

SENATE BILL No. 611

By Committee on Commerce

2-15

AN ACT concerning Johnson county; relating to the redevelopment of the sunflower army ammunition plant; authorizing certain powers, including tax increment financing and sales tax revenue bonds; relating to projects of the Kansas development finance authority; amending K.S.A. 2001 Supp. 74-8905, 74-8921, 74-8922, 74-8923, 74-8924, 74-8925, 74-8927 and 74-8929 and repealing the existing sections.

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

New Section 1. The board of county commissioners of Johnson county, by resolution, may establish a redevelopment district to cover and include all or any part or parts of the property known as the sunflower army ammunition plant. Prior to establishing the redevelopment district, the board shall adopt a resolution stating its intent to create the district and the proposed adoption of a comprehensive master development plan for the property. The resolution of intent shall:

(a) Give notice that a public hearing will be held to consider adoption of the comprehensive master development plan for the property and establishment of the redevelopment district and stating the date, time and place for the hearing;

(b) describe the proposed boundaries of the redevelopment district; and

(c) describe the proposed master development plan and indicate where copies of the plan may be obtained and inspected. A copy of the resolution setting the public hearing shall be published once in the official county newspaper not less than one week nor more than two weeks preceding the date fixed for the public hearing, and copies of the resolution shall be sent by certified mail, return receipt requested, to each owner of land within the proposed district, to the board of education of any school district which does or would levy taxes on property in the proposed district, to the governing body of any city located within three miles of the boundaries of the proposed district, to the K-10 highway association, to the board of county commissioners of Douglas county and to the executive director of the Kansas development finance authority. Upon conclusion of the public hearing, the board, within 60 days, shall consider adoption of the comprehensive master development plan, and upon adop-

1 tion of the plan, may establish the redevelopment district.

2 New Sec. 2. The board of county commissioners of Johnson county,
3 with or without the establishment of a redevelopment district under sec-
4 tion 1 and amendments thereto, on its own initiative or in cooperation
5 with a redevelopment authority or one or more developers, may request
6 and approve the establishment of a redevelopment district by the Kansas
7 development finance authority pursuant to K.S.A. 2001 Supp. 74-8921
8 and 74-8922, and amendments thereto, covering all or any part or parts
9 of the sunflower army ammunition plant. Upon establishment of such a
10 redevelopment district at the sunflower army ammunition plant, the Kan-
11 sas development finance authority may enter into one or more intergov-
12 ernmental agreements with the board of county commissioners to assist
13 in the redevelopment of the property by the exercise of those powers
14 contained in K.S.A. 2001 Supp. 74-8905, and amendments thereto, and
15 in addition to those purposes stated in subsection (v) or K.S.A. 2001 Supp.
16 74-8904, and amendments thereto, the Kansas statewide projects devel-
17 opment corporation may act to acquire and convey property and to issue
18 bonds on behalf of the state for redevelopment plan projects approved
19 by the authority for the redevelopment district established to cover all or
20 part of the sunflower army ammunition plant.

21 New Sec. 3 The board of county commissioners of Johnson county,
22 upon the establishment of a redevelopment district pursuant to section 1
23 or 2, and amendments thereto, may create a redevelopment authority,
24 which shall be composed and have such powers as the board may au-
25 thorize and determine by resolution consistent with the provisions of this
26 act.

27 New Sec. 4. (a) Upon establishment of a redevelopment district pur-
28 suant to section 1, and amendments thereto, redevelopment within the
29 district may be undertaken in one or more redevelopment projects, and
30 any redevelopment project may be implemented in separate development
31 stages. The developer proposing a redevelopment project within the dis-
32 trict shall prepare a redevelopment project plan and submit it to the board
33 or, if created, the redevelopment authority. The project plan shall include:

34 (1) A feasibility study, which shall be an open public record, showing
35 that the benefits derived from the project will exceed the costs and that
36 the income therefrom will be sufficient to pay for the project;

37 (2) a comprehensive description of the project and an analysis of its
38 compliance and compatibility with the comprehensive master develop-
39 ment plan adopted by the county;

40 (3) a description and map of the area to be redeveloped;

41 (4) detailed description of the buildings and facilities proposed to be
42 constructed or a completed, proposed development plan for the project
43 prepared in compliance with the county's applicable zoning and subdi-

1 vision regulations; and

2 (5) any other information that the board of county commissioners
3 deems necessary to advise the public of the intent and content of the
4 plan.

