

3  
4 **Substitute for HOUSE BILL No. 2005**

5  
6 By Committee on New Economy

7  
8 2-20

9  
10 AN ACT concerning tax increment financing; reorganization thereof;  
11 amending K.S.A. 12-1772 and 12-17,104 and K.S.A. 2000 Supp. 12-  
12 1770, 12-1770a, 12-1771, 12-1771a, 12-1771b, 12-1771d, 12-1773, 12-  
13 1774, 12-1774a, 12-1775, 12-1776, 19-101a, 74-5093, 79-3620], **as**  
14 **amended by section 460 of 2001 Senate Bill No. 15]**, 79-3620b  
15 and 79-3710], **as amended by section 461 of 2001 Senate Bill No.**  
16 **15,]** and repealing the existing sections; also repealing K.S.A. 2000  
17 Supp. 12-1771c and 12-1774b.

18  
19 *Be it enacted by the Legislature of the State of Kansas:*

20 Section 1. K.S.A. 2000 Supp. 12-1770 is hereby amended to read as  
21 follows: 12-1770. It is hereby declared to be the purpose of this act to  
22 promote, stimulate and develop the general and economic welfare of the  
23 state of Kansas and its communities and to assist in the development and  
24 redevelopment of ~~blighted areas and deteriorating areas which are not~~  
25 ~~yet blighted, but may be so in the future located within cities, environ-~~  
26 ~~mentally contaminated areas located within and without cities, enterprise~~  
27 ~~zones located within cities and, major tourism areas as defined in sub-~~  
28 ~~section (a)(1)(D) of K.S.A. 12-1774, and amendments thereto, thus eli-~~  
29 ~~gible areas within and without a city thereby~~ promoting the general wel-  
30 fare of the citizens of this state, by authorizing cities to acquire certain  
31 property and to issue special obligation bonds and full faith and credit tax  
32 increment bonds for the financing of redevelopment projects. It is further  
33 found and declared that the powers conferred by this act are for public  
34 uses and purposes for which public money may be expended and the  
35 power of eminent domain exercised. The necessity in the public interest  
36 for the provisions of this act is hereby declared as a matter of legislative  
37 determination.

38 Sec. 2. K.S.A. 2000 Supp. 12-1770a is hereby amended to read as  
39 follows: 12-1770a. ~~For purposes of K.S.A. 12-1770 et seq. and amend-~~  
40 ~~ments thereto:~~

41 ~~—(a) “Historic theater” means a building constructed prior to 1940~~  
42 ~~which was constructed for the purpose of staging entertainment, includ-~~  
43 ~~ing motion pictures, vaudeville shows or operas, that is operated by a~~

1 nonprofit corporation and is designated by the state historic preservation  
2 officer as eligible to be on the Kansas register of historic places or is a  
3 member of the Kansas historic theatre association;

4 —(b)—“sales tax increment” means the amount of state and local sales  
5 tax revenue imposed pursuant to K.S.A. 12-187 *et seq.*, 79-3601 *et seq.*  
6 and 79-3701 *et seq.*, and amendments thereto, collected from taxpayers  
7 doing business within the historic theater that is in excess of the amount  
8 of such taxes collected prior to the designation of the building as a historic  
9 theater for purposes of this act. As used in this act, unless the context  
10 clearly shows otherwise:

11 (a) “Auto race track facility” means: (1) An auto race track facility  
12 and facilities directly related and necessary to the operation of an auto  
13 race track facility, including, but not limited to, grandstands, suites and  
14 viewing areas, concessions, souvenir facilities, catering facilities, visitor  
15 and retail centers, signage and temporary hospitality facilities, but ex-  
16 cluding (2) hotels, motels, restaurants and retail facilities, not directly  
17 related to or necessary to the operation of such facility.

18 (b) “Base year assessed valuation” means the assessed valuation of all  
19 real property within the boundaries of a redevelopment district on the  
20 date the redevelopment district was established.

21 (c) “Blighted area” means an area which:

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

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

28 (B) predominance of defective or inadequate street layout;

29 (C) unsanitary or unsafe conditions;

30 (D) deterioration of site improvements;

31 (E) tax or special assessment delinquency exceeding the fair market  
32 value of the real property;

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

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

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

39 (I) conditions which create economic obsolescence; or

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

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

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

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

10 (2) illegal use of individual structures;

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

12 (4) building abandonment;

13 (5) excessive vacancies;

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

15 (7) inadequate utilities and infrastructure.

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

18 (f) "Developer" means any person, firm, corporation, partnership or  
19 limited liability company, other than a city.

20 (g) "Eligible area" means a blighted area, conservation area, enter-  
21 prise zone, historic theater or major tourism area.

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

27 (i) "Environmental increment" means the increment determined pur-  
28 suant to subsection (b) of K.S.A. 12-1771a, and amendments thereto.

29 (j) "Environmentally contaminated area" means an area of land hav-  
30 ing contaminated groundwater or soil which is deemed environmentally  
31 contaminated by the department of health and environment or the United  
32 States environmental protection agency.

33 (k) "Feasibility study" means a study which shows whether a rede-  
34 velopment project's benefits and tax increment revenue and other avail-  
35 able revenues under K.S.A. 12-1774 (a)(1) are expected to exceed or be  
36 sufficient to pay for the redevelopment project costs.

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

43 (m) "Historic theater sales tax increment" means the amount of state

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

6 (n) *“Major tourism area” means an area for which the secretary has*  
7 *made a finding the capital improvements costing not less than*  
8 *\$100,000,000 will be built in the state to construct an auto race track*  
9 *facility.*

10 (o) *“Real property taxes” means all taxes levied on an ad valorem basis*  
11 *upon land and improvements thereon.*

12 (p) *“Redevelopment project area” or “project area” means an area*  
13 *designated by a city within a redevelopment district.*

14 (q) *“Redevelopment project costs” means those costs necessary to im-*  
15 *plement a redevelopment plan, including, but not limited to costs incurred*  
16 *for:*

17 (1) *Acquisition of property within the redevelopment project area;*

18 (2) *payment of relocation assistance;*

19 (3) *site preparation including utility relocations;*

20 (4) *sanitary and storm sewers and lift stations;*

21 (5) *drainage conduits, channels and levees;*

22 (6) *street grading, paving, graveling, macadamizing, curbing, gutter-*  
23 *ing and surfacing;*

24 (7) *street light fixtures, connection and facilities;*

25 (8) *underground gas, water, heating and electrical services and con-*  
26 *nections located within the public right-of-way;*

27 (9) *sidewalks and pedestrian underpasses or overpasses;*

28 (10) *drives and driveway approaches located within the public right-*  
29 *of-way;*

30 (11) *water mains and extensions;*

31 (12) *plazas and arcades;*

32 (13) *parking facilities;*

33 (14) *landscaping and plantings, fountains, shelters, benches, sculp-*  
34 *tures, lighting, decorations and similar amenities; and*

35 (15) *all related expenses to redevelop and finance the redevelopment*  
36 *project.*

37 *Redevelopment project costs shall not include costs incurred in con-*  
38 *nection with the construction of buildings or other structures to be owned*  
39 *by or leased to a developer, however, the “redevelopment project costs”*  
40 *shall include costs incurred in connection with the construction of build-*  
41 *ings or other structures to be owned or leased to a developer which in-*  
42 *cludes an auto race track facility or is in a redevelopment district includ-*  
43 *ing some or all of the land and buildings comprising a state mental*

1 *institution closed pursuant to section 2 of chapter 219 of the 1995 Session*  
2 *Laws of Kansas.*

3 (r) *“Redevelopment district” means the specific area declared to be*  
4 *an eligible area in which the city may develop one or more redevelopment*  
5 *projects.*

6 (s) *“Redevelopment district plan” or “district plan” means the prelim-*  
7 *inary plan that identifies all of the proposed redevelopment project areas*  
8 *and identifies in a general manner all of the buildings, facilities and im-*  
9 *provements in each that are proposed to be constructed or improved in*  
10 *each redevelopment project area.*

11 (t) *“Redevelopment project” means the approved project to imple-*  
12 *ment a project plan for the development of the established redevelopment*  
13 *district.*

14 (u) *“Redevelopment project plan” or “project plan” means the plan*  
15 *adopted by a municipality for the development of a redevelopment project*  
16 *or projects which conforms with K.S.A. 12-1772, and amendments*  
17 *thereto, in a redevelopment district.*

18 (v) *“Secretary” means the secretary of commerce and housing.*

19 (w) *“Substantial change” means, as applicable, a change wherein the*  
20 *proposed plan or plans differ substantially from the intended purpose for*  
21 *which the district plan or project plan was approved.*

22 (x) *“Tax increment” means that amount of real property taxes col-*  
23 *lected from real property located within the redevelopment district that*  
24 *is in excess of the amount of real property taxes which is collected from*  
25 *the base year assessed valuation.*

26 (y) *“Taxing subdivision” means the county, city, unified school dis-*  
27 *trict and any other taxing subdivision levying real property taxes, the*  
28 *territory or jurisdiction of which includes any currently existing or sub-*  
29 *sequently created redevelopment district.*

30 Sec. 3. K.S.A. 2000 Supp. 12-1771 is hereby amended to read as  
31 follows: 12-1771. ~~(a) No city shall exercise any of the powers conferred~~  
32 ~~by K.S.A. 12-1770 et seq., and amendments thereto, unless the governing~~  
33 ~~body of such city has adopted a resolution finding that the specific project~~  
34 ~~area sought to be redeveloped is a blighted area, a conservation area, a~~  
35 ~~major tourism area as defined in K.S.A. 12-1774, and amendments~~  
36 ~~thereto, a historic theater as defined in K.S.A. 2000 Supp. 12-1770a, and~~  
37 ~~amendments thereto, or was designated prior to July 1, 1992, as an en-~~  
38 ~~terprise zone pursuant to K.S.A. 12-17,110 prior to its repeal, and the~~  
39 ~~conservation, development or redevelopment of such area is necessary to~~  
40 ~~promote the general and economic welfare of such city. Enterprise zones~~  
41 ~~designated prior to July 1, 1992, may be enlarged by the city to an area~~  
42 ~~not exceeding 25% of the city’s land area upon a finding by the secretary~~  
43 ~~of the department of commerce and housing that a redevelopment project~~

1 proposed by the city which requires the enlargement is of statewide im-  
2 portance and that it will meet the criteria specified in subsection (a)(1)(D)  
3 of K.S.A. 12-1774, and amendments thereto. A unified government, es-  
4 tablished pursuant to K.S.A. 12-340 *et seq.*, and amendments thereto,  
5 may enlarge an enterprise zone, established within its jurisdiction prior  
6 to July 1, 1992, to an area not exceeding 200% of the area of the original  
7 enterprise zone regardless of whether such enlargement crosses the  
8 boundary of a city within the jurisdiction of the unified government if the  
9 secretary of commerce and housing makes the same findings required for  
10 enlargement of an enterprise zone by a city. For the purpose of this  
11 subsection, the term “blighted area” means an area which: (1) Because  
12 of the presence of a majority of the following factors, substantially impairs  
13 or arrests the sound development and growth of the municipality or con-  
14 stitutes an economic or social liability or is a menace to the public health,  
15 safety, morals or welfare in its present condition and use: (A) A substantial  
16 number of deteriorated or deteriorating structures; (B) predominance of  
17 defective or inadequate street layout; (C) unsanitary or unsafe conditions;  
18 (D) deterioration of site improvements; (E) diversity of ownership; (F)  
19 tax or special assessment delinquency exceeding the fair value of the land;  
20 (G) defective or unusual conditions of title; (H) improper subdivision or  
21 obsolete platting or land uses; (I) the existence of conditions which en-  
22 danger life or property by fire and other causes; or (J) conditions which  
23 create economic obsolescence; or (2) has been identified by any state or  
24 federal environmental agency as being environmentally contaminated to  
25 an extent that requires a remedial investigation, feasibility study and re-  
26 mediation or other similar state or federal action; or (3) previously was  
27 found by resolution of the governing body to be a slum or a blighted area  
28 under K.S.A. 17-4742 *et seq.*, and amendments thereto.

