

HOUSE BILL No. 2163

By Representatives Ballou, Humerickhouse, Hutchins, Kuether, Myers,
Ostmeyer, J. Peterson, Powers, Tafanelli and Tanner

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AN ACT concerning sales tax and revenue bonds; relating to the financing thereof; amending K.S.A. 2000 Supp. 12-1775 and 74-8923 and repealing the existing sections.

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

Section 1. K.S.A. 2000 Supp. 12-1775 is hereby amended to read as follows: 12-1775. (a) For the purposes of this act:

(1) "Taxing subdivision" means the county, the city, the 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; and

(2) "real property taxes" means all taxes levied on an ad valorem basis upon land and improvements thereon.

(b) Except for redevelopment projects satisfying the conditions of subsection (k) of K.S.A. 12-1771, and amendments thereto, all tangible taxable property located within a redevelopment district shall be assessed and taxed for ad valorem tax purposes pursuant to law in the same manner that such property would be assessed and taxed if located outside such district, and all ad valorem taxes levied on such property shall be paid to and collected by the county treasurer in the same manner as other taxes are paid and collected. Except as otherwise provided in this section, the county treasurer shall distribute such taxes as may be collected in the same manner as if such property were located outside a redevelopment district. Each redevelopment district established under the provisions of this act shall constitute a separate taxing unit for the purpose of the computation and levy of taxes.

(c) Except for redevelopment projects satisfying the conditions of subsection (k) of K.S.A. 12-1771, and amendments thereto, beginning with the first payment of taxes which are levied following the date of the redevelopment plan or revision of the plan, as authorized by K.S.A. 2000 Supp. 12-1771c, and amendments thereto, to the county pursuant to K.S.A. 12-1776, and amendments thereto, real property taxes received by the county treasurer resulting from taxes which are levied subject to the provisions of this act by and for the benefit of a taxing subdivision, as

1 herein defined, on property located within such redevelopment district
2 constituting a separate taxing unit under the provisions of this section,
3 shall be divided as follows:

4 (1) From the taxes levied each year subject to the provisions of this
5 act by or for each of the taxing subdivisions upon property located within
6 a redevelopment district constituting a separate taxing unit under the
7 provisions of this act, the county treasurer first shall allocate and pay to
8 each such taxing subdivision all of the real property taxes collected which
9 are produced from that portion of the current assessed valuation of such
10 real property located within such separate taxing unit which is equal to
11 the total assessed value of such real property on the date of the estab-
12 lishment of the redevelopment district.

13 (2) Any real property taxes produced from that portion of the current
14 assessed valuation of real property within the redevelopment district con-
15 stituting a separate taxing unit under the provisions of this section in
16 excess of an amount equal to the total assessed value of such real property
17 on January 1 in the year preceding transmittal of the redevelopment plan
18 or a revision of the plan, as authorized by K.S.A. 2000 Supp. 12-1771c,
19 and amendments thereto, to the county pursuant to K.S.A. 12-1776, and
20 amendments thereto, shall be allocated and paid by the county treasurer
21 to the treasurer of the city and deposited in a special fund of the city to
22 pay the cost of redevelopment projects including the payment of principal
23 of and interest on any special obligation bonds or full faith and credit tax
24 increment bonds issued by such city to finance, in whole or in part, such
25 redevelopment project. When such obligation bonds and interest thereon
26 have been paid, all moneys thereafter received from real property taxes
27 within such redevelopment district shall be allocated and paid to the re-
28 spective taxing subdivisions in the same manner as are other ad valorem
29 taxes. If such obligation bonds and interest thereon have been paid before
30 the completion of a project, the city may continue to use such moneys
31 for any purpose authorized by this act until such time as the project is
32 completed, but for not to exceed 20 years from the date of the transmittal
33 to the county of the redevelopment plan or a revision of the plan as
34 authorized by K.S.A. 2000 Supp. 12-1771c, and amendments thereto.
35 *However with respect to moneys pledged on and after the effective date*
36 *of this act in support of bonds issued pursuant to K.S.A. 12-1774(a)(1)(D),*
37 *and amendments thereto, a city shall not be entitled to use such money*
38 *for any purpose other than the debt service of such bonds.*

39 (d) In any redevelopment plan or in the proceedings for the issuing
40 of any special obligation bonds or full faith and credit tax increment bonds
41 by the city to finance a redevelopment project, the property tax increment
42 portion of taxes provided for in paragraph (2) of subsection (c) may be
43 irrevocably pledged for the payment of the principal of and interest on

1 such obligation bonds, subject to the provisions of subsection (h) of K.S.A.
2 12-1771, and amendments thereto. A city may adopt a redevelopment
3 plan in which only a specified percentage of the tax increment realized
4 from taxpayers in the redevelopment district are pledged to the redevel-
5 opment project. The county treasurer shall allocate the specified per-
6 centage of the tax increment to the treasurer of the city for deposit in the
7 special fund of the city to finance the cost of redevelopment projects if
8 the city has other available revenues and pledges the revenues to the
9 redevelopment project in lieu of the tax increment. Any portion of such
10 tax increment not allocated to the city for the redevelopment project shall
11 be allocated and paid in the same manner as other ad valorem taxes.

12 Sec. 2. K.S.A. 2000 Supp. 74-8923 is hereby amended to read as
13 follows: 74-8923. The authority may use the proceeds of bonds issued
14 pursuant to subsection (e) of K.S.A. 74-8905, and amendments thereto,
15 or upon approval by the board of county commissioners or other taxing
16 subdivision in which the redevelopment district is located any uncom-
17 mitted funds derived from those sources set forth in K.S.A. 2000 Supp.
18 74-8924, and amendments thereto, or other funds pledged for the pay-
19 ment of such bonds to implement the redevelopment plan, including the
20 payment or reimbursement of all costs of the project of statewide as well
21 as local importance to the extent authorized in the redevelopment plan
22 implementation agreement adopted pursuant to K.S.A. 74-8921, and
23 amendments thereto. *However such proceeds or other uncommitted*
24 *funds shall not be used to retire any indebtedness of the project other than*
25 *bonds issued after the effective date of this act pursuant to K.S.A. 74-*
26 *8905, and amendments thereto.* Any excess revenue not otherwise needed
27 or committed for the repayment of bonds or other project costs author-
28 ized in the agreement shall upon approval by the authority be paid out
29 by the state treasurer proportionately to the appropriate taxing
30 authorities.

31 Sec. 3. K.S.A. 2000 Supp. 12-1775 and 74-8923 are hereby repealed.

32 Sec. 4. This act shall take effect and be in force from and after its
33 publication in the Kansas register.

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