (6) overcrowding of structures and community facilities; or

27 (7) inadequate utilities and infrastructure.

28 (e) "De minimus" means an amount less than 15% of the land area
29 within a redevelopment district.

30 (f) "Developer" means any person, firm, corporation, partnership or
31 limited liability company, other than a city and other than an agency,
32 political subdivision or instrumentality of the state or a county when
33 relating to a bioscience development district.

34 (g) "Eligible area" means a blighted area, conservation area,
35 enterprise zone, intermodal transportation area, major tourism area or a
36 major commercial entertainment and tourism area ~~or~~, bioscience
37 development area *or a building or buildings which are 65 years of age or
38 older and any contiguous vacant or condemned lots.*

39 (h) "Enterprise zone" means an area within a city that was designated
40 as an enterprise zone prior to July 1, 1992, pursuant to K.S.A. 12-17,107
41 through 12-17,113, and amendments thereto, prior to its repeal and the
42 conservation, development or redevelopment of the area is necessary to
43 promote the general and economic welfare of such city.

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

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

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

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

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

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

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

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

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

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

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

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

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

42 (l) "Major tourism area" means an area for which the secretary has
43 made a finding the capital improvements costing not less than

1 \$100,000,000 will be built in the state to construct an auto race track
2 facility.

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

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

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

15 (A) Acquisition of property within the redevelopment project area;

16 (B) payment of relocation assistance pursuant to a relocation
17 assistance plan as provided in K.S.A. 12-1777, and amendments thereto;

18 (C) site preparation including utility relocations;

19 (D) sanitary and storm sewers and lift stations;

20 (E) drainage conduits, channels, levees and river walk canal facilities;

21 (F) street grading, paving, graveling, macadamizing, curbing,
22 guttering and surfacing;

23 (G) street light fixtures, connection and facilities;

24 (H) underground gas, water, heating and electrical services and
25 connections located within the public right-of-way;

26 (I) sidewalks and pedestrian underpasses or overpasses;

27 (J) drives and driveway approaches located within the public right-of-
28 way;

29 (K) water mains and extensions;

30 (L) plazas and arcades;

31 (M) major multi-sport athletic complex;

32 (N) museum facility;

33 (O) parking facilities including multilevel parking facilities;

34 (P) landscaping and plantings, fountains, shelters, benches,
35 sculptures, lighting, decorations and similar amenities;

36 (Q) related expenses to redevelop and finance the redevelopment
37 project;

38 (R) for purposes of an incubator project, such costs shall also include
39 wet lab equipment including hoods, lab tables, heavy water equipment and
40 all such other equipment found to be necessary or appropriate for a
41 commercial incubator wet lab facility by the city in its resolution
42 establishing such redevelopment district or a bioscience development
43 district;

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

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

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

15 (B) In addition, for a redevelopment project financed with special
16 obligation bonds payable from the revenues described in K.S.A. 12-
17 1774(a)(1)(D), and amendments thereto, redevelopment project costs shall
18 not include:

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

23 (ii) salaries for local government employees;

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

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

28 (v) lobbying costs;

29 (vi) a bond origination fee charged by the city pursuant to K.S.A. 12-
30 1742, and amendments thereto;

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

33 (viii) travel, entertainment and hospitality.

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

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

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

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

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

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

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

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

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

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

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

42 (aa) "Bioscience development area" means an area that:

43 (1) Is or shall be owned, operated, or leased by, or otherwise under

- 1 the control of the Kansas bioscience authority;
- 2 (2) is or shall be used and maintained by a bioscience company; or
- 3 (3) includes a bioscience facility.
- 4 (bb) "Bioscience development district" means the specific area,
- 5 created under K.S.A. 12-1771, and amendments thereto, where one or
- 6 more bioscience development projects may be undertaken.
- 7 (cc) "Bioscience development project" means an approved project to
- 8 implement a project plan in a bioscience development district.
- 9 (dd) "Bioscience development project plan" means the plan adopted
- 10 by the authority for a bioscience development project pursuant to K.S.A.
- 11 12-1772, and amendments thereto, in a bioscience development district.
- 12 (ee) "Bioscience facility" means real property and all improvements
- 13 thereof used to conduct bioscience research, including, without limitation,
- 14 laboratory space, incubator space, office space and any and all facilities
- 15 directly related and necessary to the operation of a bioscience facility.
- 16 (ff) "Bioscience project area" means an area designated by the
- 17 authority within a bioscience development district.
- 18 (gg) "Biotechnology" means those fields focusing on technological
- 19 developments in such areas as molecular biology, genetic engineering,
- 20 genomics, proteomics, physiomics, nanotechnology, biodefense,
- 21 biocomputing, bioinformatics and future developments associated with
- 22 biotechnology.
- 23 (hh) "Board" means the board of directors of the Kansas bioscience
- 24 authority.
- 25 (ii) "Life sciences" means the areas of medical sciences,
- 26 pharmaceutical sciences, biological sciences, zoology, botany, horticulture,
- 27 ecology, toxicology, organic chemistry, physical chemistry, physiology and
- 28 any future advances associated with life sciences.
- 29 (jj) "Revenue increase" means that amount of real property taxes
- 30 collected from real property located within the bioscience development
- 31 district that is in excess of the amount of real property taxes which is
- 32 collected from the base year assessed valuation.
- 33 (kk) "Taxpayer" means a person, corporation, limited liability
- 34 company, S corporation, partnership, registered limited liability
- 35 partnership, foundation, association, nonprofit entity, sole proprietorship,
- 36 business trust, group or other entity that is subject to the Kansas income
- 37 tax act, K.S.A. 79-3201 et seq., and amendments thereto.
- 38 (ll) "Floodplain increment" means the increment determined pursuant
- 39 to K.S.A. 2015 Supp. 12-1771e(b), and amendments thereto.
- 40 (mm) "100-year floodplain area" means an area of land existing in a
- 41 100-year floodplain as determined by either an engineering study of a
- 42 Kansas certified engineer or by the United States federal emergency
- 43 management agency.