5 (b) Upon submission and receipt of the redevelopment project plan,
6 the board, or, if applicable, the redevelopment authority, shall schedule
7 a public hearing on the plan. The date fixed for the public hearing shall
8 be not less than 30 nor more than 70 days following receipt of the plan.
9 Copies of the proposed project plan shall be delivered to those persons
10 and entities entitled to notice under section 1, and amendments thereto.
11 Notice of the public hearing shall be included with the plan as delivered
12 and shall also be published once each week for two consecutive weeks in
13 the official county newspaper. The notice shall fix the date, time and place
14 of the hearing and shall state where copies of the plan can be obtained
15 or examined. Finally, if the board of county commissioners or, if appli-
16 cable, the redevelopment authority has been requested or otherwise will
17 consider to issue tax increment financing or other bonds or indebtedness
18 to provide financial assistance for the redevelopment project, then the
19 plan and notice shall include a summary of such financing.

20 (c) Following the public hearing, the board of county commissioners
21 or, if applicable, the redevelopment authority, shall consider and may
22 approve and adopt the project plan. Any redevelopment project approved
23 under this act shall be completed within 20 years from the date of the
24 project approval. Any substantial changes to the project plan as approved
25 shall be considered in the same manner and pursuant to the same pro-
26 cedures as the initial project approval.

27 New Sec. 5. (a) The board of county commissioners of Johnson
28 county shall have the power to issue special obligation bonds in one or
29 more series to finance the undertaking of any redevelopment project ap-
30 proved under this act.

31 (b) Any bonds issued by the county under this section shall be con-
32 sidered in like manner to bonds issuable by the Kansas development
33 finance authority, under subsection (e) of K.S.A. 2001 Supp. 74-8905,
34 and amendments thereto, and shall be payable, both as to principal and
35 interest, in the manner provided by K.S.A. 2001 Supp. 79-8924, and
36 amendments thereto. The board may designate any or all of the revenue
37 sources authorized under K.S.A. 2001 Supp. 74-8924, and amendments
38 thereto, which shall be used for payment of bonds issued under this sec-
39 tion and may pledge such revenue to the repayment of such bonds prior
40 to, simultaneously with or subsequent to the issuance of such bonds.

41 (c) The maximum maturity on bonds issued to finance projects pur-
42 suant to this act shall not exceed 20 years.

43 (d) The board may authorize the issuance of bonds payable from the

1 increment in ad valorem property taxes resulting from any redevelopment
2 project, and the board may divide the real property within the redevel-
3 opment district into separate redevelopment project areas. In that case,
4 the bonds authorized may be issued for and payable from the property
5 for the separate project areas within the district, and each separate project
6 area shall constitute a separate taxing unit for the purpose of the com-
7 putation and levy of taxes.

8 (e) For purposes of this section and any bonds issued pursuant to
9 K.S.A. 2001 Supp. 74-8925, and amendments thereto, the increment in
10 ad valorem tax shall be determined using a base year assessed valuation
11 as designated by the county appraiser to be the valuation assessable on
12 the real property located within the redevelopment district regardless of
13 the status of the property as exempt due to ownership by the United
14 States army.

15 (f) The board may approve a redevelopment project and issue bonds
16 for such project and authorize only a specified percentage or amount of
17 the tax increment realized from taxpayers in the redevelopment district
18 for repayment or pledge of repayment for the costs of the redevelopment
19 project. The county treasurer shall allocate the specified percentage or
20 amount of the tax increment for the district and shall allocate the re-
21 mainder for remittance in the same manner as other ad valorem taxes.

22 (g) The board may refund all or part of any special obligation bonds
23 issued under the provisions of this act pursuant to the provisions of K.S.A.
24 10-116a, and amendments thereto.

