

(Corrected)

{As Amended by House Committee of the Whole}

Session of 2019

HOUSE BILL No. 2147

By Committee on Commerce, Labor and Economic Development

2-5

1 AN ACT concerning the Kansas rural housing incentive district act;
2 relating to increasing bond maturity limits; amending {K.S.A. 12-5245
3 and 12-5250 and} K.S.A. 2018 Supp. 12-5248 and repealing the
4 existing section {sections}.

5
6 *Be it enacted by the Legislature of the State of Kansas:*

7 {Section 1. K.S.A. 12-5245 is hereby amended to read as follows:
8 12-5245. (a) Upon receipt of the approval of the secretary as provided
9 in ~~subsection (e) of K.S.A. 12-5244(c), and amendments thereto,~~ the
10 governing body may proceed with the establishment of the district.
11 Before doing so, the governing body shall adopt a plan for the
12 development or redevelopment of housing and public facilities in the
13 proposed district. Such plan may include plans for one or more
14 projects, and the length of any individual project shall not exceed ~~15~~
15 25 years. The plan shall include, but not be limited to, the following:

16 (1) The legal description and map required by ~~subsection (a) of~~
17 K.S.A. 12-5244(a), and amendments thereto.

18 (2) The existing assessed valuation of the real estate in the
19 proposed district, listing the land and improvement values separately;

20 (3) A list of the names and addresses of the owners of record of all
21 real estate parcels within the proposed district;

22 (4) A description of the housing and public facilities project or
23 projects that are proposed to be constructed or improved in the
24 proposed district, and the location thereof;

25 (5) A listing of the names, addresses and specific interests in real
26 estate in the proposed district of the developers responsible for
27 development of the housing and public facilities in the proposed
28 district;

29 (6) The contractual assurances, if any, the governing body has
30 received from such developer or developers, guaranteeing the
31 financial feasibility of specific housing tax incentive projects in the
32 proposed district;

33 (7) A comprehensive analysis of the feasibility of providing
34 housing tax incentives in the district as provided in this act, which
35 shows the public benefits derived from such district will exceed the

1 costs and that the income therefrom, together with other sources of
 2 funding, will be sufficient to pay for the public improvements that
 3 may be undertaken in such district. If other sources of public or
 4 private funds are to be used to finance the improvements, they shall be
 5 identified in the analysis.

6 (b) Prior to the adoption of the plan and designation of the
 7 district, the governing body shall adopt a resolution stating that the
 8 governing body is considering such action. The resolution shall
 9 provide notice that a public hearing will *be* held to consider the
 10 adoption of the plan and the designation of the district and contain the
 11 following elements:

12 (1) The date, hour and place of the public hearing;

13 (2) The contents of paragraphs (1) through (4) in subsection (a) of
 14 this section (1) through (4);

15 (3) A summary of the contractual assurances by the developer
 16 and comprehensive feasibility analysis; and

17 (4) A statement that the plan is available for inspection at the
 18 office of the clerk of the city or county at normal business hours;

19 (5) A statement inviting members of the public to review the plan
 20 and attend the public hearing on the date announced in the resolution;

21 (c) The date fixed for the public hearing shall be not less than 30
 22 nor more than 70 days following the date of the adoption of the
 23 resolution. The resolution shall be published at least once in the
 24 official newspaper of the city or county, with the final publication
 25 being not less than one week or more than two weeks preceding the
 26 date fixed for the public hearing.

27 (d) A certified copy of the resolution shall be delivered to the
 28 planning commission of the city or county and the board of education
 29 of any school district levying taxes on property within the proposed
 30 district. If the resolution is adopted by a city governing body, a
 31 certified copy also shall be delivered to the board of county
 32 commissioners of the county. If the resolution is adopted by a county
 33 governing body, it also shall be delivered to the governing body of any
 34 city located within three miles of such proposed district.}

35 Section 1. {Sec. 2.} K.S.A. 2018 Supp. 12-5248 is hereby amended to
 36 read as follows: 12-5248. (a) (1) Any city or county ~~which~~ *that* has
 37 established a housing incentive district as provided in this act may issue
 38 special obligation bonds to finance the implementation of the plan adopted
 39 for the district by the governing body. ~~Such~~ *The* special obligation bonds
 40 shall be made payable, both as to principal and interest:

41 (A) From property tax increments allocated to, and paid into a special
 42 fund of the city or county under the provisions of ~~subsection (b) of~~ K.S.A.
 43 12-5250(b), and amendments thereto;

1 (B) from revenues of the city or county derived from or held in
2 connection with the implementation of the project or projects in the
3 district;

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

6 (D) from any financial sureties or other guarantees provided by the
7 developer;

8 (E) from a pledge of any other lawfully available city or county
9 revenue sources, including, but not limited to: ~~(1)~~ (i) A portion of all
10 increased franchise fees collected from utilities and other businesses using
11 public rights-of-way within the district; or ~~(2)~~ (ii) a portion of the sales and
12 use tax revenues received by the city or county and collected pursuant to
13 K.S.A. 12-187, and amendments thereto; or

14 (F) by any combination of these methods.