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

12 (oo) "Intermodal transportation area" means an area of not less than
13 800 acres to be developed primarily to handle the transfer, storage and
14 distribution of freight through railway and trucking operations.

15 (pp) "Museum facility" means a separate newly-constructed museum
16 building and facilities directly related and necessary to the operation
17 thereof, including gift shops and restaurant facilities, but excluding hotels,
18 motels, restaurants and retail facilities not directly related to or necessary
19 to the operation of such facility. The museum facility shall be owned by
20 the state, a city, county, other political subdivision of the state or a non-
21 profit corporation, shall be managed by the state, a city, county, other
22 political subdivision of the state or a non-profit corporation and may not
23 be leased to any developer and shall not be located within any retail or
24 commercial building.

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

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

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

43 (c) "*Athletic facility*" means *a separate newly constructed athletic*

1 building or buildings and facilities utilized for training of athletes,
2 practice of athletes or athletic teams, playing of athletic games,
3 recreational athletic use by the public, or the hosting of athletic-related
4 events or rental or leasing of athletic facilities to the public. "Athletic
5 facility" includes: (1) All facilities directly related and necessary to the
6 operation thereof, including, but not limited to, athletic game playing
7 facilities, practice and training facilities, grandstands, suites and viewing
8 areas, shower, sauna, locker room facilities, sports-related injury and
9 medical facilities, meeting rooms, dormitories sufficient to house students
10 or trainees, athletic performance film review facilities, exercise facilities,
11 weight room facilities, swimming pool facilities, gift shops, lounge
12 facilities, restaurant facilities, office and staff facilities or sports and
13 athletic retail sales or rental facilities and equipment thereto, but
14 excluding (2) hotels, motels, restaurants and retail facilities not directly
15 related to the operation or business of such facility and any personal
16 property.

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

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

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

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

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

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

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

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

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

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

21 (†) (n) "Major tourism area" means an area for which the secretary has
22 made a finding the capital improvements costing not less than
23 \$100,000,000 will be built in the state to construct an auto race track
24 facility.

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

33 (p) "*Blighted urban redevelopment area*" means a STAR bond district
34 established on or after July 1, 2017, located in Sedgwick county, that may
35 include one or more blighted urban area STAR bond projects with
36 boundaries that are as follows: Beginning at the intersection of Sycamore
37 and Central avenue; east along Central avenue to Washington; south
38 along Washington to Kellogg; west along Kellogg to Sycamore; north on
39 Sycamore to Central avenue.

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

- 43 (1) Remain profitable past the term of repayment; and

1 (2) maintain status as a significant factor for travel decisions.

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

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

14 ~~(t)~~ (t) "Museum facility" means a separate newly-constructed
15 museum building and facilities directly related and necessary to the
16 operation thereof, including gift shops and restaurant facilities, but
17 excluding hotels, motels, restaurants and retail facilities not directly related
18 to or necessary to the operation of such facility. The museum facility shall
19 be owned by the state, a city, county, other political subdivision of the state
20 or a non-profit corporation, shall be managed by the state, a city, county,
21 other political subdivision of the state or a non-profit corporation and may
22 not be leased to any developer and shall not be located within any retail or
23 commercial building.

24 ~~(u)~~ (u) "Project" means a STAR bond project.

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

- 27 (1) Acquisition of real property within the STAR bond project area;
28 (2) payment of relocation assistance pursuant to a relocation
29 assistance plan as provided in K.S.A. 2015 Supp. 12-17,173, and
30 amendments thereto;
31 (3) site preparation including utility relocations;
32 (4) sanitary and storm sewers and lift stations;
33 (5) drainage conduits, channels, levees and river walk canal facilities;
34 (6) street grading, paving, graveling, macadamizing, curbing,
35 guttering and surfacing;
36 (7) street light fixtures, connection and facilities;
37 (8) underground gas, water, heating and electrical services and
38 connections located within the public right-of-way;
39 (9) sidewalks and pedestrian underpasses or overpasses;
40 (10) drives and driveway approaches located within the public right-
41 of-way;
42 (11) water mains and extensions;
43 (12) plazas and arcades;