25 Sec. 6. K.S.A. 2001 Supp. 74-8905 is hereby amended to read as
26 follows: 74-8905. (a) The authority may issue bonds, either for a specific
27 activity or on a pooled basis for a series of related or unrelated activities
28 or projects duly authorized by a political subdivision or group of political
29 subdivisions of the state in amounts determined by the authority for the
30 purpose of financing projects of statewide as well as local importance as
31 defined pursuant to K.S.A. 12-1744, and amendments thereto, capital
32 improvement facilities, educational facilities, health care facilities and
33 housing developments. Nothing in this act shall be construed to authorize
34 the authority to issue bonds or use the proceeds thereof to:

35 (1) Purchase, condemn or otherwise acquire a utility plant or distri-
36 bution system owned or operated by a regulated public utility;

37 (2) finance any capital improvement facilities, educational facilities or
38 health care facilities which may be financed by the issuance of general
39 obligation or utility revenue bonds of a political subdivision, except that
40 the acquisition by the authority of general obligation or utility revenue
41 bonds issued by political subdivisions with the proceeds of pooled bonds
42 shall not violate the provisions of the foregoing; or

43 (3) purchase, acquire, construct, reconstruct, improve, equip, fur-

1 nish, repair, enlarge or remodel property for any swine production facility
2 on agricultural land which is owned, acquired, obtained or leased by a
3 corporation, limited liability company, limited partnership, corporate
4 partnership or trust.

5 Nothing in this subsection (a) shall prohibit the issuance of bonds by
6 the authority when any statute specifically authorizes the issuance of
7 bonds by the authority or approves any activity or project of a state agency
8 for purposes of authorizing any such issuance of bonds in accordance with
9 this section and provides an exemption from the provisions of this sub-
10 section (a).

11 (b) The authority may issue bonds for activities and projects of state
12 agencies as requested by the secretary of administration. No bonds may
13 be issued pursuant to this act for any activity or project of a state agency
14 unless the activity or project either has been approved by an appropriation
15 or other act of the legislature or has been approved by the state finance
16 council acting on this matter which is hereby characterized as a matter
17 of legislative delegation and subject to the guidelines prescribed in sub-
18 section (c) of K.S.A. 75-3711c, and amendments thereto. When requested
19 to do so by the secretary of administration, the authority may issue bonds
20 for the purpose of refunding, whether at maturity or in advance of ma-
21 turity, any outstanding bonded indebtedness of any state agency. The
22 revenues of any state agency which are pledged as security for any bonds
23 of such state agency which are refunded by refunding bonds of the au-
24 thority may be pledged to the authority as security for the refunding
25 bonds.

26 (c) The authority may issue bonds for the purpose of financing in-
27 dustrial enterprises, agricultural business enterprises, educational facili-
28 ties, health care facilities and housing developments, or any combination
29 of such facilities, or any interest in facilities, including without limitation
30 leasehold interests in and mortgages on such facilities. No less than 30
31 days prior to the issuance of any bonds authorized under this act with
32 respect to any project or activity which is to be undertaken for the direct
33 benefit of any person or entity which is not a state agency or a political
34 subdivision, written notice of the intention of the authority to provide
35 financing and issue bonds therefor shall be given by the president of the
36 authority to the governing body of the city in which the project or activity
37 is to be located. If the project or activity is not proposed to be located
38 within a city, such notice shall be given to the governing body of the
39 county. No bonds for the financing of the project or activity shall be issued
40 by the authority for a one-year period if, within 15 days after the giving
41 of such notice, the governing body of the political subdivision in which
42 the project or activity is proposed to be located shall have adopted an
43 ordinance or resolution stating express disapproval of the project or ac-

1 tivity and shall have notified the president of the authority of such
2 disapproval.

