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

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

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

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

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

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

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

   (B) predominance of defective or inadequate street layout;

   (C) unsanitary or unsafe conditions;

   (D) deterioration of site improvements;

   (E) tax or special assessment delinquency exceeding the fair market value of the real property;
(F) defective or unusual conditions of title including, but not limited to, cloudy or defective titles, multiple or unknown ownership interests to the property;

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

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

(I) conditions which create economic obsolescence; or

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

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

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

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

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

(2) illegal use of individual structures;

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

(4) building abandonment;

(5) excessive vacancies;

(6) overcrowding of structures and community facilities; or

(7) inadequate utilities and infrastructure.

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

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

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

(h) "Enterprise zone" means an area within a city that was designated as an enterprise zone prior to July 1, 1992, pursuant to K.S.A. 12-17,107 through 12-17,113, and amendments thereto, prior to its repeal and the conservation, development or redevelopment of the area is necessary to promote the general and economic welfare of such city.
(i) "Environmental increment" means the increment determined pursuant to K.S.A. 12-1771a(b), and amendments thereto.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(ii) salaries for local government employees;

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

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

(v) lobbying costs;

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

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

(viii) travel, entertainment and hospitality.

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

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

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

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

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

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

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

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

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

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

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

(1) Is or shall be owned, operated, or leased by, or otherwise under
the control of the Kansas bioscience authority;

(2) is or shall be used and maintained by a bioscience company; or

(3) includes a bioscience facility.

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

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

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

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

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

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

(hh) "Board" means the board of directors of the Kansas bioscience authority.

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

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

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

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

(mm) "100-year floodplain area" means an area of land existing in a 100-year floodplain as determined by either an engineering study of a Kansas certified engineer or by the United States federal emergency management agency.
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(mn) "Major motorsports complex" means a complex in Shawnee county that is utilized for the hosting of competitions involving motor vehicles, including, but not limited to, automobiles, motorcycles or other self-propelled vehicles other than a motorized bicycle or motorized wheelchair. Such project may include racetracks, all facilities directly related and necessary to the operation of a motorsports complex, including, but not limited to, parking lots, grandstands, suites and viewing areas, concessions, souvenir facilities, catering facilities, visitor and retail centers, signage and temporary hospitality facilities, but excluding hotels, motels, restaurants and retail facilities not directly related to or necessary to the operation of such facility.

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

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

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

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

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

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


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

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

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

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

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

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

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

(j) "Historic theater" means a building constructed prior to 1940 which was constructed for the purpose of staging entertainment, including motion pictures, vaudeville shows or operas, that is operated by a nonprofit corporation and is designated by the state historic preservation officer as eligible to be on the Kansas register of historic places or is a member of the Kansas historic theater association.
Historic theater sales tax increment" means the amount of state and local sales tax revenue imposed pursuant to K.S.A. 12-187 et seq., 79-3601 et seq. and 79-3701 et seq., and amendments thereto, collected from taxpayers doing business within the historic theater that is in excess of the amount of such taxes collected prior to the designation of the building as a historic theater for purposes of this act.  

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

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

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

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

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

"Market study" means a study to determine the ability of the project to gain market share locally, regionally and nationally and the ability of the project to gain sufficient market share to:  

1. Remain profitable past the term of repayment; and
(2) maintain status as a significant factor for travel decisions.

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

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

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

(q) (u) "Project" means a STAR bond project.

(r) (v) "Project costs" means those costs necessary to implement a
STAR bond project plan, including costs incurred for:
(1) Acquisition of real property within the STAR bond project area;
(2) payment of relocation assistance pursuant to a relocation
assistance plan as provided in K.S.A. 2015 Supp. 12-17,173, and
amendments thereto;
(3) site preparation including utility relocations;
(4) sanitary and storm sewers and lift stations;
(5) drainage conduits, channels, levees and river walk canal facilities;
(6) street grading, paving, graveling, macadamizing, curbing,
guttering and surfacing;
(7) street light fixtures, connection and facilities;
(8) underground gas, water, heating and electrical services and
connections located within the public right-of-way;
(9) sidewalks and pedestrian underpasses or overpasses;
(10) drives and driveway approaches located within the public right-
of-way;
(11) water mains and extensions;
(12) plazas and arcades;
parking facilities and multilevel parking structures devoted to parking only;

landscaping and plantings, fountains, shelters, benches, sculptures, statues, lighting, decorations and similar amenities;

auto race track facility;

major multi-sport athletic complex;

museum facility;

major motorsports complex;

aquarium facility;

athletic facility;

meeting space, if part of a blighted urban area STAR bond project;

an economic impact, market and market impact study;

historic theater;

related expenses to redevelop and finance the project, including the cost of issuing the STAR bonds, except that for a STAR bond project financed with special obligation bonds payable from the revenues described in subsection (a)(1) of K.S.A. 2015 Supp. 12-17,169(a)(1), and amendments thereto, such expenses shall require prior approval by the secretary of commerce; and

except as specified in subsections (1) through (19) (24) above, project costs shall not include:

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

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

(C) salaries for local government employees;

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

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

(F) lobbying costs;

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

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

(I) travel, entertainment and hospitality; and

(J) engineering, architectural, legal and other indirect construction costs that exceed 15% of the total STAR bond project costs.