29 —For the purpose of this subsection, conservation area means any im-  
30 proved area within the corporate limits of a city in which 50% or more  
31 of the structures in the area have an age of 35 years or more, which area  
32 is not yet blighted, but may become a blighted area due to the existence  
33 of a combination of two or more of the following factors: (i) Dilapidation,  
34 obsolescence or deterioration of the structures; (ii) illegal use of individual  
35 structures; (iii) the presence of structures below minimum code stan-  
36 dards; (iv) building abandonment; (v) excessive vacancies; (vi) overcrowd-  
37 ing of structures and community facilities; or (vii) inadequate utilities and  
38 infrastructure. Not more than 15% of the land area of a city may be found  
39 to be a conservation area.

40 —(b) The powers conferred upon cities under the provisions of K.S.A.  
41 12-1770 *et seq.*, and amendments thereto, shall be exercised by cities, as  
42 determined by resolution adopted pursuant to K.S.A. 12-1772, and  
43 amendments thereto, (1) in enterprise zones designated prior to July 1,

1 1992, including any area added to such enterprise zone after July 1, 1992,  
2 pursuant to subsection (a), (2) in blighted areas of cities and counties  
3 described by subsection (a)(2), (3) in conservation areas of cities, (4) in  
4 major tourism areas as defined in K.S.A. 12-1774 and amendments  
5 thereto (5) in blighted areas of cities, as determined by resolution adopted  
6 pursuant to K.S.A. 17-4742 *et seq.*, and amendments thereto or (6) for  
7 buildings designated as historic theaters pursuant to K.S.A. 2000 Supp.  
8 12-1771d.

9 —(c) Within that portion of the city described in subsection (b), the  
10 governing body of a city may establish a district to be known as a “rede-  
11 velopment district”. Within that portion of a city and county described in  
12 subsection (b) excluding paragraph (3) of subsection (b), the governing  
13 body of the city, upon written consent of the board of county commis-  
14 sioners, may establish a district inclusive of land outside the boundaries  
15 of the city to be known as a redevelopment district. In all such cases, the  
16 board of county commissioners, prior to providing written consent, shall  
17 be subject to the same procedure for public notice and hearing as is  
18 required of a city pursuant to subsection (d) for the establishment of a  
19 redevelopment district. One or more redevelopment projects may be un-  
20 dertaken by a city within a redevelopment district after such redevelop-  
21 ment district has been established in the manner provided by subsection  
22 (d).

23 —(d) (a) *Resolution procedure for a redevelopment district.* Any city  
24 proposing to establish a redevelopment district *within an eligible area*  
25 shall adopt a resolution stating that the city is considering the establish-  
26 ment of a redevelopment district. Such resolution shall:

27 (1) Give notice that a public hearing will be held to consider the  
28 establishment of a redevelopment district and fix the date, hour and place  
29 of such public hearing;

30 (2) describe the proposed boundaries of the redevelopment district;

31 (3) describe a proposed comprehensive plan that identifies all of the  
32 proposed redevelopment project areas and that identifies in a general  
33 manner all of the buildings and facilities that are proposed to be con-  
34 structed or improved in each redevelopment project area *the district plan*;

35 (4) state that a description and map of the proposed redevelopment  
36 district are available for inspection at a time and place designated;

37 (5) state that the governing body will consider findings necessary for  
38 the establishment of a redevelopment district.

39 Notice shall be given as provided in subsection (e) (b) of K.S.A. 12-  
40 1772, and amendments thereto.

41 (e) Upon the conclusion of the public hearing, the governing body  
42 may adopt a resolution to make any findings required by subsection (a)  
43 and may establish the redevelopment district by ordinance. Such reso-

1 lution shall contain a comprehensive plan that identifies all of the pro-  
2 posed redevelopment project areas and identifies in a general manner all  
3 of the buildings and facilities that are proposed to be constructed or im-  
4 proved in each redevelopment project area. The boundaries of such dis-  
5 trict shall not include any area not designated in the notice required by  
6 subsection (d). Subject to the provisions of K.S.A. 2000 Supp. 12-1771e,  
7 and amendments thereto, any addition of area to the redevelopment dis-  
8 trict or any substantial change to the comprehensive plan shall be subject  
9 to the same procedure for public notice and hearing as is required for  
10 the establishment of the district. The boundaries of any such district in a  
11 major tourism area including an auto race track facility located in Wy-  
12 andotte county, shall, without regard to that portion of the district per-  
13 taining to the auto race track facility, be as follows: Beginning at the  
14 intersection of Interstate 70 and Interstate 435; West along Interstate 70  
15 to 118th Street; North along 118th Street to State Avenue; Northeasterly  
16 along proposed relocated State Avenue to 110th Street; North along  
17 110th Street to Parallel Parkway; East along Parallel Parkway to Interstate  
18 435; South along Interstate 435 to Interstate 70.

19 (b) *Posthearing procedure. Upon the conclusion of the public hearing,*  
20 *the governing body may pass an ordinance. Such ordinance shall: (1)*  
21 *Make a finding that: (A) The redevelopment district proposed to be de-*  
22 *veloped is an eligible area; and (B) the conservation, development or re-*  
23 *development of such area is necessary to promote the general and eco-*  
24 *nomical welfare of the city; (2) contain the district plan as approved; and*  
25 *(3) contain the legal description of the redevelopment district and may*  
26 *establish the redevelopment district. Such ordinance shall contain a dis-*  
27 *trict plan that identifies all of the proposed redevelopment project areas*  
28 *and identifies in a general manner all of the buildings and facilities that*  
29 *are proposed to be constructed or improved in each redevelopment project*  
30 *area. The boundaries of such district shall not include any area not des-*  
31 *ignated in the notice required by subsection (a).*

32 (c) *The governing body of a city may establish a redevelopment dis-*  
33 *trict within that city. Such city may establish a district inclusive of land*  
34 *outside the boundaries of the city upon written consent of the board of*  
35 *county commissioners. Prior to providing written consent, the board of*  
36 *county commissioners shall be subject to the same procedure for public*  
37 *notice and hearing as is required of a city pursuant to subsection (a) for*  
38 *the establishment of a redevelopment district. One or more redevelopment*  
39 *projects may be undertaken by a city within a redevelopment district after*  
40 *such redevelopment district has been established in the manner provided*  
41 *by this section.*

42 (d) No privately owned property subject to ad valorem taxes shall  
43 be acquired and redeveloped under the provisions of K.S.A. 12-1770 et



1 *seq.*, and amendments thereto, if the board of county commissioners or  
2 the board of education levying taxes on such property determines by  
3 resolution adopted within 30 days following the conclusion of the hearing  
4 for the establishment of the redevelopment district required by subsec-  
5 tion ~~(d)~~ (b) that the proposed redevelopment district will have an adverse  
6 effect on such county or school district. *The board of county commission-*  
7 *ers or board of education shall deliver a copy of such resolution to the*  
8 *city. The city shall within 30 days of receipt of such resolution pass an*  
9 *ordinance terminating the redevelopment district.*

10 ~~(g) Any redevelopment plan undertaken within the redevelopment~~  
11 ~~district may be in separate development stages. Each plan shall be~~  
12 ~~adopted according to the provisions of K.S.A. 12-1772, and amendments~~  
13 ~~thereto, and shall fix a date for completion. Except as provided herein,~~  
14 ~~any project shall be completed within 20 years from the date of transmittal~~  
15 ~~of the redevelopment plan or a revision of the plan, as authorized by~~  
16 ~~K.S.A. 2000 Supp. 12-1771c, and amendments thereto, to the county~~  
17 ~~pursuant to K.S.A. 12-1776, and amendments thereto. Projects relating~~  
18 ~~to environmental investigation and remediation under subsection (i) shall~~  
19 ~~be completed within 20 years from the date a city enters into a consent~~  
20 ~~decree agreement with the Kansas department of health and environment~~  
21 ~~or the United States environmental protection agency. A redevelopment~~  
22 ~~project in a major tourism area for an auto race track facility described~~  
23 ~~in subsection (a)(1)(D) of K.S.A. 12-1774, and amendments thereto, shall~~  
24 ~~be completed within 30 years from the date the secretary of commerce~~  
25 ~~and housing makes the finding that the redevelopment project will create~~  
26 ~~a major tourism area pursuant to subsection (a)(1)(D) of K.S.A. 12-1774,~~  
27 ~~and amendments thereto.~~

28 ~~—(h) Any increment in ad valorem property taxes resulting from a re-~~  
29 ~~development district undertaken in accordance with the provisions of this~~  
30 ~~act, shall be apportioned to a special fund for the payment of the cost of~~  
31 ~~the redevelopment project, including the payment of principal and inter-~~  
32 ~~est on any special obligation bonds or full faith and credit tax increment~~  
33 ~~bonds issued to finance such project pursuant to this act and may be~~  
34 ~~pledged to the payment of principal and interest on such bonds. The~~  
35 ~~maximum maturity on bonds issued to finance projects pursuant to this~~  
36 ~~act shall not exceed 20 years except that: (1) Such maximum period of~~  
37 ~~special obligation bonds not payable from revenues described by subsec-~~  
38 ~~tion (a)(1)(D) of K.S.A. 12-1774, and amendments thereto, issued to fi-~~  
39 ~~nance an auto race track facility shall not exceed 30 years; and (2) such~~  
40 ~~maximum period, if the governor determines and makes and submits a~~  
41 ~~finding to the speaker of the house of representatives and the president~~  
42 ~~of the senate that a maturity greater than 20 years, but in no event ex-~~  
43 ~~ceeding 30 years, is necessary for the economic feasibility of the financing~~

1 of an auto race track facility with special obligation bonds payable pri-  
2 marily from revenues described by subsection (a)(1)(D) of K.S.A. 12-  
3 1774, and amendments thereto, may be extended in accordance with such  
4 determination and finding.

5 —For the purposes of this act, “increment” means that amount of ad-  
6 valorem taxes collected from real property located within the redevelop-  
7 ment district that is in excess of the amount which is produced from  
8 such property and attributable to the assessed valuation of such property  
9 prior to the date the redevelopment plan or revision of the plan, as au-  
10 thorized by K.S.A. 2000 Supp. 12 1771c, and amendments thereto, is  
11 transmitted to the county pursuant to K.S.A. 12 1776, and amendments  
12 thereto.

13 —(i) The governing body of a city, in contracts entered into with the  
14 Kansas department of health and environment or the United States en-  
15 vironmental protection agency, may pledge increments receivable in fu-  
16 ture years to pay costs directly relating to the investigation and remedi-  
17 ation of environmentally contaminated areas. The provisions in such  
18 contracts pertaining to pledging increments in future years shall not be  
19 subject to K.S.A. 10 1101 *et seq.* or 79 2925 *et seq.*, and amendments  
20 thereto.