- 1 (13) parking facilities and multilevel parking structures devoted to
 2 parking only;
- 3 (14) landscaping and plantings, fountains, shelters, benches,
 4 sculptures, *statues*, lighting, decorations and similar amenities;
- 5 (15) auto race track facility;
- 6 (16) major multi-sport athletic complex;
- 7 (17) museum facility;
- 8 (18) major motorsports complex;
- 9 (19) *aquarium facility*;
- 10 (20) *athletic facility*;
- 11 (21) *meeting space, if part of a blighted urban area STAR bond*
 12 *project*;
- 13 (22) *an economic impact, market and market impact study*;
- 14 (23) *historic theater*;
- 15 (24) related expenses to redevelop and finance the project, *including*
 16 *the cost of issuing the STAR bonds*, except that for a STAR bond project
 17 financed with special obligation bonds payable from the revenues
 18 described in ~~subsection (a)(1) of~~ K.S.A. 2015 Supp. 12-17,169(a)(1), and
 19 amendments thereto, such expenses shall require prior approval by the
 20 secretary of commerce; and
- 21 ~~(20)~~ (25) except as specified in subsections (1) through ~~(19)~~ (24)
 22 above, project costs shall not include:
- 23 (A) Costs incurred in connection with the construction of buildings or
 24 other structures;
- 25 (B) fees and commissions paid to developers, real estate agents,
 26 financial advisors or any other consultants who represent the developers or
 27 any other businesses considering locating in or located in a STAR bond
 28 project district;
- 29 (C) salaries for local government employees;
- 30 (D) moving expenses for employees of the businesses locating within
 31 the STAR bond project district;
- 32 (E) property taxes for businesses that locate in the STAR bond project
 33 district;
- 34 (F) lobbying costs;
- 35 (G) any bond origination fee charged by the city or county;
- 36 (H) any personal property as defined in K.S.A. 79-102, and
 37 amendments thereto; ~~and~~
- 38 (I) travel, entertainment and hospitality; *and*
- 39 (J) *engineering, architectural, legal and other indirect construction*
 40 *costs that exceed 15% of the total STAR bond project costs.*
- 41 ~~(w)~~ (w) "Projected market area" means any area within the state in
 42 which the project is projected to have a substantial fiscal or market impact
 43 upon businesses in such area.

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

6 ~~(u)~~ (y) "Sales tax and revenue" are those revenues available to finance
 7 the issuance of special obligation bonds as identified in K.S.A. 2015 Supp.
 8 12-17,168, and amendments thereto.

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

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

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

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

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

19 (B) would be of regional or statewide importance; or

20 (3) is a major tourism area as defined in subsection ~~(i)~~, and
 21 ~~amendments thereto (n)~~; or

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

24 (5) *is a blighted urban area STAR bond project, as defined in*
 25 *subsection (ii) with at least a \$50,000,000 capital investment and*
 26 *\$35,000,000 in projected gross annual sales and which the secretary finds*
 27 *the project meets the requirements in subsection (aa)(2)(A) and (B).*

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

31 ~~(y)~~ (cc) "STAR bond project district" means the specific area declared
 32 to be an eligible area as determined by the secretary in which the city or
 33 county may develop one or more STAR bond projects. A STAR bond
 34 project district includes a redevelopment district, as defined in K.S.A. 12-
 35 1770a, and amendments thereto, created prior to the effective date of this
 36 act for the Wichita Waterwalk project in Wichita, Kansas, provided, the
 37 city creating such redevelopment district submits an application for
 38 approval for STAR bond financing to the secretary on or before July 31,
 39 2007, and receives a final letter of determination from the secretary
 40 approving or disapproving the request for STAR bond financing on or
 41 before November 1, 2007. *A STAR bond project district includes a*
 42 *blighted urban area redevelopment district, as defined in subsection (p).*
 43 *No STAR bond project district shall include real property which has been*

1 *part of another STAR bond project district unless such STAR bond project*
2 *and STAR bond project district have been approved by the secretary of*
3 *commerce pursuant to K.S.A. 2015 Supp. 12-17,164 and 12-17,165, and*
4 *amendments thereto, prior to March 1, 2016. A STAR bond district shall*
5 *be limited to those areas being developed by the STAR bond project and*
6 *any areas reasonably anticipated to directly benefit from the STAR bond*
7 *project.*

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

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

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

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

20 ~~(dd)~~ (hh) "Tax increment" means that portion of the revenue derived
21 from state and local sales, use and transient guest tax imposed pursuant to
22 K.S.A. 12-187 et seq., 12-1692 et seq., 79-3601 et seq. and 79-3701 et
23 seq., and amendments thereto, collected from taxpayers doing business
24 within that portion of a STAR bond project district occupied by a project
25 that is in excess of the amount of base year revenue. For purposes of this
26 subsection, the base year shall be the 12-month period immediately prior
27 to the month in which the STAR bond project district is established. The
28 department of revenue shall determine base year revenue by reference to
29 the revenue collected during the base year from taxpayers doing business
30 within the specific area in which a STAR bond project district is
31 subsequently established. *The base year of a STAR bond project district*
32 *following the addition of area to the STAR bond project district shall be*
33 *the base year of the original area.* For purposes of this subsection, revenue
34 collected from taxpayers doing business within a STAR bond project
35 district, or within a specific area in which a STAR bond project district is
36 subsequently established shall not include local sales and use tax revenue
37 that is sourced to jurisdictions other than those in which the project is
38 located. *The secretary of revenue and the secretary of commerce shall*
39 *certify the appropriate amount of base year revenue for taxpayers*
40 *relocating from within the state into a STAR bond district.*