"Projected market area" means any area within the state in which the project is projected to have a substantial fiscal or market impact upon businesses in such area.
“River walk canal facilities” means a canal and related water features which flow through a major commercial entertainment and tourism area and facilities related or contiguous thereto, including, but not limited to, pedestrian walkways and promenades, landscaping and parking facilities.

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

“STAR bond” means a sales tax and revenue bond.

“STAR bond project” means an approved project to implement a project plan for the development of the established STAR bond project district with:

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

2. for areas outside of metropolitan statistical areas, as defined by the federal office of management and budget, the secretary finds:
   (A) The project is an eligible area as defined in subsection (f), and amendments thereto (h); and
   (B) would be of regional or statewide importance; or

3. is a major tourism area as defined in subsection (l), and amendments thereto (n); or

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

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

“STAR bond project area” means the geographic area within the STAR bond project district in which there may be one or more projects.

“STAR bond project district” means the specific area declared to be an eligible area as determined by the secretary in which the city or county may develop one or more STAR bond projects. A STAR bond project district includes a redevelopment district, as defined in K.S.A. 12-1770a, and amendments thereto, created prior to the effective date of this act for the Wichita Waterwalk project in Wichita, Kansas, provided, the city creating such redevelopment district submits an application for approval for STAR bond financing to the secretary on or before July 31, 2007, and receives a final letter of determination from the secretary approving or disapproving the request for STAR bond financing on or before November 1, 2007. A STAR bond project district includes a blighted urban area redevelopment district, as defined in subsection (p). No STAR bond project district shall include real property which has been
part of another STAR bond project district unless such STAR bond project and STAR bond project district have been approved by the secretary of commerce pursuant to K.S.A. 2015 Supp. 12-17,164 and 12-17,165, and amendments thereto, prior to March 1, 2016. A STAR bond district shall be limited to those areas being developed by the STAR bond project and any areas reasonably anticipated to directly benefit from the STAR bond project.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(4) visitation expectations;

(5) the unique quality of the project;

(6) economic impact study;

(7) market study;

(8) market impact study;

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

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

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

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

(13) a statement concerning whether a portion of the local sales and use taxes are pledged to other uses and are unavailable as revenue for the STAR bond project. If a portion of local sales and use taxes is so committed, the applicant shall describe the following:
(A) The percentage of city and county sales and use taxes collected
that are so committed; and
(B) the date or dates on which the city and county sales and use taxes
pledged to other uses can be pledged for repayment of bonds; and
(14) an anticipated principal and interest payment schedule on the
bond issue.

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

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

(1) A summary of the feasibility study done as defined in subsection
(b) of this section, and amendments thereto;
(2) a reference to the district plan established under K.S.A. 2015
Supp. 12-17,165, and amendments thereto, that identifies the project area
that is set forth in the project plan that is being considered;
(3) a description and map of the project area to be redeveloped;
(4) the relocation assistance plan as described in K.S.A. 2015 Supp.
12-17,172, and amendments thereto;
(5) a detailed description of the buildings and facilities proposed to be
constructed or improved in such area; and
(6) any other information the governing body of the city or county
deems necessary to advise the public of the intent of the project plan.