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

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

23 (3) The bonds issued under the provisions of this subsection shall be
24 special obligations of the city or county and are declared to be negotiable
25 instruments. The bonds shall be executed by the mayor and clerk of the
26 city or, in the case of counties, by the chairman of the board of county
27 commissioners and clerk of the county, and shall be sealed with the
28 corporate seal of the city or the seal of the county. All details pertaining to
29 the issuance of ~~such the~~ special obligation bonds shall be determined by
30 ordinance of the city or resolution of the county. All special obligation
31 bonds issued pursuant to this act shall be exempt from all state taxes. The
32 special obligation bonds shall contain none of the recitals set forth in
33 K.S.A. 10-112, and amendments thereto. The special obligation bonds
34 shall contain the following recitals, viz., the authority under which ~~such the~~
35 the special obligation bonds are issued, they are in conformity with the
36 provisions, restrictions and limitations thereof, and that ~~such the~~ special
37 obligation bonds and the interest thereon are to be paid from the money
38 and revenue received as provided in paragraph (1) of this subsection.

39 (4) The maximum maturity on bonds issued to finance projects
40 pursuant to this act shall not exceed ~~15~~ 25 years.

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

1 (b) In the event the city or county shall default in the payment of any
2 special obligation bonds as authorized pursuant to ~~paragraph (1) of~~
3 subsection (a)(1) of this section, and amendments thereto, no public funds
4 shall be used to pay the holders thereof except as otherwise specifically
5 authorized in this act.

6 (c) Any and all terms, conditions, exclusions and limitations ~~which~~
7 *that* are otherwise applicable to bonds issued by authority of K.S.A. 12-
8 1774, *and amendments thereto*, shall also be applicable to bonds issued
9 pursuant to this section.

10 **{Sec. 3. K.S.A. 12-5250 is hereby amended to read as follows: 12-
11 5250. (a) All taxable tangible property located within a district
12 established in accordance with this act shall be assessed and taxed for
13 ad valorem tax purposes pursuant to law in the same manner that
14 such property would be assessed and taxed if located outside such
15 district, and all ad valorem taxes levied on such property shall be paid
16 to and collected by the county treasurer in the same manner as other
17 taxes are paid and collected. Except as otherwise provided in this
18 section, the county treasurer shall distribute such taxes as may be
19 collected in the same manner as if such property were located outside
20 the district. Each district established under the provisions of this act
21 shall constitute a separate taxing unit for the purpose of the
22 computation and levy of taxes.**

23 (b) Beginning with the first payment of taxes which are levied
24 following the date of the approval of any district in accordance with
25 this act, and amendments thereto, real property taxes received by the
26 county treasurer resulting from taxes which are levied subject to the
27 provisions of this act by and for the benefit of a taxing subdivision on
28 property located within such district constituting a separate taxing
29 unit under the provisions of this section, shall be divided as follows:

30 (1) From the taxes levied each year subject to the provisions of
31 this act by or for each taxing subdivisions upon property located
32 within a district constituting a separate taxing unit under the
33 provisions of this act, the county treasurer first shall allocate and pay
34 to each such taxing subdivision all of the real property taxes collected
35 which are produced from that portion of the current assessed
36 valuation of such real property located within such separate taxing
37 unit which is equal to the total assessed value of such real property on
38 the date of the establishment of the district.

39 (2) Any real property taxes produced from that portion of the
40 current assessed valuation of real property within a district and
41 constituting a separate taxing unit under the provisions of this section
42 in excess of an amount equal to the total assessed value of such real
43 property on the effective date of the establishment of the district shall

1 be allocated and paid by the county treasurer to the treasurer as
2 follows:

3 (A) In districts established by a city, the amount shall be paid to
4 the treasurer of the city and deposited in a special fund of the city to
5 pay the cost of housing projects in the district including the payment
6 of principal of and interest on any special obligation bonds issued by
7 such city to finance, in whole or in part, such housing project.

8 (B) In districts established by a county, the amount shall be
9 deposited by the county treasurer in a special fund of the county to
10 pay the cost of housing projects in the district including the payment
11 of principal of and interest on any special obligation bonds issued by
12 such county to finance, in whole or in part, such housing project. If
13 such special obligation bonds and interest thereon have been paid
14 before the completion of a project, the city or county may continue to
15 use such moneys for any purpose authorized by this act until such
16 time as the project is completed, but for not to exceed ~~15~~ 25 years from
17 the date of the establishment of the district. When such special
18 obligation bonds and interest thereon have been paid and the project
19 is completed, all moneys thereafter received from real property taxes
20 within such district shall be allocated and paid to the respective taxing
21 subdivisions in the same manner as are other ad valorem taxes.

22 (c) Notwithstanding any other provision of law, it is hereby stated
23 that is an object of all ad valorem taxes levied by or for the benefit of
24 any taxing subdivision on taxable tangible real property located
25 within any district created pursuant to this act, that such taxes may be
26 applied and allocated to and when collected paid into a special fund of
27 a city or county pursuant to the procedures and limitations of this act
28 to pay the cost of a project including principal of and interest on
29 special obligation bonds issued by such city or county to finance, in
30 whole or in part, such project.}

31 ~~Sec. 2. {4.}~~ {K.S.A. 12-5245 and 12-5250 and} K.S.A. 2018 Supp.
32 12-5248 ~~is~~ {are} hereby repealed.

33 ~~Sec. 3. {5.}~~ This act shall take effect and be in force from and after its
34 publication in the statute book.