41 (ii) "*Blighted urban area STAR bond project*" means a STAR bond
42 project approved on or after July 1, 2017, for the purpose of redeveloping
43 STAR bond project areas within the boundaries of a blighted urban

1 *redevelopment area.*

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

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

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

21 The governing body of a county may establish one or more STAR bond
22 ~~projects~~ *districts* in any unincorporated area of the county *or within two or*
23 *more cities within the county.*

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

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

36 (c) For a city proposing to finance a major motorsports complex
37 pursuant to ~~subsection (a)(1)(C) or (a)(1)(E) of~~ K.S.A. 2015 Supp. 12-
38 17,169(a)(1)(C) *or (a)(1)(E)*, and amendments thereto, the secretary, upon
39 approving the project, may approve such financing in an amount not to
40 exceed 50% of the STAR bond project costs.

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

43 (e) ~~A project shall not be granted to any business that proposes to~~

1 relocate its business from another area of the state into such city or county,
2 for the purpose of consideration for a STAR bond project provided by
3 K.S.A. 2015 Supp. 12-17,160 et seq., and amendments thereto. For a
4 period of five years from the date the STAR bonds are sold, no business,
5 other than a business owned by the developer or in which the developer
6 has a majority ownership, may relocate its business to a STAR bond
7 project district, unless the business to be relocated is located more than 50
8 miles from the proposed relocation site. The foregoing does not apply to
9 any businesses located outside the state of Kansas. The Kansas sales taxes
10 available to the STAR bond project from any business relocating into a
11 STAR bond project district shall be limited to the tax increment as
12 determined by K.S.A. 12-17,162(hh), and amendments thereto.

13 (f) A project shall not be approved by the secretary if the market
14 study required by K.S.A. 2015 Supp. 12-17,166, and amendments thereto,
15 indicates a substantial negative impact upon businesses in the project or
16 complex market area or the granting of such project or complex would
17 cause a default in the payment of any outstanding special obligation bond
18 payable from revenues authorized pursuant to ~~subsection (a)(1)~~ of K.S.A.
19 2015 Supp. 12-17,169(a)(1), and amendments thereto.

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

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

28 (i) *Prior to approving a STAR bond project plan, the secretary shall*
29 *complete an internal review of the overall viability of the project, and after*
30 *consulting with the secretary of revenue, an assessment and certification*
31 *of the existing sales tax base and the impact of the project on sales tax*
32 *revenues into the state general fund. Included in this review shall be an*
33 *assessment of the private financing components of the STAR bond project.*
34 *Such information shall be included in the annual report required by K.S.A.*
35 *12-17,169, and amendments thereto.*

36 (j) *Any approval by the secretary of an application by a city or county*
37 *for STAR bond project financing pursuant to this section shall specify that*
38 *should the STAR bond project financing exceed 50% of the total costs,*
39 *including all project costs and any other costs related to the project, or in*
40 *the case of a major motorsports complex pursuant to K.S.A. 2015 Supp.*
41 *12-17,169(a)(1)(C) or (a)(1)(E), and amendments thereto, exceed 50% of*
42 *the STAR bond project costs measured at the end of the term of the STAR*
43 *bonds, the city or county shall remit to the state treasurer in accordance*

1 *with the provisions of K.S.A. 75-4215, and amendments thereto, an*
 2 *amount equal to the amount of STAR bond project financing that exceeded*
 3 *such limit. Upon receipt of each such remittance, the state treasurer shall*
 4 *deposit the entire amount in the state treasury to the credit of the state*
 5 *general fund.*

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

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

18 (1) Whether a STAR bond project's revenue and tax increment
 19 revenue and other available revenues under K.S.A. 2015 Supp. 12-17,169,
 20 and amendments thereto, are expected to exceed or be sufficient to pay for
 21 the project costs;

22 (2) the effect, if any, a STAR bond project will have on any
 23 outstanding special obligation bonds payable from the revenues described
 24 in K.S.A. 2015 Supp. 12-17,169, and amendments thereto;

25 (3) a statement of how the jobs and taxes obtained from the STAR
 26 bond project will contribute significantly to the economic development of
 27 the state and region;

28 (4) visitation expectations;

29 (5) the unique quality of the project;

30 (6) economic impact study;

31 (7) market study;

32 (8) market impact study;

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

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

36 (11) project accountability, measured according to best industry
 37 practices;

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

40 (13) a statement concerning whether a portion of the local sales and
 41 use taxes are pledged to other uses and are unavailable as revenue for the
 42 STAR bond project. If a portion of local sales and use taxes is so
 43 committed, the applicant shall describe the following:

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

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

5 (14) an anticipated principal and interest payment schedule on the
6 bond issue.

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

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

12 (1) A summary of the feasibility study done as defined in subsection
13 (b) of this section, and amendments thereto;

14 (2) a reference to the district plan established under K.S.A. 2015
15 Supp. 12-17,165, and amendments thereto, that identifies the project area
16 that is set forth in the project plan that is being considered;

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

18 (4) the relocation assistance plan as described in K.S.A. 2015 Supp.
19 12-17,172, and amendments thereto;

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

22 (6) any other information the governing body of the city or county
23 deems necessary to advise the public of the intent of the project plan.