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

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

(1) Give notice that a public hearing will be held to consider the
adoption of the STAR bond project plan and fix the date, hour and place of
such public hearing;
(2) describe the boundaries of the STAR bond project district within
which the STAR bond project will be located and the date of establishment
of such district;
(3) describe the boundaries of the area proposed to be included within
the STAR bond project area; and
(4) state that the STAR bond project plan, including a summary of the
feasibility study, market study, relocation assistance plan and financial
guarantees of the prospective developer and a description and map of the
area to be redeveloped or developed are available for inspection during
regular office hours in the office of the city clerk or county clerk,
respectively.
(f) (1) The date fixed for the public hearing to consider the adoption
of the STAR bond project plan shall be not less than 30 nor more than 70
days following the date of the adoption of the resolution fixing the date of
the hearing.
(2) A copy of the city or county resolution providing for the public
hearing shall be by certified mail, return receipt requested, sent by the city
to the board of county commissioners of the county and by the city or
county to the board of education of any school district levying taxes on
property within the proposed STAR bond project area. Copies also shall be
sent by certified mail, return receipt requested to each owner and occupant
of land within the proposed STAR bond project area not more than 10 days
following the date of the adoption of the resolution. The resolution shall be
published once in the official city or county newspaper not less than one
week nor more than two weeks preceding the date fixed for the public
hearing. A sketch clearly delineating the area in sufficient detail to advise
the reader of the particular land proposed to be included within the STAR
bond project area shall be published with the resolution.
(3) At the public hearing, a representative of the city or county shall
present the city's or county's proposed STAR bond project plan. Following
the presentation of the STAR bond project area, all interested persons shall
be given an opportunity to be heard. The governing body for good cause
shown may recess such hearing to a time and date certain, which shall be
fixed in the presence of persons in attendance at the hearing.
(g) The public hearing records and feasibility study shall be subject to
the open records act, K.S.A. 45-215, and amendments thereto.
(h) Upon conclusion of the public hearing, the governing body may
adopt the STAR bond project plan by ordinance or resolution passed upon
a two-thirds vote of the members.
(i) After the adoption by the city or county governing body of a
STAR bond project plan, the clerk of the city or county shall transmit a
copy of the description of the land within the STAR bond project district, a
copy of the ordinance or resolution adopting the plan and a map or plat
indicating the boundaries of the district to the clerk, appraiser and treasurer
of the county in which the district is located and to the governing bodies of
the county and school district which levy taxes upon any property in the
district. Such documents shall be transmitted following the adoption or
modification of the plan or a revision of the plan on or before January 1 of
the year in which the increment is first allocated to the taxing subdivision.

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

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

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

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

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

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

(2) the secretary shall solely procure, negotiate and execute an
agreement with an independent economic consultant for the purpose of
performing the economic impact, market and market impact studies and
shall solely make payment for services rendered by the independent
economic consultant in providing such studies in accordance with such agree
ment. The secretary shall advise the city or county proposing to undert
ake the STAR bond project of costs or fees and when such costs or fees
are due under the secretary's agreement with the independent eco
nomic consultant. At the secretary's request, the city or county pro
posing to undertake the STAR bond project shall timely pay over to the
secretary the amount of such costs or fees before such costs or fees are
due. The secretary shall then make payment to the independent eco
nomic consultant in accordance with the secretary's agreement with the
independent economic consultant. In the secretary's discretion, any costs
or fees, including, but not limited to, costs that are not certain in time or
amount, pursuant to the secretary's agreement with the independent eco
nomic consultant may be paid to the independent economic consultant
by the secretary and shall be reimbursed to the secretary by the city or
county proposing to undertake the STAR bond project within 15 days of
the secretary's payment thereof to the independent economic consultant.
Upon approval of the STAR bond project plan, the city or county pro
posing to undertake the STAR bond project may recover the costs of the
studies from the STAR bond proceeds.

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

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

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

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

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

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

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

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

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

(E) in a county STAR bond project district, from a pledge of 100% of the tax increment revenue received by the county from any county sales and use tax, but excluding any portions of such taxes that are allocated to the cities in such county pursuant to K.S.A. 12-192, and amendments thereto, which are collected from taxpayers doing business within that
portion of the county's STAR bond project district established pursuant to K.S.A. 2015 Supp. 12-17,165, and amendments thereto, occupied by a STAR bond project;

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

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

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

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

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

(G) at the option of the city or county and with approval of the secretary, from all or a portion of the revenue received by a city or county
from a local transient guest tax of such city or county, except for amounts committed to other uses by election of voters or pledged to bond repayment prior to the approval of the STAR bond project;

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

(I) by any combination of these methods.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(e) (d) The maximum principal amount of special obligation bonds
issued to fund STAR bond projects within a major tourism area, including
any such additional 400 acre area, shall not exceed $308,000,000, unless
the city has secured prior approval from the secretary of commerce and the
secretary of revenue. Any special obligation bonds issued for the following
purposes shall not be counted toward such limit on the principal amount:
(1) Special obligation bonds issued solely for the purpose of
refunding such bonds, either at maturity or in advance of maturity,
pursuant to the provisions of K.S.A. 10-116a, and amendments thereto;
and
(2) special obligation bonds issued solely to fund reserve funds for
such refunding bonds.
(4) (e) Prior to issuing any special obligation bonds for any purpose, the city or county must have the approval of the secretary and the secretary of revenue.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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