3 (d) The authority may issue bonds for the purpose of establishing and
4 funding one or more series of venture capital funds in such principal
5 amounts, at such interest rates, in such maturities, with such security, and
6 upon such other terms and in such manner as is approved by resolution
7 of the authority. The proceeds of such bonds not placed in a venture
8 capital fund or used to pay or reimburse organizational, offering and ad-
9 ministrative expenses and fees necessary to the issuance and sale of such
10 bonds shall be invested and reinvested in such securities and other in-
11 struments as shall be provided in the resolution under which such bonds
12 are issued. Moneys in a venture capital fund shall be used to make venture
13 capital investments in new, expanding or developing businesses, includ-
14 ing, but not limited to, equity and debt securities, warrants, options and
15 other rights to acquire such securities, subject to the provisions of the
16 resolution of the authority. The authority shall establish an investment
17 policy with respect to the investment of the funds in a venture capital
18 fund not inconsistent with the purposes of this act. The authority shall
19 enter into an agreement with a management company experienced in
20 venture capital investments to manage and administer each venture cap-
21 ital fund upon terms not inconsistent with the purposes of this act and
22 such investment policy. The authority may establish an advisory board to
23 provide advice and consulting assistance to the authority and the man-
24 agement company with respect to the management and administration of
25 each venture capital fund and the establishment of its investment policy.
26 All fees and expenses incurred in the management and administration of
27 a venture capital fund not paid or reimbursed out of the proceeds of the
28 bonds issued by the authority shall be paid or reimbursed out of such
29 venture capital fund.

30 (e) The authority may issue bonds in one or more series for the pur-
31 pose of financing ~~a project of statewide as well as local importance in~~
32 ~~connection with~~ a redevelopment plan *project* that is approved by the
33 authority in accordance with K.S.A. 2001 Supp. 74-8921 and 74-8922,
34 and amendments thereto.

35 (f) After receiving and approving the feasibility study required pur-
36 suant to K.S.A. 2001 Supp. 74-8936, and amendments thereto, the au-
37 thority may issue bonds in one or more series for the purpose of financing
38 a multi-sport athletic project in accordance with K.S.A. 2001 Supp. 74-
39 8936 through 74-8938, and amendments thereto. If the project is to be
40 constructed in phases, a similar feasibility study shall be performed prior
41 to issuing bonds for the purpose of financing each subsequent phase.

42 (g) The authority may issue bonds for the purpose of financing resort
43 facilities, as defined in subsection (a) of K.S.A. 32-867, and amendments

1 thereto, in an amount or amounts not to exceed \$30,000,000 for any one
2 resort. The bonds and the interest thereon shall be payable solely from
3 revenues of the resort and shall not be deemed to be an obligation or
4 indebtedness of the state within the meaning of section 6 of article 11 of
5 the constitution of the state of Kansas. The authority may contract with
6 a subsidiary corporation formed pursuant to subsection (v) of K.S.A. 74-
7 8904, and amendments thereto, or others to lease or operate such resort.
8 The provisions of K.S.A. 32-867, 32-868, 32-870 through 32-873 and 32-
9 874a through 32-874d, and amendments thereto, shall apply to resorts
10 and bonds issued pursuant to this subsection.

11 (h) The authority may use the proceeds of any bond issues herein
12 authorized, together with any other available funds, for venture capital
13 investments or for purchasing, leasing, constructing, restoring, renovat-
14 ing, altering or repairing facilities as herein authorized, for making loans,
15 purchasing mortgages or security interests in loan participations and pay-
16 ing all incidental expenses therewith, paying expenses of authorizing and
17 issuing the bonds, paying interest on the bonds until revenues thereof are
18 available in sufficient amounts, purchasing bond insurance or other credit
19 enhancements on the bonds, and funding such reserves as the authority
20 deems necessary and desirable. All moneys received by the authority,
21 other than moneys received by virtue of an appropriation, are hereby
22 specifically declared to be cash funds, restricted in their use and to be
23 used solely as provided herein. No moneys of the authority other than
24 moneys received by appropriation shall be deposited with the state
25 treasurer.

26 (i) Any time the authority is required to publish a notification pur-
27 suant to the tax equity and fiscal responsibility act of 1982, the authority
28 shall further publish such notification in the Kansas register.

29 (j) Any time the authority issues bonds pursuant to this section, the
30 authority shall publish notification of such issuance at least 14 days prior
31 to any bond hearing in the official county newspaper of the county in
32 which the project or activity financed by such bonds are located and in
33 the Kansas register.