24 (d) A copy of the STAR bond project plan prepared by a city shall be
25 delivered to the board of county commissioners of the county and the
26 board of education of any school district levying taxes on property within
27 the STAR bond project area. A copy of the STAR bond project plan
28 prepared by a county shall be delivered to the board of education of any
29 school district levying taxes on property within the STAR bond project
30 area.

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

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

43 (2) describe the boundaries of the STAR bond project district within

1 which the STAR bond project will be located and the date of establishment
2 of such district;

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

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

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

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

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

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

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

39 (i) After the adoption by the city or county governing body of a
40 STAR bond project plan, the clerk of the city or county shall transmit a
41 copy of the description of the land within the STAR bond project district, a
42 copy of the ordinance or resolution adopting the plan and a map or plat
43 indicating the boundaries of the district to the clerk, appraiser and treasurer

1 of the county in which the district is located and to the governing bodies of
2 the county and school district which levy taxes upon any property in the
3 district. Such documents shall be transmitted following the adoption or
4 modification of the plan or a revision of the plan on or before January 1 of
5 the year in which the increment is first allocated to the taxing subdivision.

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

12 (k) Any substantial changes as defined in K.S.A. 2015 Supp. 12-
13 17,162, and amendments thereto, to the STAR bond project plan as
14 adopted shall be subject to a public hearing following publication of notice
15 thereof at least twice in the official city or county newspaper.

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

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

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

31 (o) (1) *The economic impact, market and market impact studies*
32 *required by subsection (b)(6), (7) and (8), shall be commissioned and*
33 *directed by the secretary and conducted by an independent economic*
34 *consultant selected by the secretary. Prior to the secretary initiating the*
35 *process of selecting and engaging an independent economic consultant for*
36 *the economic impact, market and market impact studies, the secretary and*
37 *the city or county proposing to undertake the STAR bond project shall*
38 *consult for the limited purpose of determining an acceptable range of fees*
39 *or costs for the studies; and*

40 (2) *the secretary shall solely procure, negotiate and execute an*
41 *agreement with an independent economic consultant for the purpose of*
42 *performing the economic impact, market and market impact studies and*
43 *shall solely make payment for services rendered by the independent*

1 *economic consultant in providing such studies in accordance with such*
2 *agreement. The secretary shall advise the city or county proposing to*
3 *undertake the STAR bond project of costs or fees and when such costs or*
4 *fees are due under the secretary's agreement with the independent*
5 *economic consultant. At the secretary's request, the city or county*
6 *proposing to undertake the STAR bond project shall timely pay over to the*
7 *secretary the amount of such costs or fees before such costs or fees are*
8 *due. The secretary shall then make payment to the independent economic*
9 *consultant in accordance with the secretary's agreement with the*
10 *independent economic consultant. In the secretary's discretion, any costs*
11 *or fees, including, but not limited to, costs that are not certain in time or*
12 *amount, pursuant to the secretary's agreement with the independent*
13 *economic consultant may be paid to the independent economic consultant*
14 *by the secretary and shall be reimbursed to the secretary by the city or*
15 *county proposing to undertake the STAR bond project within 15 days of*
16 *the secretary's payment thereof to the independent economic consultant.*
17 *Upon approval of the STAR bond project plan, the city or county*
18 *proposing to undertake the STAR bond project may recover the costs of the*
19 *studies from the STAR bond proceeds.*

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

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

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

43 (d) *Any approval by the secretary of an application by a city or*

1 county for additional STAR bond project financing pursuant to this section
2 shall specify that should the STAR bond financing exceed 50% of the total
3 costs of the addition or expansion to the STAR bond project for which the
4 additional STAR bond issuance authority is sought, including all project
5 costs and any other costs related to the project addition or expansion, the
6 city or county shall remit to the state treasurer in accordance with the
7 provisions of K.S.A. 75-4215, and amendments thereto, an amount equal
8 to the amount of STAR bond project financing that exceeded such limit.
9 Upon receipt of each such remittance, the state treasurer shall deposit the
10 entire amount in the state treasury to the credit of the state general fund.

11 Sec. 7. K.S.A. 2015 Supp. 12-17,169 is hereby amended to read as
12 follows: 12-17,169. (a) (1) Any city or county shall have the power to
13 issue special obligation bonds in one or more series to finance the
14 undertaking of any STAR bond project in accordance with the provisions
15 of this act. Such special obligation bonds shall be made payable, both as to
16 principal and interest:

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

21 (B) from any private sources, contributions or other financial
22 assistance from the state or federal government;

23 (C) from a pledge of 100% of the tax increment revenue received by
24 the city from any local sales and use taxes, including the city's share of any
25 county sales tax, which are collected from taxpayers doing business within
26 that portion of the city's STAR bond project district established pursuant to
27 K.S.A. 2015 Supp. 12-17,165, and amendments thereto, occupied by a
28 STAR bond project, except for amounts committed to other uses by
29 election of voters or pledged to bond repayment prior to the approval of
30 the STAR bond project;