21 —(j) Before any redevelopment project is undertaken, a comprehensive  
22 feasibility study, which shows the benefits derived from such project will  
23 exceed the costs and that the income therefrom will be sufficient to pay  
24 for the project shall be prepared. Such feasibility study shall be an open  
25 public record.

26 —(k) If a city determines that revenues from sources other than prop-  
27 erty taxes will be sufficient to pay any special obligation bonds issued to  
28 finance a redevelopment project for an auto race track facility described  
29 in subsection (a)(1)(D) of K.S.A. 12 1774, and amendments thereto,  
30 which the secretary of commerce and housing makes a finding that such  
31 project will create a major tourism area pursuant to subsection (a)(1)(D)  
32 of K.S.A. 12 1774, and amendments thereto, all real and personal prop-  
33 erty, constituting an auto race track facility described in subsection  
34 (a)(1)(D) of K.S.A. 12 1774, and amendments thereto, in such redevelop-  
35 ment district shall be exempt from property taxation for a period end-  
36 ing on the earlier of (1) the date which is 30 years after the date of the  
37 finding by the secretary of commerce and housing with respect to such  
38 major tourism area; or (2) the date on which no such special obligation  
39 bonds issued to finance such auto race track facility in a major tourism  
40 area remain outstanding.

41 —(l) Any major tourism area may include an additional area not ex-  
42 ceeding 400 acres of additional property, excluding roads and highways,  
43 in addition to the property necessary for the auto race track facility upon

1 a finding by the governor that the development plan and each project  
2 within such additional area will enhance the major tourism area. For the  
3 development of each project within such additional area the city shall  
4 select qualified developers pursuant to a request for proposals in accord-  
5 ance with written official procedures approved by the governing body of  
6 the city. Any project within such additional area that is financed in whole  
7 or in part by special obligation bonds payable from revenues derived from  
8 subsection (a)(1)(D) of K.S.A. 12-1774, and amendments thereto, shall  
9 not be entitled to any real property tax abatements or the revenues de-  
10 scribed in K.S.A. 12-1775, and amendments thereto. Any project within  
11 such additional area must be approved by the governor and construction  
12 must be commenced by July 1, 2002. The city shall prepare and submit  
13 annually to the governor, the secretary of commerce and housing and the  
14 legislature by each October 1, commencing October 1, 1999 and contin-  
15 uing until October 1, 2002, a report describing the status of any projects  
16 within such additional area. Any business located in Kansas within 50  
17 miles of a major tourism area that relocates into a major tourism area  
18 shall not receive any of the benefits of K.S.A. 12-1770 *et seq.*, and amend-  
19 ments thereto.

20 (e) *Addition to area; substantial change. Any addition of area to the*  
21 *redevelopment district or any substantial change as defined in K.S.A. 2000*  
22 *Supp. 12-1770a, and amendments thereto, to the district plan shall be*  
23 *subject to the same procedure for public notice and hearing as is required*  
24 *for the establishment of the district.*

25 (f) *Any addition of any area to the redevelopment district shall be*  
26 *subject to the same procedure for public notice and hearing as is required*  
27 *for the establishment of the redevelopment district. The base year assessed*  
28 *valuation of the redevelopment district following the addition of area shall*  
29 *be revised to reflect the base year assessed valuation of the original area*  
30 *and the added area as of the date of the original establishment of the*  
31 *redevelopment district.*

32 (g) *A city may remove real property from a redevelopment district*  
33 *by an ordinance of the governing body. If more than a de minimus amount*  
34 *of real property is removed from a redevelopment district, the base year*  
35 *assessed valuation of the redevelopment district shall be revised to reflect*  
36 *the base year assessed valuation of the remaining real property as of the*  
37 *date of the original establishment of the redevelopment district.*

38 (h) *A city may divide the real property in a redevelopment district,*  
39 *including real property in different redevelopment project areas within a*  
40 *redevelopment district, into separate redevelopment districts. The base*  
41 *year assessed valuation of each resulting redevelopment district following*  
42 *such division of real property shall be revised to reflect the base year*  
43 *assessed valuation of the area of each resulting redevelopment district as*

1 *of the date of the original establishment of the redevelopment district. Any*  
2 *division of real property within a redevelopment district into more than*  
3 *one redevelopment district shall be subject to the same procedure or public*  
4 *notice and hearing as is required for the establishment of the redevelop-*  
5 *ment district.*

6 *(i) If a city has undertaken a redevelopment project within a rede-*  
7 *velopment district, and either the city wishes to subsequently remove more*  
8 *than a de minimus amount of real property from the redevelopment dis-*  
9 *trict or the city wishes to subsequently divide the real property in the*  
10 *redevelopment district into more than one redevelopment district, then*  
11 *prior to any such removal or division the city must provide a feasibility*  
12 *study which shows that the tax increment revenue from the resulting*  
13 *redevelopment district within which the redevelopment project is located*  
14 *is expected to be sufficient to pay the redevelopment project costs.*

15 *(j) Removal of real property from one redevelopment district and ad-*  
16 *dition of all or a portion of that real property to another redevelopment*  
17 *district may be accomplished by the adoption of an ordinance and in such*  
18 *event the determination of the existence or nonexistence of an adverse*  
19 *effect on the county or school district under subsection (d) shall apply to*  
20 *both such removal and such addition of real property to a redevelopment*  
21 *district.*

22 Sec. 4. K.S.A. 2000 Supp. 12-1771a is hereby amended to read as  
23 follows: 12-1771a. (a) The governing body of a city may establish an in-  
24 crement in ad valorem taxes using the procedure set forth in subsection  
25 (b) for projects that are initiated upon a finding that the area is a blighted  
26 area ~~under subsection (a)(2) of K.S.A. 12-1771~~ as defined under K.S.A.  
27 2000 Supp. 12-1770a, and amendments thereto, when the following con-  
28 ditions exist:

29 (1) The proposed district has been identified by the Kansas depart-  
30 ment of health and environment or the United States environmental pro-  
31 tection agency to be an environmentally contaminated area;

32 (2) the city has entered into a consent decree or settlement agree-  
33 ment or has taken action expressing an intent to enter into a consent  
34 decree or settlement agreement with the Kansas department of health  
35 and environment or the United States environmental protection agency  
36 that addresses the investigation and remediation of the environmental  
37 contamination;

38 (3) the consent decree or settlement agreement contains a provision  
39 that has the effect of releasing property owners who are not responsible  
40 for the contamination from the responsibility of paying the response costs  
41 of the investigation and remediation of the contamination; and

42 (4) the city intends to establish a redevelopment district pursuant to  
43 K.S.A. 12-1771, and amendments thereto, to wholly finance or partially

1 finance the investigation and remediation of contamination within such  
2 district.

3 (b) An *environmental* increment established after a city has found  
4 that the ~~condition in subsection (a)(2) of K.S.A. 12-1771~~ *conditions de-*  
5 *scribed in subsection (c) of K.S.A. 2000 Supp. 12-1770a*, and amendments  
6 thereto, exists shall be set on a yearly basis. For purposes of this section,  
7 a yearly basis shall be a calendar year. Each year's increment shall be an  
8 amount sufficient to pay the direct costs of investigation and remediation  
9 of the contaminated condition anticipated to be incurred that year in-  
10 cluding principal and interest due on any special obligation bonds or full  
11 faith and credit tax increment bonds issued to finance in whole or in part  
12 the remediation and investigation, costs relating to remediation investi-  
13 gation and feasibility studies, operation and maintenance expenses and  
14 other expenses relating directly to the investigation and remediation of  
15 contamination. Each year's *environmental* increment shall not exceed  
16 20% of the amount of taxes that are produced by all taxing subdivisions  
17 within any currently existing or subsequently created redevelopment dis-  
18 trict area in the year the redevelopment district is first established, not-  
19 withstanding that such subdivision was not required to receive notice of  
20 the establishment of the district.

21 (c) The budget that establishes the yearly *environmental* increment  
22 shall be certified by the city to the county clerk and county treasurer no  
23 later than August 25th, preceding the calendar year for which the budget  
24 is being set. Funds derived from an *environmental* increment established  
25 by this section and interest on all funds derived from an *environmental*  
26 increment established by this section may be used only for projects in-  
27 volving the investigation and remediation of contamination in the district.

28 (d) The real property taxes produced by the *environmental* increment  
29 established under subsection (b) from a redevelopment district estab-  
30 lished under the provisions of K.S.A. 12-1771, and amendments thereto,  
31 *and this section* shall be allocated and paid by the county treasurer to the  
32 treasurer of the city and deposited in a special separate fund of the city  
33 to pay the direct cost of investigation and remediation of contamination  
34 in the redevelopment district. Any funds collected by the city from parties  
35 determined to be responsible in any manner for the contaminated con-  
36 dition shall be either: (1) Deposited in the same separate special fund  
37 created hereunder, and with all interest earned thereon, may be used  
38 only for projects involving the investigation and remediation of contam-  
39 ination in the established redevelopment district; or (2) distributed to  
40 parties who have entered into a contract with the city to pay a portion of  
41 investigation and remediation of the contamination in the redevelopment  
42 district and the terms of such contract provide that such parties are en-  
43 titled to reimbursement for a portion of funds they have expended for

1 such investigation and remediation of contamination from the recovery  
2 of costs that are collected from other third party responsible parties.

3 (e) A redevelopment district created under the provisions of this sec-  
4 tion shall constitute a separate taxing district. If all costs for such invest-  
5 gation and remediation of contamination in the redevelopment district  
6 have been paid and moneys remain in the special fund, such moneys shall  
7 be remitted to each taxing subdivision which paid moneys into the special  
8 fund on the basis of the proportion which the total amount of moneys  
9 paid by such taxing subdivision into the special fund bears to the total  
10 amount of all moneys paid by all taxing subdivisions into the fund.

11 ~~(e)~~ (f) Nothing in this section shall prevent any city from establishing  
12 a redevelopment district for other purposes pursuant to K.S.A. 12-1770  
13 *et seq.*, and amendments thereto, which may include part or all of the  
14 real property included in the district established under this section.

15 (g) *Redevelopment projects relating to environmental investigation*  
16 *and remediation under this section, and amendments thereto, shall be*  
17 *completed within 20 years from the date a city enters into a consent decree*  
18 *agreement with the Kansas department of health and environment or the*  
19 *United States environmental protection agency.*

20 ~~(f)~~ (h) Nothing in this section shall be construed to affect the obli-  
21 gations of the county to annually review the fair market value of property  
22 in accordance with procedures set by law or to affect the right of any  
23 taxpayer to protest and appeal the appraised or reappraised value of their  
24 property in accordance with procedures set forth by law.

25 ~~(g)~~ (i) Commencing with the regular session of the legislature in 1993,  
26 each city that establishes a redevelopment district under this section shall  
27 make a status report on a biennial basis to the standing committee on  
28 commerce of the senate and the standing committee on economic de-  
29 velopment of the house of representatives during the month of January.  
30 The status report shall contain information on the status of the investi-  
31 gation and remediation of contamination in the redevelopment district.

32 (j) *For the purposes of this act, the governing body of a city, in con-*  
33 *tracts entered into with the Kansas department of health and environment*  
34 *or the United States environmental protection agency, may pledge incre-*  
35 *ments receivable in future years to pay costs directly relating to the in-*  
36 *vestigation and remediation of environmentally contaminated areas. The*  
37 *provisions in such contracts pertaining to pledging increments in future*  
38 *years shall not be subject to K.S.A. 10-1101 et seq. or 79-2925 et seq., and*  
39 *amendments thereto.*

40 Sec. 5. K.S.A. 2000 Supp. 12-1771d is hereby amended to read as  
41 follows: 12-1771d. The governing body of any municipality may designate  
42 a building within such municipality to be a historic theater if the governing  
43 body of the municipality and the secretary of commerce and housing

1 agree that the building satisfies the requirements of subsection ~~(a)~~ (i) of  
2 K.S.A. 2000 Supp. 12-1770a, and amendments thereto, and will contribute  
3 significantly to the economic development of the city and surrounding  
4 area.