34 Sec. 7. K.S.A. 2001 Supp. 74-8921 is hereby amended to read as
35 follows: 74-8921. (a) In addition to the other requirements of this act,
36 bonds issued by the authority under subsection (e) of K.S.A. 74-8905, and
37 amendments thereto, shall be issued only after the authority establishes
38 a redevelopment district and approves a redevelopment plan for a project
39 of statewide as well as local importance in accordance with subsections
40 (b) and (c) *the provisions of this act.*

41 ~~(b) The authority may establish a district to be known as a "redevel-~~
42 ~~opment district" within the state after the secretary of commerce and~~
43 ~~housing has certified that the district will contain a project of statewide~~

1 as well as local importance.

2 ~~—(e) A project of statewide as well as local importance may be under-~~
3 ~~taken by the authority or a developer on behalf of the authority, in one~~
4 ~~or more phases, within a redevelopment district after the redevelopment~~
5 ~~district has been established by the authority. To establish a redevelop-~~
6 ~~ment district, the authority shall adopt a resolution stating its intent to~~
7 ~~establish the redevelopment district, describing the boundaries of the~~
8 ~~proposed district, identifying any proposed projects to be considered as~~
9 ~~a part of the redevelopment district, and stating the time, place, and~~
10 ~~manner that the authority will receive public written comment on the~~
11 ~~proposed redevelopment district. The resolution shall be published once~~
12 ~~each week for two consecutive weeks in a newspaper of general circula-~~
13 ~~tion within the county in which the redevelopment district may be estab-~~
14 ~~lished. A copy of the resolution shall be mailed to the governing bodies~~
15 ~~of the county and the school district in which the proposed redevelop-~~
16 ~~ment district is located. Upon conclusion of a public comment period of~~
17 ~~not less than 10 days following the second publication, the authority may~~
18 ~~adopt a resolution establishing the redevelopment district. Any addition~~
19 ~~of area to the redevelopment district shall be subject to the same pro-~~
20 ~~cedure as the original resolution that established the redevelopment~~
21 ~~district.~~

22 ~~(d)~~ (c) Any redevelopment plan undertaken within the redevelop-
23 ment district may be in separate development stages. Each plan shall be
24 adopted according to the provisions of K.S.A. 2001 Supp. 74-8922, and
25 amendments thereto, and shall fix a date for completion. Any project
26 constituting a part of an approved redevelopment plan shall be completed
27 on or before the final scheduled maturity of the first series of bonds issued
28 to finance the redevelopment project.

29 ~~(e)~~ (d) Subject to the provisions of K.S.A. 2001 Supp. 74-8925, and
30 amendments thereto, any increment in ad valorem property taxes result-
31 ing from a redevelopment district undertaken in accordance with the
32 provisions of this act, shall be apportioned to the redevelopment bond
33 fund created pursuant to K.S.A. 2001 Supp. 74-8927, and amendments
34 thereto, for the payment of the costs of *the an approved redevelopment*
35 ~~project of statewide as well as local importance~~, including the payment
36 of principal and interest on any bonds issued to finance such project
37 pursuant to this act and may be pledged to the payment of principal and
38 interest on such bonds. The maximum maturity of bonds issued to finance
39 ~~projects of statewide as well as local importance~~ pursuant to this section
40 and subsection (e) of K.S.A. 74-8905, and amendments thereto, shall not
41 exceed ~~30~~ 20 years from the date of *the issuance approval of the first*
42 ~~series of bonds issued to finance~~ the redevelopment project. For the
43 purposes of this act, “increment” means that amount of ad valorem taxes

1 collected from real property located within the redevelopment district
2 that is in excess of the amount which is produced from such property and
3 attributable to the assessed valuation of such property prior to the date
4 the redevelopment district was established, as determined under the pro-
5 visions of K.S.A. 2001 Supp. 74-8925, and amendments thereto.