31 (D) at the option of the county in a city STAR bond project district,
32 from a pledge of all of the tax increment revenues received by the county
33 from any local sales and use taxes which are collected from taxpayers
34 doing business within that portion of the city's STAR bond project district
35 established pursuant to K.S.A. 2015 Supp. 12-17,165, and amendments
36 thereto, except for amounts committed to other uses by election of voters
37 or pledged to bond repayment prior to the approval of a STAR bond
38 project;

39 (E) in a county STAR bond project district, from a pledge of 100% of
40 the tax increment revenue received by the county from any county sales
41 and use tax, but excluding any portions of such taxes that are allocated to
42 the cities in such county pursuant to K.S.A. 12-192, and amendments
43 thereto, which are collected from taxpayers doing business within that

1 portion of the county's STAR bond project district established pursuant to
2 K.S.A. 2015 Supp. 12-17,165, and amendments thereto, occupied by a
3 STAR bond project;

4 (F) from a pledge of all *or a portion* of the tax increment revenue
5 received from any state sales taxes which are collected from taxpayers
6 doing business within that portion of the city's or county's STAR bond
7 project district occupied by a STAR bond project, *except that for any*
8 *STAR bond project district established and approved by the secretary on*
9 *or after July 1, 2016, such tax increment shall not include any sales tax*
10 *revenue from retail automobile dealers;*

11 (i) *for any STAR bond project whose STAR bond project district was*
12 *established and approved by the secretary pursuant to K.S.A. 2015 Supp.*
13 *12-17,165, and amendments thereto, on or after July 1, 2017, and before*
14 *July 1, 2018, the pledge of annual state sales taxes which are collected*
15 *from taxpayers doing business within that portion of the city's or county's*
16 *STAR bond district shall be limited to an amount no greater than six times*
17 *the aggregate amount of city and county tax revenue pledged to the STAR*
18 *bond project;*

19 (ii) *for any STAR bond project whose STAR bond project district was*
20 *established and approved by the secretary pursuant to K.S.A. 2015 Supp.*
21 *12-17,165, and amendments thereto, on or after July 1, 2018, and before*
22 *July 1, 2019, the pledge of annual state sales taxes which are collected*
23 *from taxpayers doing business within that portion of the city's or county's*
24 *STAR bond district shall be limited to an amount no greater than five times*
25 *the aggregate amount of city and county tax revenue pledged to the STAR*
26 *bond project;*

27 (iii) *for any STAR bond project whose STAR bond project district was*
28 *established and approved by the secretary pursuant to K.S.A. 2015 Supp.*
29 *12-17,165, and amendments thereto, on or after July 1, 2019, and before*
30 *July 1, 2020, the pledge of annual state sales taxes which are collected*
31 *from taxpayers doing business within that portion of the city's or county's*
32 *STAR bond district shall be limited to an amount no greater than four*
33 *times the aggregate amount of city and county tax revenue pledged to the*
34 *STAR bond project; and*

35 (iv) *for any STAR bond project whose STAR bond project district was*
36 *established and approved by the secretary pursuant to K.S.A. 2015 Supp.*
37 *12-17,165, and amendments thereto, on or after July 1, 2020, the pledge of*
38 *annual state sales taxes which are collected from taxpayers doing business*
39 *within that portion of the city's or county's STAR bond district shall be*
40 *limited to an amount no greater than three times the aggregate amount of*
41 *city and county tax revenue pledged to the STAR bond project;*

42 ~~(G) at the option of the city or county and with approval of the~~
43 ~~secretary, from all or a portion of the revenue received by a city or county~~

1 ~~from a local transient guest tax of such city or county, except for amounts~~
2 ~~committed to other uses by election of voters or pledged to bond~~
3 ~~repayment prior to the approval of the STAR bond project;~~

4 (H) at the option of the city or county and with approval of the
5 secretary; (i) From a pledge of all or a portion of increased revenue
6 received by the city or county from franchise fees collected from utilities
7 and other businesses using public right-of-way within the STAR bond
8 project district; or (ii) from a pledge of all or a portion of the revenue
9 received by a city or county from local sales taxes or local transient guest
10 and local use taxes; or

11 (I) by any combination of these methods.

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

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

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

29 All special obligation bonds issued pursuant to this act and all income
30 or interest therefrom shall be exempt from all state taxes. Such special
31 obligation bonds shall contain none of the recitals set forth in K.S.A. 10-
32 112, and amendments thereto. Such special obligation bonds shall,
33 however, contain the following recitals: (i) The authority under which such
34 special obligation bonds are issued; (ii) such bonds are in conformity with
35 the provisions, restrictions and limitations thereof; and (iii) that such
36 special obligation bonds and the interest thereon are to be paid from the
37 money and revenue received as provided in ~~paragraph (1) of this~~
38 ~~subsection (a) (1)~~.