5 Sec. 6. K.S.A. 2000 Supp. 12-1771b is hereby amended to read as  
6 follows: 12-1771b. ~~No individual, firm, partnership, association, corpo-~~  
7 ~~ration or any other entity shall establish or operate any lottery within that~~  
8 ~~portion of any redevelopment district occupied by a redevelopment pro-~~  
9 ~~ject that has been found to be of statewide as well as local importance~~  
10 ~~and to meet the other criteria specified in K.S.A. 12-1774 (a)(1)(D).~~

11 (a) *The boundaries of any redevelopment district in a major tourism*  
12 *area including an auto race track facility located in Wyandotte county,*  
13 *shall, without regard to that portion of the district pertaining to the auto*  
14 *race track facility, be as follows: Beginning at the intersection of Interstate*  
15 *70 and Interstate 435; West along Interstate 70 to 118th Street; North*  
16 *along 118th Street to State Avenue; Northeasterly along proposed relo-*  
17 *cated State Avenue to 110th Street; North along 110th Street to Parallel*  
18 *Parkway; East along Parallel Parkway to Interstate 435; South along In-*  
19 *terstate 435 to Interstate 70.*

20 (b) *Any major tourism area may include an additional area not ex-*  
21 *ceeding 400 acres of additional property, excluding roads and highways,*  
22 *in addition to the property necessary for the auto race track facility upon*  
23 *a finding by the governor that the development plan and each project*  
24 *within such additional area will enhance the major tourism area. For the*  
25 *development of each project within such additional area the city shall*  
26 *select qualified developers pursuant to a request for proposals in accord-*  
27 *ance with written official procedures approved by the governing body of*  
28 *the city. Any project within such additional area that is financed in whole*  
29 *or in part by special obligation bonds payable from revenues derived from*  
30 *subsection (a)(1)(D) of K.S.A. 12-1774, and amendments thereto, shall not*  
31 *be entitled to any real property tax abatements or the revenues described*  
32 *in K.S.A. 12-1775, and amendments thereto. Any project within such ad-*  
33 *ditional area must be approved by the governor and construction must*  
34 *be commenced by July 1, 2002. The city shall prepare and submit annually*  
35 *to the governor, the secretary of commerce and housing and the legislature*  
36 *by each October 1, commencing October 1, 1999, and continuing until*  
37 *October 1, 2002, a report describing the status of any projects within such*  
38 *additional area. Any business located in Kansas within 50 miles of a major*  
39 *tourism area that relocates into a major tourism area shall not receive any*  
40 *of the benefits of K.S.A. 12-1770 et seq., and amendments thereto.*

41 (c) *If a city determines that revenues from sources other than prop-*  
42 *erty taxes will be sufficient to pay any special obligation bonds issued to*  
43 *finance a redevelopment project for an auto race track facility as described*

1 *in subsection (a) of K.S.A. 2000 Supp. 12-1770a, and amendments thereto,*  
2 *and the secretary of commerce and housing makes a finding that such*  
3 *project will create a major tourism area pursuant to subsection (n) of*  
4 *K.S.A. 2000 Supp. 12-1770a, and amendments thereto, all real and per-*  
5 *sonal property, constituting an auto race track facility described in sub-*  
6 *section (a) of K.S.A. 2000 Supp. 12-1770a, and amendments thereto, in*  
7 *such redevelopment district shall be exempt from property taxation for a*  
8 *period ending on the earlier of (1) the date which is 30 years after the*  
9 *date of the finding by the secretary of commerce and housing with respect*  
10 *to such major tourism area; or (2) the date on which no such special*  
11 *obligation bonds issued to finance such auto race track facility in a major*  
12 *tourism area remain outstanding.*

13 *(d) The city which is authorized to issue bonds pursuant to the pro-*  
14 *visions of K.S.A. 12-1770 et seq. in order to finance a redevelopment*  
15 *project in a major tourism area as defined by K.S.A. 2000 Supp. 12-1770a,*  
16 *and amendments thereto, shall obtain underwriting services required by*  
17 *the city for the issuance of such bonds pursuant to written proposals*  
18 *received in accordance with this section.*

19 *(e) Each city which is authorized to issue such bonds shall establish*  
20 *written official procedures for obtaining underwriting services required*  
21 *for the issuance of such bonds, including specifications for requests for*  
22 *proposals and criteria for evaluation of proposals on a competitive basis.*  
23 *The proposal evaluation criteria shall include factors based on cost, ca-*  
24 *pacitv to provide the required services, qualifications and experience.*

25 *(f) Prior to the issuance of any such bonds to finance a redevelopment*  
26 *project in a major tourism area after the effective date of this act, the city*  
27 *shall publish notice of a request for proposals to provide the underwriting*  
28 *services that are required by the city with regard to the proposed bond*  
29 *issuance and shall mail requests for proposals to qualified interested par-*  
30 *ties upon request for such notice. The city shall award contracts for such*  
31 *underwriting services from the proposals received in accordance with the*  
32 *procedures and evaluation criteria adopted by the city for such purpose.*  
33 *A city shall publish such notice in the official newspaper of the city.*

34 *(g) A redevelopment project in a major tourism area for an auto race*  
35 *track facility, shall be completed within 30 years from the date the sec-*  
36 *retary makes the finding that the redevelopment project will create a ma-*  
37 *ior tourism area pursuant to subsection (n) of K.S.A. 2000 Supp. 12-*  
38 *1770a, and amendments thereto.*

39 *(h) The maximum maturity on bonds issued to finance projects pur-*  
40 *suant to this act shall not exceed 20 years except that: (1) Such maximum*  
41 *period of special obligation bonds not payable from revenues described*  
42 *by subsection (a)(1)(D) of K.S.A. 12-1774, and amendments thereto, is-*  
43 *sued to finance an auto race track facility shall not exceed 30 years; and*



1 (2) such maximum period, if the governor determines and makes and  
2 submits a finding to the speaker of the house of representatives and the  
3 president of the senate that a maturity greater than 20 years, but in no  
4 event exceeding 30 years, is necessary for the economic feasibility of the  
5 financing of an auto race track facility with special obligation bonds pay-  
6 able primarily from revenues described by subsection (a)(1)(D) of K.S.A.  
7 12-1774, and amendments thereto, may be extended in accordance with  
8 such determination and finding.

9 Sec. 7. K.S.A. 12-1772 is hereby amended to read as follows: 12-  
10 1772. ~~(a) Any city proposing to undertake a redevelopment project within~~  
11 ~~a redevelopment district established pursuant to K.S.A. 12-1771, and~~  
12 ~~amendments thereto, shall prepare a redevelopment plan in consultation~~  
13 ~~with the planning commission of the city. The redevelopment plan shall~~  
14 ~~include: (1) A summary of the feasibility study required by K.S.A. 12-~~  
15 ~~1771, and amendments thereto; (2) a reference to the redevelopment~~  
16 ~~district plan established under K.S.A. 12-1771, and amendments thereto,~~  
17 ~~that identifies the redevelopment project area that is set forth in the~~  
18 ~~comprehensive plan that is being considered; (3) a description and map~~  
19 ~~of the area to be redeveloped; (4) the relocation assistance plan required~~  
20 ~~by K.S.A. 12-1777, and amendments thereto; (5) a detailed description~~  
21 ~~of the buildings and facilities proposed to be constructed or improved in~~  
22 ~~such area; and (6) any other information the governing body deems nec-~~  
23 ~~essary to advise the public of the intent of the plan. A copy of the rede-~~  
24 ~~velopment plan shall be delivered to the board of county commissioners~~  
25 ~~of the county and the board of education of any school district levying~~  
26 ~~taxes on property within the proposed redevelopment project area. Upon~~  
27 ~~a finding by the planning commission that the redevelopment plan is~~  
28 ~~consistent with the comprehensive general plan for the development of~~  
29 ~~the city, the governing body of the city shall adopt a resolution stating~~  
30 ~~that the city is considering the adoption of the plan. Such resolution shall:~~  
31 ~~— (1) Give notice that a public hearing will be held to consider the~~  
32 ~~adoption of the redevelopment plan and fix the date, hour and place of~~  
33 ~~such public hearing;~~  
34 ~~— (2) describe the boundaries of the redevelopment district within~~  
35 ~~which the redevelopment project will be located and the date of estab-~~  
36 ~~lishment of such district;~~  
37 ~~— (3) describe the boundaries of the area proposed to be included~~  
38 ~~within the redevelopment project area; and~~  
39 ~~— (4) state that the redevelopment plan, including a summary of the~~  
40 ~~feasibility study, relocation assistance plan and financial guarantees of the~~  
41 ~~prospective developer and a description and map of the area to be re-~~  
42 ~~developed are available for inspection during regular office hours in the~~  
43 ~~office of the city clerk.~~

1 —Except as provided in paragraph (3) of subsection (b) of K.S.A. 12-  
2 1774, and amendments thereto, if the governing body determines that it  
3 may issue full faith and credit tax increment bonds to finance the rede-  
4 velopment project, in whole or in part, the resolution also shall include  
5 notice thereof.

6 —(b) The date fixed for the public hearing shall be not less than 30 or  
7 more than 70 days following the date of the adoption of the resolution  
8 fixing the date of the hearing.

9 —(c) A copy of the resolution providing for the public hearing shall be  
10 delivered to the board of county commissioners of the county and the  
11 board of education of any school district levying taxes on property within  
12 the proposed redevelopment project area. Copies also shall be mailed by  
13 certified mail to each owner and occupant of land within the proposed  
14 redevelopment project area not more than 10 days following the date of  
15 the adoption of the resolution. The resolution shall be published once in  
16 the official city newspaper not less than one week or more than two weeks  
17 preceding the date fixed for the public hearing. A sketch clearly deline-  
18 ating the area in sufficient detail to advise the reader of the particular  
19 land proposed to be included within the project area shall be published  
20 with the resolution.

21 —(d) At the public hearing, a representative of the city shall present  
22 the city's proposed redevelopment plan. Following the presentation of  
23 the plan, all interested persons shall be given an opportunity to be heard.  
24 The governing body for good cause shown may recess such hearing to a  
25 time and date certain, which shall be fixed in the presence of persons in  
26 attendance at the hearing.

27 —(e) Following the public hearing, the governing body may adopt the  
28 redevelopment plan by ordinance passed upon a  $\frac{2}{3}$  vote. Any substantial  
29 changes to the plan as adopted shall be subject to public hearing following  
30 publication of notice thereof at least twice in the official city newspaper.