6 ~~(f) (e)~~ Before any redevelopment district is established pursuant to
7 K.S.A. 2001 Supp. 74-8921, and amendments thereto, a comprehensive
8 feasibility study, which shows the benefits derived from such project will
9 exceed the costs and that the income therefrom will be sufficient to pay
10 for the project, shall be prepared by the developer and submitted to ~~the~~
11 ~~secretary of commerce and housing~~ and the authority and a redevelop-
12 ment agreement between the authority and the developer with respect
13 to implementing the redevelopment plan shall have been executed. Such
14 feasibility study shall be an open public record and the redevelopment
15 agreement shall be approved by the board of county commissioners of
16 the county in which the redevelopment district is located.

17 Sec. 8. K.S.A. 2001 Supp. 74-8922 is hereby amended to read as
18 follows: 74-8922. (a) If the developer proposes to undertake a *redevelop-*
19 *ment* project of ~~statewide as well as local importance~~ within a redevelop-
20 ment district established pursuant to K.S.A. 2001 Supp. 74-8921, and
21 amendments thereto, *at the sunflower army ammunition plant* the de-
22 veloper shall prepare a redevelopment plan. The redevelopment plan
23 shall include:

24 (1) A summary of the feasibility study required by K.S.A. 2001 Supp.
25 74-8921, and amendments thereto;

26 (2) a reference to the redevelopment district established under
27 K.S.A. 2001 Supp. 74-8921 and amendments thereto;

28 (3) a comprehensive description of the project of ~~statewide as well as~~
29 ~~local importance~~;

30 (4) a description and map of the area to be redeveloped;

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

33 (6) any other information the authority deems necessary to advise the
34 public of the intent of the plan.

35 (b) A copy of the proposed redevelopment plan shall be delivered by
36 the developer to the authority, ~~the secretary of commerce and housing~~
37 and to the board of county commissioners of ~~the Johnson county in which~~
38 ~~the redevelopment district is located~~, and the board of county commis-
39 sioners shall determine, within 30 days after receipt of the plan, whether
40 the plan as proposed is consistent with the comprehensive ~~general de-~~
41 ~~velopment~~ plan for the development of the *area property*. If the proposed
42 redevelopment plan is not consistent with the comprehensive ~~general~~
43 ~~development~~ plan, the ~~board of county commissioners shall provide its~~

1 ~~comments and objections to the authority, which shall modify, approve~~
2 ~~or deny the plan. If the redevelopment plan is consistent with the com-~~
3 ~~prehensive general development plan of the county, then the authority~~
4 ~~may adopt the redevelopment plan by a resolution passed by a majority~~
5 ~~of the board of directors of the authority. Any substantial changes to the~~
6 ~~plan as adopted shall be made in the same manner, with notice and ap-~~
7 ~~proval of the board of county commissioners and adoption of a resolution~~
8 ~~by the authority. A redevelopment plan may be adopted by the authority,~~
9 ~~pursuant to these procedures, at the same time that the authority estab-~~
10 ~~lishes the redevelopment district under K.S.A. 2001 Supp. 74-8921, and~~
11 ~~amendments thereto. Any redevelopment plan which proposes to under-~~
12 ~~take a project of statewide as well as local importance in a county which~~
13 ~~according to the 1990 decennial census contained a population greater~~
14 ~~than 25,000 shall be adopted prior to July 1, 2001 or, if a developer has~~
15 ~~complied with the provisions of K.S.A. 74-8930 and amendments thereto,~~
16 ~~2002.~~

17 (c) (1) Under no circumstances shall the state of Kansas, any of its
18 political subdivisions, the Kansas development finance authority or any
19 unit of local government assume responsibility or otherwise be respon-
20 sible for any environmental remediation which may be required to be
21 performed within the redevelopment district designated through any re-
22 development plan. ~~Any person or entity, other than the state, an instru-~~
23 ~~mentality of the state, or a unit of local government, who proposes to take~~
24 ~~legal title to land which is located at a site designated as a federal enclave~~
25 ~~prior to January 1, 1998, for the purpose of developing a project of state-~~
26 ~~wide as well as local importance shall: (1) prior to taking such title, enter~~
27 ~~into a consent decree agreement with the Kansas department of health~~
28 ~~and environment or the United States environmental protection agency~~
29 ~~under which such person or entity expressly agrees to be responsible for~~
30 ~~and to complete the remediation of all environmental contamination of~~
31 ~~such land according to established standards and levels for appropriate~~
32 ~~property uses, except that part, if any, of the remediation which is, by~~
33 ~~agreement approved by the governor, to be retained by the federal gov-~~
34 ~~ernment or any agency thereof and (2) prior to taking title to any of the~~
35 ~~land, provide prepaid third party financial guarantees to the state or an~~
36 ~~instrumentality thereof sufficient in form and amount to insure full and~~
37 ~~complete remediation of all of the land within the federal enclave as~~
38 ~~required in the consent decree agreement. Nothing in this section is in-~~
39 ~~tended and shall not be construed to relieve the United States army, the~~
40 ~~federal government or any agency thereof from any duty, responsibility~~
41 ~~or liability for any contamination or remediation of the land as may be~~
42 ~~imposed or required under state or federal law; and~~