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

42 (b) (1) Subject to the provisions of ~~paragraph (2) of this subsection~~
43 ~~(b)(2)~~, any city shall have the power to issue full faith and credit tax

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

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

37 (3) As an alternative to ~~paragraph (2) of this subsection (b)(2)~~, any
38 city which adopts a STAR bond project plan for a major motorsports
39 complex, but does not state its intent to issue full faith and credit tax
40 increment bonds in the resolution required by ~~subsection (e) of K.S.A.~~
41 2015 Supp. 12-17,166(e), and amendments thereto, and has not acquired
42 property in the STAR bond project area may issue full faith and credit tax
43 increment bonds if the governing body of the city adopts a resolution

1 stating its intent to issue the bonds and the issuance of the bonds is
2 approved by a majority of the voters voting at an election thereon. Such
3 election shall be called and held in the manner provided by the general
4 bond law. The failure of the voters to approve the issuance of full faith and
5 credit tax increment bonds shall not prevent the city from issuing special
6 obligation bonds pursuant to ~~paragraph (1)~~ of subsection (a)(1). Any
7 project plan adopted by a city prior to the effective date of this act in
8 accordance with K.S.A. 12-1772, and amendments thereto, shall not be
9 invalidated by any requirements of this act.

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

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

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

30 (c) For each project financed with special obligation bonds payable
31 from the revenues described in subsection (a)(1), the city or county shall
32 prepare and submit to the secretary by October 1 of each year, a report
33 describing the status of any projects within such STAR bond project area,
34 any expenditures of the proceeds of special obligation bonds that have
35 occurred since the last annual report and any expenditures of the proceeds
36 of such bonds expected to occur in the future, including the amount of
37 sales tax revenue, how such revenue has been spent, the projected amount
38 of such revenue ~~and~~, the anticipated use of such revenue *and any*
39 *anticipated or approved usage of the tax increment revenue*. The
40 department of commerce shall compile this information and submit a
41 report annually to the governor, *the legislative post audit committee* and
42 the legislature by February 1 of each year.

43 (d) A city or county may use the proceeds of special obligation bonds

1 or any uncommitted funds derived from sources set forth in this section to
2 pay the bond project costs as defined in K.S.A. 2015 Supp. 12-17,162, and
3 amendments thereto, to implement the STAR bond project plan.

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

12 Sec. 8. K.S.A. 2015 Supp. 12-17,171 is hereby amended to read as
13 follows: 12-17,171. (a) Any addition of area to the STAR bond project
14 district, or any substantial change as defined in K.S.A. 2015 Supp. 12-
15 17,162, and amendments thereto, to the STAR bond project district plan
16 shall be subject to the same procedure for public notice and hearing as is
17 required for the establishment of the STAR bond project district. *The base*
18 *year of a STAR bond project district following the addition of area to the*
19 *STAR bond project district shall be revised to reflect the base year of the*
20 *original area.*

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

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

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

41 (e) Removal of real property from one STAR bond project district
42 and addition of all or a portion of that real property to another STAR bond
43 project district may be accomplished by the adoption of an ordinance or

1 resolution, and in such event the determination of the existence or
2 nonexistence of an adverse effect on the county or school district under
3 ~~subsection (f)~~ of K.S.A. 2015 Supp. 12-17,165(j), and amendments
4 thereto, shall apply to both such removal and such addition of real property
5 to a STAR bond project district.

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

16 Any such city or county may exercise the power of eminent domain in
17 the manner provided by K.S.A. 26-501 et seq., and amendments thereto. In
18 addition to any compensation or damages allowed under the eminent
19 domain procedure act, such city or county shall also provide for the
20 payment of relocation assistance as provided in K.S.A. 2015 Supp. 12-
21 17,173, and amendments thereto.

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

39 (c) Any transfer by the project developer of real property acquired
40 pursuant to this section shall be valid only if approved by a $\frac{2}{3}$ majority
41 vote of the members of the governing body of this city or county.

42 (d) *Within a blighted urban area redevelopment district, as defined by*
43 *K.S.A. 2015 Supp. 12-17,162, and amendments thereto, any real property,*

1 *land or building owned by a city or county may be sold by the city or*
2 *county to a developer at a price equal to a current appraisal, in*
3 *accordance with a blighted urban area STAR bond project plan. Any real*
4 *property, land or building sold to a project developer by the city or county*
5 *for a specific project shall be sold to such developer on the condition that*
6 *such property shall be used only for that specific approved project. If the*
7 *developer does not utilize the entire tract of the real property or land or*
8 *utilize the building acquired pursuant to this section that is sold by the city*
9 *or county in accordance with the blighted urban area STAR bond project*
10 *plan, the building or that portion of real property or land not used shall*
11 *not be sold, transferred or leased by the developer to another developer*
12 *party without the express permission of the city and, if the prior owner, the*
13 *county, but shall be deeded back to the city or county. If deeded back to*
14 *the city or county and the developer paid the city or county for the*
15 *property, a percentage of the original purchase price paid to the city or*
16 *county which represents the percentage of the entire property being*
17 *deeded back to the city or county shall be reimbursed to the developer*
18 *upon the deeding of the property back to the city or county.*

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

38 (b) The secretary of revenue shall determine when the amount of
39 sales tax and other revenues that have been collected and distributed to the
40 bond debt service or reserve fund is sufficient to satisfy all principal and
41 interest costs to the maturity date or dates, of any special obligation bonds
42 issued by a city or county to finance a STAR bond project, *including the*
43 *financing of a blighted urban area STAR bond project as permitted by*

1 *K.S.A. 2015 Supp. 12-17,169(a)(1)(I), and amendments thereto.*
2 Thereafter, all sales tax and other revenues shall be collected and
3 distributed in accordance with applicable law.