31 *(a) Redevelopment projects. One or more redevelopment projects may*  
32 *be undertaken by a city within an established redevelopment district. Any*  
33 *such project plan may be implemented in separate development stages.*  
34 *Any city proposing to undertake a redevelopment project within a rede-*  
35 *velopment district established pursuant to K.S.A. 12-1771, and amend-*  
36 *ments thereto, shall prepare a project plan in consultation with the plan-*  
37 *ning commission of the city. The project plan shall include:*

38 *(1) A summary of the feasibility study done as defined in K.S.A. 2000*  
39 *Supp. 12-1770a, and amendments thereto, which will be an open record;*

40 *(2) a reference to the district plan established under K.S.A. 12-1771,*  
41 *and amendments thereto, that identifies the redevelopment project area*  
42 *that is set forth in the project plan that is being considered;*

43 *(3) a description and map of the redevelopment project area to be*

1 *redeveloped;*

2 (4) *the relocation assistance plan required by K.S.A. 12-1777, and*  
3 *amendments thereto;*

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

6 (6) *any other information the governing body deems necessary to ad-*  
7 *vice the public of the intent of the project plan.*

8 (b) *Resolution requirements.* A copy of the redevelopment project  
9 plan shall be delivered to the board of county commissioners of the county  
10 and the board of education of any school district levying taxes on property  
11 within the proposed redevelopment project area. Upon a finding by the  
12 planning commission that the project plan is consistent with the intent of  
13 the comprehensive plan for the development of the city, the governing  
14 body of the city shall adopt a resolution stating that the city is considering  
15 the adoption of the project plan. Such resolution shall:

16 (1) Give notice that a public hearing will be held to consider the  
17 adoption of the redevelopment project plan and fix the date, hour and  
18 place of such public hearing;

19 (2) describe the boundaries of the redevelopment district within  
20 which the redevelopment project will be located and the date of estab-  
21 lishment of such district;

22 (3) describe the boundaries of the area proposed to be included  
23 within the redevelopment project area; and

24 (4) state that the project plan, including a summary of the feasibility  
25 study, relocation assistance plan and financial guarantees of the prospec-  
26 tive developer and a description and map of the area to be redeveloped  
27 are available for inspection during regular office hours in the office of the  
28 city clerk.

29 Except as provided in paragraph (3) of subsection (b) of K.S.A. 12-  
30 1774, and amendments thereto, if the governing body determines that it  
31 may issue full faith and credit tax increment bonds to finance the rede-  
32 velopment project, in whole or in part, the resolution also shall include  
33 notice thereof.

34 (c) (1) *Hearing. The date fixed for the public hearing shall be not less*  
35 *than 30 nor more than 70 days following the date of the adoption of the*  
36 *resolution fixing the date of the hearing.*

37 (2) *A copy of the resolution providing for the public hearing shall be*  
38 *by certified mail, return receipt requested sent to the board of county*  
39 *commissioners of the county and the board of education of any school*  
40 *district levying taxes on property within the proposed redevelopment pro-*  
41 *ject area. Copies also shall be sent by certified mail, return receipt re-*  
42 *quested to each owner and occupant of land within the proposed rede-*  
43 *velopment project area not more than 10 days following the date of the*

1 *adoption of the resolution. The resolution shall be published once in the*  
2 *official city newspaper not less than one week nor more than two weeks*  
3 *preceding the date fixed for the public hearing. A sketch clearly deline-*  
4 *ating the area in sufficient detail to advise the reader of the particular*  
5 *land proposed to be included within the project area shall be published*  
6 *with the resolution.*

7 (3) *At the public hearing, a representative of the city shall present the*  
8 *city's proposed project plan. Following the presentation of the project*  
9 *plan, all interested persons shall be given an opportunity to be heard. The*  
10 *governing body for good cause shown may recess such hearing to a time*  
11 *and date certain, which shall be fixed in the presence of persons in at-*  
12 *tendance at the hearing.*

13 (d) *The public hearing records and feasibility study shall be subject*  
14 *to the open records act, K.S.A. 45-215, and amendments thereto.*

15 (e) *Posthearing procedure. Following the public hearing, the govern-*  
16 *ing body may adopt the project plan by ordinance passed upon a  $\frac{2}{3}$  vote.*

17 (f) *Any substantial changes as defined in K.S.A. 2000 Supp. 12-1770a,*  
18 *and amendments thereto, to the project plan as adopted shall be subject*  
19 *to a public hearing following publication of notice thereof at least twice*  
20 *in the official city newspaper.*

21 (g) *Any project shall be completed within 20 years from the date of*  
22 *the approval of the project plan.*

23 Sec. 8. K.S.A. 2000 Supp. 12-1773 is hereby amended to read as  
24 follows: 12-1773. (a) Any city which has adopted a ~~redevelopment~~ project  
25 plan in accordance with the provisions of this act may purchase or oth-  
26 erwise acquire real property *in connection with such project plan*. Upon  
27 a  $\frac{2}{3}$  vote of the members of the governing body thereof a city may acquire  
28 by condemnation any interest in real property, including a fee simple title  
29 thereto, which it deems necessary for or in connection with any ~~redevelop-~~  
30 ~~ment~~ project plan of an area located within the redevelopment district.  
31 Prior to the exercise of such eminent domain power, the city shall offer  
32 to the owner of any property which will be subject to condemnation with  
33 respect to any redevelopment project, other than one which includes an  
34 auto race track facility, compensation in an amount equal to the highest  
35 appraised valuation amount determined for property tax purposes by the  
36 county appraiser for any of the three most recent years next preceding  
37 the year of condemnation, except that, if in the year next preceding the  
38 year of condemnation any such property had been damaged or destroyed  
39 by fire, flood, tornado, lightning, explosion or other catastrophic event,  
40 the amount offered should be equal to the appraised valuation of the  
41 property which would have been determined taking into account such  
42 damage or destruction unless such property has been restored, renovated  
43 or otherwise improved. However no city shall exercise such eminent do-

1 main power to acquire real property in a conservation area. Any such city  
2 may exercise the power of eminent domain in the manner provided by  
3 K.S.A. 26-501 et seq., and amendments thereto. In addition to the com-  
4 pensation or damage amount finally awarded thereunder with respect to  
5 any property subject to proceedings thereunder as a result of the con-  
6 struction of an auto race track facility, such city shall provide for the  
7 payment of an amount equal to 25% of such compensation or damage  
8 amount. In addition to any compensation or damages allowed under the  
9 eminent domain procedure act, such city shall also provide for the pay-  
10 ment of relocation assistance as provided in K.S.A. 12-1777, and amend-  
11 ments thereto.

12 (b) Any property acquired by a city under the provisions of this act  
13 may be sold, *transferred* or leased to ~~any person, firm or corporation,~~  
14 ~~hereinafter referred to as~~ a developer, in accordance with the ~~redevelop-~~  
15 ~~ment~~ *project* plan and under such other conditions as may be agreed  
16 upon. Such city may use the proceeds of special obligation bonds issued  
17 under K.S.A. 12-1774, and amendments thereto, or full faith and credit  
18 tax increment bonds issued under K.S.A. 12-1774, and amendments  
19 thereto, or any uncommitted funds derived from those sources set forth  
20 in paragraph (1) of subsection (a) of K.S.A. 12-1774, and amendments  
21 thereto, *to pay the redevelopment project costs as defined in K.S.A. 2000*  
22 *Supp. 12-1770a, and amendments thereto,* to implement the ~~redevelop-~~  
23 ~~ment~~ *project* plan including, without limitation:

- 24 —(1) ~~Acquisition of property within the project area;~~
- 25 —(2) ~~payment of relocation assistance;~~
- 26 —(3) ~~site preparation;~~
- 27 —(4) ~~sanitary and storm sewers and lift stations;~~
- 28 —(5) ~~drainage conduits, channels and levees;~~
- 29 —(6) ~~street grading, paving, graveling, macadamizing, curbing, gutter-~~  
30 ~~ing and surfacing;~~
- 31 —(7) ~~street lighting fixtures, connection and facilities;~~
- 32 —(8) ~~underground gas, water, heating, and electrical services and con-~~  
33 ~~nections located within the public right of way;~~
- 34 —(9) ~~sidewalks and pedestrian underpasses or overpasses;~~
- 35 —(10) ~~drives and driveway approaches located within public right of~~  
36 ~~way;~~
- 37 —(11) ~~water mains and extensions;~~
- 38 —(12) ~~plazas and arcades;~~
- 39 —(13) ~~parking facilities;~~
- 40 —(14) ~~landscaping and plantings; fountains, shelters, benches, sculp-~~  
41 ~~tures, lighting, decorations and similar amenities; and~~
- 42 —(15) ~~all related expenses to redevelop and finance the redevelopment~~  
43 ~~project.~~

1 None of the proceeds from the sale of such bonds shall be used for the  
2 construction of buildings or other structures to be owned by or to be  
3 leased to such developer, except for proceeds of such bonds as may be  
4 issued for a redevelopment project which includes an auto race track  
5 facility and except for proceeds of such bonds as may be issued for a  
6 redevelopment district including some or all of the land and buildings  
7 comprising a state mental institution closed pursuant to section 2 of chap-  
8 ter 219 of the 1995 Session Laws of Kansas.

9 Sec. 9. K.S.A. 2000 Supp. 12-1774 is hereby amended to read as  
10 follows: 12-1774. (a) (1) Any city shall have the power to issue special  
11 obligation bonds in one or more series to finance the undertaking of any  
12 redevelopment project in accordance with the provisions of this act. Such  
13 special obligation bonds shall be made payable, both as to principal and  
14 interest:

15 (A) From ~~property~~ tax increments allocated to, and paid into a special  
16 fund of the city under the provisions of K.S.A. 12-1775, and amendments  
17 thereto;

18 (B) from revenues of the city derived from or held in connection with  
19 the undertaking and carrying out of any redevelopment project or projects  
20 under this act *including historic theater sales tax increments and envi-*  
21 *ronmental increments;*

22 (C) from any private sources, contributions or other financial assis-  
23 tance from the state or federal government;

24 (D) from a pledge of a portion or all of the revenue received by the  
25 city from transient guest, sales and use taxes collected pursuant to K.S.A.  
26 12-1696 *et seq.*, 79-3601 *et seq.*, 79-3701 *et seq.* and 12-187 *et seq.*, and  
27 amendments thereto, and which are collected from taxpayers doing busi-  
28 ness within that portion of the city's redevelopment district established  
29 pursuant to K.S.A. 12-1771, and amendments thereto, occupied by a re-  
30 development project if there first is a finding by the secretary of com-  
31 merce and housing that the redevelopment project ~~is of statewide as well~~  
32 ~~as local importance or will create a major tourism area for the state or if~~  
33 ~~the project is the restoration of a historic theater as defined in subsection~~  
34 ~~(l) of K.S.A. 2000 Supp. 12-1770a, and amendments thereto. In making a~~  
35 ~~finding that a redevelopment project is of statewide as well as local im-~~  
36 ~~portance, the secretary must conclude at least: (i) That capital improve-~~  
37 ~~ments costing not less than \$300,000,000 will be built in the state for such~~  
38 ~~redevelopment project; and (ii) not less than 1,500 permanent and sea-~~  
39 ~~sonal employment positions as defined by K.S.A. 74-50,114, and amend-~~  
40 ~~ments thereto, will be created in the state by such redevelopment project.~~  
41 ~~In making a finding that a redevelopment project will create a major~~  
42 ~~tourism area within the state, the secretary must conclude at least: (i)~~  
43 ~~That capital improvements costing not less than \$100,000,000 will be built~~

1 ~~in the state to construct a project for such major tourism area; and (ii)~~  
2 ~~that the project constructed will be an auto race track facility. An auto~~  
3 ~~race track facility means (i) an auto race facility and facilities directly~~  
4 ~~related and necessary to the operation of an auto race track facility in-~~  
5 ~~cluding, but not limited to, grandstands, suites and viewing areas, con-~~  
6 ~~cessions and souvenir facilities, catering facilities, visitor and retail cen-~~  
7 ~~ters, signage and temporary hospitality facilities; but excluding (ii) hotels,~~  
8 ~~motels, restaurants and retail facilities not included in (i);~~

9 (E) (i) from a pledge of a portion or all increased revenue received  
10 by the city from franchise fees collected from utilities and other busi-  
11 nesses using public right-of-way within the redevelopment district; (ii)  
12 from a pledge of a portion or all of the revenue received by the city from  
13 sales taxes collected pursuant to K.S.A. 12-187, and amendments thereto;  
14 or

15 (F) by any combination of these methods.

