

**74-5056. Loans to local governments for infrastructure improvement projects; powers and duties of secretary of commerce; project eligibility criteria; loan agreements, terms; rules and regulations; definitions.** (a) In accordance with the provisions of this section, the secretary of commerce is hereby authorized to enter into loan agreements with cities and counties located in Kansas to provide assistance in financing public infrastructure improvement projects to aid the expansion, relocation and attraction of Kansas basic enterprises and to loan moneys in the Kansas partnership fund in accordance with such agreements.

(b) To be eligible for a loan under K.S.A. 74-5055 through 74-5057, a public infrastructure improvement project must be determined by the secretary of commerce to be a project that will directly result in the creation of private sector jobs in Kansas basic enterprises. Eligible projects may include the construction, reconstruction, rehabilitation, alteration, expansion or improvement of public facilities that support Kansas basic enterprises including, but not limited to roads, streets, highways, storm drains, water supply treatment facilities and distribution lines, wastewater collection lines and any related improvements. The secretary of commerce shall review and analyze all applications for loans under this section and shall develop criteria for the review and analysis of loan applications under this section.

(c) Each loan agreement entered into under this section shall fix the terms of repayment and may provide for interest payable on the loan. Such interest, if any, may be at fixed or variable rates. Such terms of repayment shall be fixed to require equal annual repayments of principal and interest, if any, to the extent practicable over the term of the loan, which term shall be fixed for a period of not to exceed the anticipated life of the improvement project. All such agreements shall require the city or county to establish a dedicated source of revenue for repayment of the loans, and any interest thereon, as provided in K.S.A. 74-5057.

(d) The secretary of commerce may utilize the collection procedures provided in K.S.A. 75-6201 *et seq.*, and amendments thereto, to collect delinquent loan payments by deducting the delinquent amount from payments from state agencies to the local governmental entity that is delinquent in its loan repayment.

(e) The secretary of commerce is authorized to adopt any rules and regulations the secretary deems necessary for the proper administration of K.S.A. 74-5055 through 74-5057.

(f) As used in K.S.A. 74-5055 through 74-5057:

(1) "Kansas basic enterprise" means an enterprise which:

(A) Is or proposes to be located or principally based in Kansas; and

(B) can provide demonstrable evidence that:

(i) It is or will be primarily engaged in any one or more of the Kansas basic industries; or

(ii) it is or will be primarily engaged in the development or production of goods or the provision of services for out-of-state sales; or

(iii) it is or will be primarily engaged in the production of goods or the provision of services which will attract out-of-state buyers or consumers into the state; or

(iv) it is or will be primarily engaged in the production of raw materials, ingredients or components for other enterprises which export the majority of their products from the state; or

(v) it is a national or regional enterprise which is primarily engaged in interstate commerce; or

(vi) it is or will be primarily engaged in the production of goods or the provision of services which will supplant goods or services which would be imported into the state; or

(vii) it is the corporate or regional headquarters of a multistate enterprise which is primarily engaged in out-of-state industrial activities.

(2) "Kansas basic industry" means:

(A) Agriculture;

(B) mining;

(C) manufacturing;

(D) interstate transportation;

(E) wholesale trade which is primarily engaged in multistate activity or which has a major import supplanting effect within the state;

(F) financial services which are primarily engaged in providing such services for interstate or international transactions;

(G) business services which are primarily engaged in providing such services in out-of-state markets;

(H) research and development of new products, processes or technologies; or

(I) tourism activities which are primarily engaged in for the purpose of attracting out-of-state tourists.

(3) "Primarily engaged" means engagement in an activity by an enterprise to the extent that not less than 51% of the gross income of the enterprise is derived from such engagement.

**History:** L. 1988, ch. 394, § 2; July 1.