4 Sec. 11. K.S.A. 2015 Supp. 12-17,177 is hereby amended to read as
5 follows: 12-17,177. (a) The boundaries of any STAR bond project district
6 in a major tourism area including an auto race track facility located in
7 Wyandotte county, shall, without regard to that portion of the district
8 pertaining to the auto race track facility, be as follows: Beginning at the
9 intersection of Interstate 70 and Interstate 435; West along Interstate 70 to
10 118th Street; North along 118th Street to State Avenue; Northeasterly along
11 proposed relocated State Avenue to 110th Street; North along 110th Street to
12 Parallel Parkway; East along Parallel Parkway to Interstate 435; South
13 along Interstate 435 to Interstate 70.

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

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

29 ~~(d)~~ Any project within such additional 400 acre area must be
30 approved by the governor and construction must be commenced by July 1,
31 2002.

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

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

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

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

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

15 ~~(h)~~ (g) Any business located in Kansas within 50 miles of a major
16 tourism area that relocates into a major tourism area, including such
17 additional 400 acre area, shall not receive any of the benefits of K.S.A.
18 2015 Supp. 12-17,160 et seq., and amendments thereto.

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

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

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

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

41 Each city which is authorized to issue such bonds shall establish
42 written official procedures for obtaining underwriting services required for
43 the issuance of such bonds, including specifications for requests for

1 proposals and criteria for evaluation of proposals on a competitive basis.
 2 The proposal evaluation criteria shall include factors based on cost,
 3 capacity to provide the required services, qualifications and experience.

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

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

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

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

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

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

42 Sec. 12. K.S.A. 2015 Supp. 79-3620b is hereby amended to read as
 43 follows: 79-3620b. Moneys credited to the city bond finance fund in

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

15 Sec. 13. K.S.A. 2015 Supp. 79-3710 is hereby amended to read as
16 follows: 79-3710. (a) All revenue collected or received by the director
17 under the provisions of this act shall be remitted to the state treasurer in
18 accordance with the provisions of K.S.A. 75-4215, and amendments
19 thereto. Upon receipt of each such remittance, the state treasurer shall
20 deposit the entire amount in the state treasury, less amounts set apart as
21 provided in subsection (b) and amounts credited as provided in subsection
22 (c), (d) and (e), to the credit of the state general fund.

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

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

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

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

1 the state highway fund.

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

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

12 (6) On July 1, 2016, and thereafter, the state treasurer shall credit
13 16.154% of the revenue collected and received from the tax imposed by
14 K.S.A. 79-3703, and amendments thereto, at the rate of 6.5%, and
15 deposited as provided by subsection (a), exclusive of amounts credited
16 pursuant to subsection (d), in the state highway fund.

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

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

32 (e) All revenue certified by the director of taxation as having been
33 collected or received from the tax imposed by K.S.A. 79-3603(c), and
34 amendments thereto, on the sale or furnishing of gas, water, electricity and
35 heat for use or consumption within the intermodal facility district
36 described in this subsection, shall be credited by the state treasurer to the
37 state highway fund. Such revenue may be transferred by the secretary of
38 transportation to the rail service improvement fund pursuant to law. The
39 provisions of this subsection shall take effect upon certification by the
40 secretary of transportation that a notice to proceed has been received for
41 the construction of the improvements within the intermodal facility
42 district, but not later than December 31, 2010, and shall expire when the
43 secretary of revenue determines that the total of all amounts credited

1 hereunder and pursuant to K.S.A. 79-3620(e), and amendments thereto, is
2 equal to \$53,300,000, but not later than December 31, 2045. Thereafter, all
3 revenues shall be collected and distributed in accordance with applicable
4 law. For all tax reporting periods during which the provisions of this
5 subsection are in effect, none of the exemptions contained in K.S.A. 79-
6 3601 et seq., and amendments thereto, shall apply to the sale or furnishing
7 of any gas, water, electricity and heat for use or consumption within the
8 intermodal facility district. As used in this subsection, "intermodal facility
9 district" shall consist of an intermodal transportation area as defined by
10 K.S.A. 12-1770a(oo), and amendments thereto, located in Johnson county
11 within the polygonal-shaped area having Waverly Road as the eastern
12 boundary, 191st Street as the southern boundary, Four Corners Road as the
13 western boundary, and Highway 56 as the northern boundary, and the
14 polygonal-shaped area having Poplar Road as the eastern boundary, 183rd
15 Street as the southern boundary, Waverly Road as the western boundary,
16 and the BNSF mainline track as the northern boundary, that includes
17 capital investment in an amount exceeding \$150 million for the
18 construction of an intermodal facility to handle the transfer, storage and
19 distribution of freight through railway and trucking operations.

20 Sec. 14. K.S.A. 2015 Supp. 12-1770a, 12-17,162, 12-17,163, 12-
21 17,164, 12-17,166, 12-17,168, 12-17,169, 12-17,171, 12-17,172, 12-
22 17,174, 12-17,177, 79-3620b and 79-3710 are hereby repealed.

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