16 The city may pledge such revenue to the repayment of such special  
17 obligation bonds prior to, simultaneously with, or subsequent to the is-  
18 suance of such special obligation bonds.

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

24 (3) Bonds issued under the provisions of paragraph (1) of this sub-  
25 section shall be special obligations of the city and are declared to be  
26 negotiable instruments. They shall be executed by the mayor and clerk  
27 of the city and sealed with the corporate seal of the city. All details per-  
28 taining to the issuance of such special obligation bonds and terms and  
29 conditions thereof shall be determined by ordinance of the city. All special  
30 obligation bonds issued pursuant to this act and all income or interest  
31 therefrom shall be exempt from all state taxes except inheritance taxes.  
32 Such special obligation bonds shall contain none of the recitals set forth  
33 in K.S.A. 10-112, and amendments thereto. Such special obligation bonds  
34 shall, however, contain the following recitals, viz., the authority under  
35 which such special obligation bonds are issued, they are in conformity  
36 with the provisions, restrictions and limitations thereof, and that such  
37 special obligation bonds and the interest thereon are to be paid from the  
38 money and revenue received as provided in paragraph (1) of this  
39 subsection.

40 (b) (1) Subject to the provisions of paragraph (2) of this subsection,  
41 any city shall have the power to issue full faith and credit tax increment  
42 bonds to finance the undertaking of any redevelopment project in ac-  
43 cordance with the provisions of K.S.A. 12-1770 *et seq.*, and amendments

1 thereto other than a project ~~determined by the secretary of commerce~~  
2 ~~and housing to be of statewide as well as local importance or that will~~  
3 ~~create a major tourism area as specified in subsection (a)(1)(D) of K.S.A.~~  
4 ~~12-1774, and amendments thereto or result in the renovation of an his-~~  
5 ~~toric theater.~~ Such full faith and credit tax increment bonds shall be made  
6 payable, both as to principal and interest: (A) From the revenue sources  
7 identified in paragraph (1)(A), (B), (C), (D) and (E) of subsection (a) or  
8 by any combination of these sources; and (B) subject to the provisions of  
9 paragraph (2) of this subsection, from a pledge of the city's full faith and  
10 credit to use its ad valorem taxing authority for repayment thereof in the  
11 event all other authorized sources of revenue are not sufficient.

12 (2) Except as provided in paragraph (3) of this subsection, before the  
13 governing body of any city proposes to issue full faith and credit tax in-  
14 crement bonds as authorized by this subsection, the feasibility study re-  
15 quired by K.S.A. ~~12-1771~~ 12-1772, and amendments thereto, shall dem-  
16 onstrate that the benefits derived from the project will exceed the cost  
17 and that the income therefrom will be sufficient to pay the costs of the  
18 project. No full faith and credit tax increment bonds shall be issued unless  
19 the governing body states in the resolution required by K.S.A. 12-1772,  
20 and amendments thereto, that it may issue such bonds to finance the  
21 proposed redevelopment project. The governing body may issue the  
22 bonds unless within 60 days following the date of the public hearing on  
23 the proposed ~~redevelopment~~ *project* plan a protest petition signed by 3%  
24 of the qualified voters of the city is filed with the city clerk in accordance  
25 with the provisions of K.S.A. 25-3601 *et seq.*, and amendments thereto.  
26 If a sufficient petition is filed, no full faith and credit tax increment bonds  
27 shall be issued until the issuance of the bonds is approved by a majority  
28 of the voters voting at an election thereon. Such election shall be called  
29 and held in the manner provided by the general bond law. The failure of  
30 the voters to approve the issuance of full faith and credit tax increment  
31 bonds shall not prevent the city from issuing special obligation bonds in  
32 accordance with K.S.A. 12-1774, and amendments thereto. No such elec-  
33 tion shall be held in the event the board of county commissioners or the  
34 board of education determines, as provided in K.S.A. 12-1771, and  
35 amendments thereto, that the proposed redevelopment district will have  
36 an adverse effect on the county or school district.

37 (3) As an alternative to paragraph (2) of this subsection, any city which  
38 adopts a ~~redevelopment~~ *project* plan but does not state its intent to issue  
39 full faith and credit tax increment bonds in the resolution required by  
40 K.S.A. 12-1772, and amendments thereto, and has not acquired property  
41 in the redevelopment project area may issue full faith and credit tax in-  
42 crement bonds if the governing body of the city adopts a resolution stating  
43 its intent to issue the bonds and the issuance of the bonds is approved by



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

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

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

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

29 (c) *Any increment in ad valorem property taxes resulting from a re-*  
30 *development project in the established redevelopment district undertaken*  
31 *in accordance with the provisions of this act, shall be apportioned to a*  
32 *special fund for the payment of the redevelopment project costs, including*  
33 *the payment of principal and interest on any special obligation bonds or*  
34 *full faith and credit tax increment bonds issued to finance such project*  
35 *pursuant to this act and may be pledged to the payment of principal and*  
36 *interest on such bonds.*

37 Sec. 10. K.S.A. 2000 Supp. 12-1774a is hereby amended to read as  
38 follows: 12-1774a. ~~(a)~~ In the event that the city shall default in the pay-  
39 ment of any special obligation bonds as authorized pursuant to ~~K.S.A. 12-~~  
40 ~~1774 (a)(1)(D)~~ *subsection (a)(1)(D) of K.S.A. 12-1774*, and amendments  
41 thereto, no public funds shall be used to pay the holders thereof except  
42 as otherwise specifically authorized in this act.

43 ~~(b) No property abutting the site of a redevelopment project deter-~~

1 ~~mined by the secretary of commerce and housing to be of statewide as~~  
2 ~~well as local importance and to meet the other criteria specified by K.S.A.~~  
3 ~~12-1774 (a)(1)(D), and amendments thereto, or property abutting any~~  
4 ~~public infrastructure constructed to support such redevelopment project,~~  
5 ~~shall be assessed for any infrastructure construction in connection with~~  
6 ~~such project unless it is determined that such abutting property is spe-~~  
7 ~~cifically benefited thereby.~~

8 Sec. 11. K.S.A. 2000 Supp. 12-1775 is hereby amended to read as  
9 follows: 12-1775. (a) For the purposes of this act:

10 —(1) ~~“Taxing subdivision” means the county, the city, the unified~~  
11 ~~school district and any other taxing subdivision levying real property taxes,~~  
12 ~~the territory or jurisdiction of which includes any currently existing or~~  
13 ~~subsequently created redevelopment district; and~~

14 —(2) ~~“real property taxes” means all taxes levied on an ad valorem basis~~  
15 ~~upon land and improvements thereon.~~

16 —~~(b)~~ (a) Except for redevelopment projects satisfying the conditions of  
17 subsection ~~(k)~~ (c) of K.S.A. ~~12-1774~~ 2000 Supp. 12-1771b, and amend-  
18 ments thereto, all tangible taxable property located within a redevelop-  
19 ment district shall be assessed and taxed for ad valorem tax purposes  
20 pursuant to law in the same manner that such property would be assessed  
21 and taxed if located outside such district, and all ad valorem taxes levied  
22 on such property shall be paid to and collected by the county treasurer  
23 in the same manner as other taxes are paid and collected. Except as  
24 otherwise provided in this section, the county treasurer shall distribute  
25 such taxes as may be collected in the same manner as if such property  
26 were located outside a redevelopment district. Each redevelopment dis-  
27 trict established under the provisions of this act shall constitute a separate  
28 taxing unit for the purpose of the computation and levy of taxes.

29 ~~(c)~~ (b) Except for redevelopment projects satisfying the conditions of  
30 subsection ~~(k)~~ (c) of K.S.A. ~~12-1774~~ (c) of K.S.A. 2000 Supp. 12-1771b, and  
31 amendments thereto, beginning with the first payment of taxes which are  
32 levied following the date of the ~~redevelopment plan or revision of the~~  
33 ~~plan, as authorized by K.S.A. 2000 Supp. 12-1771c, and amendments~~  
34 ~~thereto, to the county pursuant to K.S.A. 12-1776, and amendments~~  
35 ~~thereto, establishment of the redevelopment district~~ real property taxes  
36 received by the county treasurer resulting from taxes which are levied  
37 subject to the provisions of this act by and for the benefit of a taxing  
38 subdivision, as ~~herein~~ defined in K.S.A. 2000 Supp. 12-1770a, on property  
39 located within such redevelopment district constituting a separate taxing  
40 unit under the provisions of this section, shall be divided as follows:

41 (1) From the taxes levied each year subject to the provisions of this  
42 act by or for each of the taxing subdivisions upon property located within  
43 a redevelopment district constituting a separate taxing unit under the

1 provisions of this act, the county treasurer first shall allocate and pay to  
2 each such taxing subdivision all of the real property taxes collected which  
3 are produced from ~~that portion of the current assessed valuation of such~~  
4 ~~real property located within such separate taxing unit which is equal to~~  
5 ~~the total assessed value of such real property on the date of the estab-~~  
6 ~~lishment of the redevelopment district~~ *the base year assessed valuation.*

7 (2) Any real property taxes produced from that portion of the current  
8 assessed valuation of real property within the redevelopment district con-  
9 stituting a separate taxing unit under the provisions of this section in  
10 excess of ~~an amount equal to the total assessed value of such real property~~  
11 ~~on January 1 in the year preceding transmittal of the redevelopment plan~~  
12 ~~or a revision of the plan, as authorized by K.S.A. 2000 Supp. 12-1771c,~~  
13 ~~and amendments thereto, to the county pursuant to K.S.A. 12-1776, and~~  
14 ~~amendments thereto,~~ *the base year assessed valuation* shall be allocated  
15 and paid by the county treasurer to the treasurer of the city and deposited  
16 in a special fund of the city to pay the ~~cost of redevelopment projects~~  
17 *redevelopment project costs* including the payment of principal of and  
18 interest on any special obligation bonds or full faith and credit tax incre-  
19 ment bonds issued by such city to finance, in whole or in part, such  
20 redevelopment project. When *the redevelopment project costs have been*  
21 *paid* and such obligation bonds and interest thereon have been paid, all  
22 moneys thereafter received from real property taxes within such rede-  
23 velopment district shall be allocated and paid to the respective taxing  
24 subdivisions in the same manner as are other ad valorem taxes. If such  
25 obligation bonds and interest thereon have been paid before the comple-  
26 tion of a project, the city may continue to use such moneys for any pur-  
27 pose authorized by this act until such time as the project is completed,  
28 but for not to exceed 20 years from the date of the ~~transmittal to the~~  
29 ~~county of the redevelopment plan or a revision of the plan as authorized~~  
30 ~~by K.S.A. 2000 Supp. 12-1771c, and amendments thereto~~ *approval of the*  
31 *project plan, except as otherwise provided by this act.*

32 ~~(d)~~ **[(c)]** In any ~~redevelopment project plan~~ or in the proceedings for  
33 the issuing of any special obligation bonds or full faith and credit tax  
34 increment bonds by the city to finance a redevelopment project, the prop-  
35 erty tax increment portion of taxes provided for in paragraph (2) of sub-  
36 section (c) may be irrevocably pledged for the payment of the principal  
37 of and interest on such obligation bonds, subject to the provisions of  
38 subsection ~~(h)~~ (c) of K.S.A. ~~12-1771~~ 12-1774, and amendments thereto.