43 Prior to taking title, possession or otherwise exercising control over the

1 land within ~~a former federal enclave~~ *the sunflower army ammunition*
2 *plant* or in any other way exposing the state to potential liability for en-
3 vironmental remediation of such property, the state or any instrumentality
4 of the state shall obtain the written opinion of a competent attorney,
5 specializing in environmental law and maintaining professional liability
6 insurance, regarding the state's potential liability resulting from taking
7 title, possession or otherwise exercising control over the land.

8 Sec. 9. K.S.A. 2001 Supp. 74-8923 is hereby amended to read as
9 follows: 74-8923. The authority may use the proceeds of bonds issued
10 pursuant to subsection (e) of K.S.A. 74-8905, and amendments thereto,
11 or upon approval by the board of county commissioners or other taxing
12 subdivision in which the redevelopment district is located any uncom-
13 mitted funds derived from those sources set forth in K.S.A. 2001 Supp.
14 74-8924, and amendments thereto, or other funds pledged for the pay-
15 ment of such bonds to implement the redevelopment plan, ~~including the~~
16 ~~payment or reimbursement of all costs of the project of statewide as well~~
17 ~~as local importance~~ to the extent authorized in the redevelopment plan
18 implementation agreement adopted pursuant to K.S.A. 74-8921, and
19 amendments thereto. Any excess revenue not otherwise needed or com-
20 mitted for the repayment of bonds or other project costs authorized in
21 the agreement shall upon approval by the authority be paid out by the
22 state treasurer proportionately to the appropriate taxing authorities.

23 Sec. 10. K.S.A. 2001 Supp. 74-8924 is hereby amended to read as
24 follows: 74-8924. (a) Any bonds issued by the authority under subsection
25 (e) of K.S.A. 74-8905, and amendments thereto, *or by Johnson county*
26 *under this act* to finance the undertaking of any *redevelopment* project
27 ~~of statewide as well as local importance~~ in accordance with the provisions
28 of this act, shall be made payable, both as to principal and interest:

29 (1) From property tax increments allocated to, and paid into a special
30 fund of the authority under the provisions of K.S.A. 2001 Supp. 74-8925,
31 and amendments thereto;

32 (2) from revenues of the authority or the developer derived from or
33 held in connection with the undertaking and carrying out of any rede-
34 velopment plan under this act;

35 (3) from any private sources, contributions or other financial assis-
36 tance from the state or federal government;

37 (4) from the revenue collected by the state under K.S.A. 2001 Supp.
38 74-8927, and amendments thereto;

39 (5) from a portion or all increased revenue received by any city *or*
40 *county* from franchise fees collected from utilities and other businesses
41 using public right-of-way within the redevelopment district;

42 (6) from a portion or all of the revenue received from sales taxes
43 collected within the redevelopment district pursuant to K.S.A. 12-187,

1 and amendments thereto; or

2 (7) by any combination of these methods.

3 (b) The authority may pledge such revenue to the repayment of such
4 bonds prior to, simultaneously with, or subsequent to the issuance of such
5 bonds.