39 ~~(e)~~ **[(d)]** A city may adopt a ~~redevelopment project plan~~ in which only  
40 a specified percentage *or amount* of the tax increment realized from tax-  
41 payers in the redevelopment district are pledged to the redevelopment  
42 project. The county treasurer shall allocate the specified percentage *or*  
43 *amount* of the tax increment to the treasurer of the city for deposit in the

1 special fund of the city to finance the ~~cost of redevelopment projects~~  
2 *redevelopment project costs* if the city has other available revenues and  
3 pledges the revenues to the redevelopment project in lieu of the tax in-  
4 crement. Any portion of such tax increment not allocated to the city for  
5 the redevelopment project shall be allocated and paid in the same manner  
6 as other ad valorem taxes.

7 Sec. 12. K.S.A. 2000 Supp. 12-1776 is hereby amended to read as  
8 follows: 12-1776. (a) After the adoption by the city governing body of a  
9 ~~redevelopment project plan which contains the provisions authorized by~~  
10 ~~K.S.A. 12-1775, and amendments thereto~~, the clerk of the city shall trans-  
11 mit a copy of the description of the land within the redevelopment dis-  
12 trict, a copy of the ordinance adopting the plan and a map or plat indi-  
13 cating the boundaries of the district to the clerk, assessor and treasurer  
14 of the county in which the district is located and to the governing bodies  
15 of the county and school district which levy taxes upon any property in  
16 the district. Such documents shall be transmitted following the adoption  
17 or modification of the plan or a revision of the plan, ~~as authorized by~~  
18 ~~K.S.A. 2000 Supp. 12-1771e~~, on or before the January 1 of the year in  
19 which the increment is first allocated to the taxing subdivision pursuant  
20 to K.S.A. 12-1775, and amendments thereto.

21 (b) For any year in which taxes are to be paid to the special fund  
22 established under subsection (c)(2) of K.S.A. 12-1775, and amendments  
23 thereto, any increase in assessed valuation of taxable tangible real prop-  
24 erty within the redevelopment district in excess of an amount equal to  
25 the total assessed value of such real property on the date of the estab-  
26 lishment of the redevelopment district shall not be considered by any  
27 taxing subdivision in computing any debt limitation or for any other pur-  
28 pose except for the levy of taxes and in determining the amount to be  
29 paid to such special fund.

30 (c) The appraiser of any county in which a redevelopment district is  
31 authorized by a city shall certify the amount of such increase in assessed  
32 valuation of real and personal property within the redevelopment district  
33 to the county clerk on or before July 1 of each year.

34 Sec. 13. K.S.A. 12-17,104 is hereby amended to read as follows: 12-  
35 17,104. The governing body of the city, on behalf of the district, shall  
36 have the right to acquire real and personal property by gift, purchase,  
37 exchange or eminent domain, as provided by K.S.A. 26-501 to 26-516,  
38 inclusive, and amendments thereto, provided that the governing body  
39 may exercise the power of eminent domain only under the following  
40 conditions:

41 (1) Acquisition of the land and personal property is in the public  
42 interest and is needed to further the improvement or redevelopment  
43 proposal of an existing self-supported municipal improvement district un-

1 der this act.

2 (2) The proposal has been reviewed by the appropriate planning com-  
3 mission for conformance with the comprehensive plan of the city.

4 (3) The city has complied with K.S.A. 75-2714 to 75-2725, inclusive,  
5 and amendments thereto, and has received written approval of the state  
6 historical society as provided by K.S.A. 75-2714, and amendments  
7 thereto.

8 (4) The *city has complied with* provisions of K.S.A. 12-1771 and 12-  
9 1772, and amendments thereto, ~~have been complied with except as the~~  
10 ~~same relate to findings of a blighted area.~~

11 (5) The procedures for a public hearing, notification to affected prop-  
12 erty owners and the right of appeal shall be the same as provided in  
13 subsections (d) and (e) of K.S.A. 12-1796 and 12-1797, and amendments  
14 thereto.

15 Upon the dissolution of the district or according to the district proposal  
16 as adopted or amended, and the retirement of all bonded indebtedness  
17 against the property, all property of the district shall become the property  
18 of the city and the city may trade or exchange or sell this property in the  
19 same manner as provided in K.S.A. 12-1301, and amendments thereto.  
20 The proceeds from such sale may be used for another public purpose.

21 Sec. 14. K.S.A. 2000 Supp. 19-101a is hereby amended to read as  
22 follows: 19-101a. (a) The board of county commissioners may transact all  
23 county business and perform all powers of local legislation and adminis-  
24 tration it deems appropriate, subject only to the following limitations,  
25 restrictions or prohibitions:

26 (1) Counties shall be subject to all acts of the legislature which apply  
27 uniformly to all counties.

28 (2) Counties may not consolidate or alter county boundaries.

29 (3) Counties may not affect the courts located therein.

30 (4) Counties shall be subject to acts of the legislature prescribing  
31 limits of indebtedness.

32 (5) In the exercise of powers of local legislation and administration  
33 authorized under provisions of this section, the home rule power con-  
34 ferred on cities to determine their local affairs and government shall not  
35 be superseded or impaired without the consent of the governing body of  
36 each city within a county which may be affected.

37 (6) Counties may not legislate on social welfare administered under  
38 state law enacted pursuant to or in conformity with public law No. 271—  
39 74th congress, or amendments thereof.

40 (7) Counties shall be subject to all acts of the legislature concerning  
41 elections, election commissioners and officers and their duties as such  
42 officers and the election of county officers.

43 (8) Counties shall be subject to the limitations and prohibitions im-

1 posed under K.S.A. 12-187 to 12-195, inclusive, and amendments thereto,  
2 prescribing limitations upon the levy of retailers' sales taxes by counties.

3 (9) Counties may not exempt from or effect changes in statutes made  
4 nonuniform in application solely by reason of authorizing exceptions for  
5 counties having adopted a charter for county government.

6 (10) No county may levy ad valorem taxes under the authority of this  
7 section upon real property located within any redevelopment *project* area  
8 established under the authority of K.S.A. 12-1772, and amendments  
9 thereto, unless the resolution authorizing the same specifically authorized  
10 a portion of the proceeds of such levy to be used to pay the principal of  
11 and interest upon bonds issued by a city under the authority of K.S.A.  
12 12-1774, and amendments thereto.

13 (11) Counties shall have no power under this section to exempt from  
14 any statute authorizing or requiring the levy of taxes and providing sub-  
15 stitute and additional provisions on the same subject, unless the resolution  
16 authorizing the same specifically provides for a portion of the proceeds  
17 of such levy to be used to pay a portion of the principal and interest on  
18 bonds issued by cities under the authority of K.S.A. 12-1774, and amend-  
19 ments thereto.

20 (12) Counties may not exempt from or effect changes in the provi-  
21 sions of K.S.A. 19-4601 through 19-4625, and amendments thereto.

22 (13) Except as otherwise specifically authorized by K.S.A. 12-1,101  
23 through 12-1,109, and amendments thereto, counties may not levy and  
24 collect taxes on incomes from whatever source derived.

25 (14) Counties may not exempt from or effect changes in K.S.A. 19-  
26 430, and amendments thereto.

27 (15) Counties may not exempt from or effect changes in K.S.A. 19-  
28 302, 19-502b, 19-503, 19-805 or 19-1202, and amendments thereto.

29 (16) (A) Counties may not exempt from or effect changes in K.S.A.  
30 13-13a26, and amendments thereto.

31 (B) This provision shall expire on June 30, 2003.

32 (17) (A) Counties may not exempt from or effect changes in K.S.A.  
33 *2000 Supp.* 71-301a, and amendments thereto.

34 (B) This provision shall expire on June 30, 2003.

35 (18) Counties may not exempt from or effect changes in K.S.A. 19-  
36 15,139, 19-15,140 and 19-15,141, and amendments thereto.

37 (19) Counties may not exempt from or effect changes in the provi-  
38 sions of K.S.A. 12-1223, 12-1225, 12-1225a, 12-1225b, 12-1225c and 12-  
39 1226, and amendments thereto, or the provisions of K.S.A. *2000 Supp.*  
40 12-1260 through 12-1270 and 12-1276, and amendments thereto.

41 (20) Counties may not exempt from or effect changes in the provi-  
42 sions of K.S.A. 19-211, and amendments thereto.

43 (21) Counties may not exempt from or effect changes in the provi-

1 sions of K.S.A. 19-4001 through 19-4015, and amendments thereto.

2 (22) Counties may not regulate the production or drilling of any oil  
3 or gas well in any manner which would result in the duplication of reg-  
4 ulation by the state corporation commission and the Kansas department  
5 of health and environment pursuant to chapter 55 and chapter 65 of the  
6 Kansas Statutes Annotated and any rules and regulations adopted pur-  
7 suant thereto. Counties may not require any license or permit for the  
8 drilling or production of oil and gas wells. Counties may not impose any  
9 fee or charge for the drilling or production of any oil or gas well.

10 (23) Counties may not exempt from or effect changes in K.S.A. 79-  
11 41a04, and amendments thereto.

12 (24) Counties may not exempt from or effect changes in K.S.A. 79-  
13 1611, and amendments thereto.

14 (25) Counties may not exempt from or effect changes in K.S.A. 79-  
15 1494, and amendments thereto.

16 (26) Counties may not exempt from or effect changes in subsection  
17 (b) of K.S.A. 19-202, and amendments thereto.

18 (27) Counties may not exempt from or effect changes in subsection  
19 (b) of K.S.A. 19-204, and amendments thereto.

20 (28) Counties may not levy or impose an excise, severance or any  
21 other tax in the nature of an excise tax upon the physical severance and  
22 production of any mineral or other material from the earth or water.

23 (29) Counties may not exempt from or effect changes in K.S.A. 79-  
24 2017 or 79-2101, and amendments thereto.

25 (30) Counties may not exempt from or effect changes in K.S.A. 2-  
26 3302, 2-3305, 2-3307, 17-5904, 17-5908, 47-1219 or 65-171d or K.S.A.  
27 2000 Supp. 2-3318, 17-5909 or 65-1,178 through 65-1,199, and amend-  
28 ments thereto.

29 (31) Counties may not exempt from or effect changes in K.S.A. 2000  
30 Supp. 80-121, and amendments thereto.

31 (b) Counties shall apply the powers of local legislation granted in  
32 subsection (a) by resolution of the board of county commissioners. If no  
33 statutory authority exists for such local legislation other than that set forth  
34 in subsection (a) and the local legislation proposed under the authority  
35 of such subsection is not contrary to any act of the legislature, such local  
36 legislation shall become effective upon passage of a resolution of the  
37 board and publication in the official county newspaper. If the legislation  
38 proposed by the board under authority of subsection (a) is contrary to an  
39 act of the legislature which is applicable to the particular county but not  
40 uniformly applicable to all counties, such legislation shall become effec-  
41 tive by passage of a charter resolution in the manner provided in K.S.A.  
42 19-101b, and amendments thereto.

43 (c) Any resolution adopted by a county which conflicts with the re-

1 strictions in subsection (a) is null and void.

2 Sec. 15. K.S.A. 2000 Supp. 74-5093 is hereby amended to read as  
3 follows: 74-5093. As used in this act:

4 (a) “Blighted area” has the meaning ascribed to it in K.S.A. ~~12-1771~~  
5 ~~2000 Supp. 12-1770a~~, and amendments thereto;

6 (b) “committee” means the community strategic planning grant com-  
7 mittee established by K.S.A. 74-5095 and amendments thereto;

8 (c) “metropolitan county” means the county of Douglas, Johnson,  
9 Leavenworth, Sedgwick, Shawnee or Wyandotte;

10 (d) “neighborhood revitalization organization” means any group or-  
11 ganized for the purpose of encouraging economic development in a  
12 blighted area of a metropolitan county; and

13 (e) “nonmetropolitan county” means any county which is not a met-  
14 ropolitan county.

15 ~~—Sec. 16. K.S.A. 2000 Supp. 79 3620 is hereby amended to read as~~  
16 ~~follows: 79 3620. (a) All revenue collected or received by the director of~~  
17 ~~taxation from the taxes imposed by this act shall be deposited daily with~~  
18 ~~the state treasurer. The state treasurer shall credit all revenue received~~  
19 ~~from this act, less amounts withheld as provided in subsection (b) and~~  
20 ~~amounts credited as provided in subsection (c) and (d), to the state gen-~~  
21 ~~eral fund.~~

22 ~~—(b) A refund fund, designated as “sales tax refund fund” not to exceed~~  
23 ~~\$100,000 shall be set apart and maintained by the director from sales tax~~  
24 ~~collections and estimated tax collections and held by the state treasurer~~  
25 ~~for prompt payment of all sales tax refunds including refunds authorized~~  
26 ~~under the provisions of K.S.A. 79 3635, and amendments thereto. Such~~  
27 ~~fund shall be in such amount, within the limit set by this section, as the~~  
28 ~~director shall determine is necessary to meet current refunding require-~~  
29 ~~ments under this act. In the event such fund as established by this section~~  
30 ~~is, at any time, insufficient to provide for the payment of refunds due~~  
31 ~~claimants thereof, the director shall certify the amount of additional funds~~  
32 ~~required to the director of accounts and reports who shall promptly trans-~~  
33 ~~fer the required amount from the state general fund to the sales tax refund~~  
34 ~~fund, and notify the state treasurer, who shall make proper entry in the~~  
35 ~~records.~~

36 ~~—(c) The state treasurer shall credit  $\frac{5}{8}$  of the revenue collected or~~  
37 ~~received from the tax imposed by K.S.A. 79 3603, and amendments~~  
38 ~~thereto, at the rate of 4.9%, and deposited as provided in subsection (a),~~  
39 ~~exclusive of amounts credited pursuant to subsection (d), in the state~~  
40 ~~highway fund.~~

41 ~~—(d) The state treasurer shall credit all revenue collected or received~~  
42 ~~from the tax imposed by K.S.A. 79 3603, and amendments thereto, as~~  
43 ~~certified by the director, from taxpayers doing business within that por-~~



1 ~~tion of a redevelopment district occupied by a redevelopment project that~~  
2 ~~was determined by the secretary of commerce and housing to be of state-~~  
3 ~~wide as well as local importance or will create a major tourism area for~~  
4 ~~the state as specified in subsection (a)(1)(D) of K.S.A. 12 1774 defined~~  
5 ~~in K.S.A. 2000 Supp. 12 1770a, and amendments thereto, to the city bond~~  
6 ~~finance fund, which fund is hereby created. The provisions of this sub-~~  
7 ~~section shall expire when the total of all amounts credited hereunder and~~  
8 ~~under subsection (d) of K.S.A. 79 3710, and amendments thereto, is suf-~~  
9 ~~ficient to retire the special obligation bonds issued for the purpose of~~  
10 ~~financing all or a portion of the costs of such redevelopment project.~~

11 ***[Sec. 16. K.S.A. 2000 Supp. 79-3620, as amended by section***  
12 ***460 of 2001 Senate Bill No. 15, is hereby amended to read as fol-***  
13 ***lows:79-3620. (a) All revenue collected or received by the director***  
14 ***of taxation from the taxes imposed by this act shall be remitted to***  
15 ***the state treasurer in accordance with the provisions of K.S.A. 75-***  
16 ***4215, and amendments thereto. Upon receipt of each such remit-***  
17 ***tance, the state treasurer shall deposit the entire amount in the state***  
18 ***treasury, less amounts withheld as provided in subsection (b) and***  
19 ***amounts credited as provided in subsection (c) and (d), to the credit***  
20 ***of the state general fund.***

21 ***[(b) A refund fund, designated as "sales tax refund fund" not to***  
22 ***exceed \$100,000 shall be set apart and maintained by the director***  
23 ***from sales tax collections and estimated tax collections and held by***  
24 ***the state treasurer for prompt payment of all sales tax refunds in-***  
25 ***cluding refunds authorized under the provisions of K.S.A. 79-3635,***  
26 ***and amendments thereto. Such fund shall be in such amount, within***  
27 ***the limit set by this section, as the director shall determine is nec-***  
28 ***essary to meet current refunding requirements under this act. In***  
29 ***the event such fund as established by this section is, at any time,***  
30 ***insufficient to provide for the payment of refunds due claimants***  
31 ***thereof, the director shall certify the amount of additional funds***  
32 ***required to the director of accounts and reports who shall promptly***  
33 ***transfer the required amount from the state general fund to the sales***  
34 ***tax refund fund, and notify the state treasurer, who shall make***  
35 ***proper entry in the records.***

36 ***[(c) The state treasurer shall credit  $\frac{5}{8}$ s of the revenue collected***  
37 ***or received from the tax imposed by K.S.A. 79-3603, and amend-***  
38 ***ments thereto, at the rate of 4.9%, and deposited as provided in***  
39 ***subsection (a), exclusive of amounts credited pursuant to subsection***  
40 ***(d), in the state highway fund.***

41 ***[(d) The state treasurer shall credit all revenue collected or re-***  
42 ***ceived from the tax imposed by K.S.A. 79-3603, and amendments***  
43 ***thereto, as certified by the director, from taxpayers doing business***

1 ***within that portion of a redevelopment district occupied by a re-***  
2 ***development project that was determined by the secretary of com-***  
3 ***merce and housing to be of statewide as well as local importance or***  
4 ***will create a major tourism area for the state as specified in subsec-***  
5 ***tion (a)(1)(D) of K.S.A. 12-1774 defined in K.S.A. 2000 Supp. 12-1770a,***  
6 ***and amendments thereto, to the city bond finance fund, which fund***  
7 ***is hereby created. The provisions of this subsection shall expire***  
8 ***when the total of all amounts credited hereunder and under sub-***  
9 ***section (d) of K.S.A. 79-3710, and amendments thereto, is sufficient***  
10 ***to retire the special obligation bonds issued for the purpose of fi-***  
11 ***nancing all or a portion of the costs of such redevelopment project.]***

12 Sec. 17. K.S.A. 2000 Supp. 79-3620b is hereby amended to read as  
13 follows: 79-3620b. Moneys credited to the city bond finance fund in ac-  
14 cordance with the provisions of subsections (d) of K.S.A. 79-3620 and (d)  
15 of K.S.A. 79-3710, and amendments thereto, shall be distributed bian-  
16 nually to cities which have issued special obligation bonds to finance, in  
17 whole or in part, a redevelopment project which was determined by the  
18 secretary of commerce and housing to be of statewide as well as local  
19 importance or will create a major tourism area for the state as specified  
20 in subsection (a)(1)(D) of K.S.A. 12-1774 defined in K.S.A. 2000 Supp.  
21 12-1770a, and amendments thereto. The state treasurer shall make such  
22 biannual distributions on such dates as mutually agreed to by the city and  
23 the state treasurer. The total of all distributions under this section shall  
24 not exceed an amount determined to be sufficient to retire the principal  
25 and interest payable on such special obligation bonds. Moneys paid to  
26 cities hereunder shall be deposited in a special fund of the city to pay the  
27 costs described herein.

28 ~~—Sec. 18. K.S.A. 2000 Supp. 79-3710 is hereby amended to read as~~  
29 ~~follows: 79-3710. (a) All revenue collected or received by the director~~  
30 ~~under the provisions of this act shall be deposited daily with the state~~  
31 ~~treasurer and the state treasurer shall credit the same, less amounts set~~  
32 ~~apart as provided in subsection (b) and amounts credited as provided in~~  
33 ~~subsection (c) and (d), to the general revenue fund of the state.~~

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

41 ~~—(c) The state treasurer shall credit  $\frac{5}{8}$  of the revenue collected or~~  
42 ~~received from the tax imposed by K.S.A. 79-3703, and amendments~~  
43 ~~thereto, at the rate of 4.9%, and deposited as provided in 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 district occupied by a redevelopment project that was determined by the secretary of commerce and housing to be of statewide as well as local importance or will create a major tourism area for the state as specified in subsection (a)(1)(D) of K.S.A. 12-1774 defined in K.S.A. 2000 Supp. 12-1770a, and amendments thereto, to the city bond finance fund created by subsection (d) of K.S.A. 79-3620, and amendments thereto. The provisions of this subsection shall expire when the total of all amounts credited hereunder and under subsection (d) of K.S.A. 79-3620, 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 project.~~

**[Sec. 18. K.S.A. 2000 Supp. 79-3710, as amended by section 461 of 2001 Senate Bill No. 15, 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) and (d), 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) The state treasurer shall credit  $\frac{5}{8}$ s of the revenue collected or received from the tax imposed by K.S.A. 79-3703, and amendments thereto, at the rate of 4.9%, and deposited as provided in 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 district occupied by a redevelopment project that was determined by the secretary of com-**

1 **merce and housing to be of statewide as well as local importance or**  
2 **will create a major tourism area for the state as ~~specified in subsec-~~**  
3 **~~tion (a)(1)(D) of K.S.A. 12-1774, defined in K.S.A. 2000 Supp. 12-1770a,~~**  
4 **and amendments thereto, to the city bond finance fund created by**  
5 **subsection (d) of K.S.A. 79-3620, and amendments thereto. The pro-**  
6 **visions of this subsection shall expire when the total of all amounts**  
7 **credited hereunder and under subsection (d) of K.S.A. 79-3620, and**  
8 **amendments thereto, is sufficient to retire the special obligation**  
9 **bonds issued for the purpose of financing all or a portion of the**  
10 **costs of such redevelopment project.]**

11 New Sec. 19. The provisions of this act shall be applicable to rede-  
12 velopment districts created after July 1, 2001, however, any city which  
13 has created a redevelopment district prior to the effective date of this act  
14 may, by an ordinance of the governing body, elect to have the provisions  
15 of this act apply to such.

16 Sec. 20. K.S.A. 12-1772 and 12-17,104 and K.S.A. 2000 Supp. 12-  
17 1770, 12-1770a, 12-1771, 12-1771a, 12-1771b, 12-1771c, 12-1771d, 12-  
18 1773, 12-1774, 12-1774a, 12-1774b, 12-1775, 12-1776, 19-101a, 74-5093,  
19 79-3620[, as amended by section 460 of 2001 Senate Bill No. 15],  
20 79-3620b and 79-3710[, as amended by section 461 of 2001 Senate  
21 **Bill No. 15,] are hereby repealed.**

22 Sec. 21. This act shall take effect and be in force from and after its  
23 publication in the Kansas register.

24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43