6 Sec. 11. K.S.A. 2001 Supp. 74-8925 is hereby amended to read as
7 follows: 74-8925. (a) For the purposes of this act, the term “taxing sub-
8 division” shall include the county, the city, the unified school district and
9 any other taxing subdivision levying real property taxes, the territory or
10 jurisdiction of which includes any currently existing or subsequently cre-
11 ated redevelopment district. The term “real property taxes” includes all
12 taxes levied on an ad valorem basis upon land and improvements thereon,
13 other than the property tax levied pursuant to the provisions of K.S.A.
14 2001 Supp. 72-6431, and amendments thereto or any other property tax
15 levied by or on behalf of a school district.

16 (b) All tangible taxable property located within a redevelopment dis-
17 trict shall be assessed and taxed for ad valorem tax purposes pursuant to
18 law in the same manner that such property would be assessed and taxed
19 if located outside such district, and all ad valorem taxes levied on such
20 property shall be paid to and collected by the county treasurer in the
21 same manner as other taxes are paid and collected. Except as otherwise
22 provided in this section, the county treasurer shall distribute such taxes
23 as may be collected in the same manner as if such property were located
24 outside a redevelopment district. Each redevelopment district established
25 under the provisions of this act shall constitute a separate taxing unit for
26 the purpose of the computation and levy of taxes.

27 (c) Beginning with the first payment of taxes which are levied follow-
28 ing the date of approval of any redevelopment district established pur-
29 suant to K.S.A. 2001 Supp. 74-8921, and amendments thereto, real prop-
30 erty taxes received by the county treasurer resulting from taxes which are
31 levied subject to the provisions of this act by and for the benefit of a
32 taxing subdivision, as herein defined, on property located within such
33 redevelopment district constituting a separate taxing unit under the pro-
34 visions of this section, shall be divided as follows:

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

1 (2) Any real property taxes produced from that portion of the current
2 assessed valuation of real property within the redevelopment district con-
3 stituting a separate taxing unit under the provisions of this section in
4 excess of an amount equal to the total assessed value of such real property
5 on the effective date of the establishment of the district shall be allocated
6 and paid by the county treasurer according to specified percentages of
7 the tax increment expressly agreed upon and consented to by the gov-
8 erning bodies of the county and school district in which the redevelop-
9 ment district is located. The amount of the real property taxes allocated
10 and payable to the authority under the agreement shall be paid by the
11 county treasurer to the treasurer of the state. The remaining amount of
12 the real property taxes not payable to the authority shall be allocated and
13 paid in the same manner as other ad valorem taxes. Any real property
14 taxes paid to the state treasurer under this section shall be deposited in
15 the redevelopment bond finance fund of the authority which is created
16 pursuant to K.S.A. 2001 Supp. 74-8927, and amendments thereto, to pay
17 the costs of ~~the any approved redevelopment project of statewide as well~~
18 ~~as local importance~~, including the payment of principal of and interest on
19 any bonds issued by the authority to finance, in whole or in part, such
20 project. When such bonds and interest thereon have been paid, all mon-
21 eys thereafter received from real property taxes within such redevelop-
22 ment district shall be allocated and paid to the respective taxing subdivi-
23 sions in the same manner as are other ad valorem taxes. If such bonds
24 and interest thereon have been paid before the completion of a project,
25 the authority may continue to use such moneys for any purpose author-
26 ized by the redevelopment agreement until such time as the project costs
27 are paid or reimbursed, but for a period not to exceed the final scheduled
28 maturity of the bonds.

29 (d) In any redevelopment plan or in the proceedings for the issuing
30 of any bonds by the authority to finance a project ~~of statewide as well as~~
31 ~~local importance~~, the property tax increment portion of taxes provided
32 for in paragraph (2) of subsection (c) may be irrevocably pledged for the
33 payment of the principal of and interest on such bonds. The authority
34 may adopt a redevelopment plan in which only a specified percentage of
35 the tax increment realized from taxpayers in the redevelopment district
36 is pledged to the payment of costs of the project of statewide as well as
37 local importance.

38 Sec. 12. K.S.A. 2001 Supp. 74-8927 is hereby amended to read as
39 follows: 74-8927. (a) Until the earlier of: (1) The date the bonds issued
40 to finance or refinance the redevelopment undertaken in the redevelop-
41 ment district have been paid in full; or (2) the final scheduled maturity
42 date of the first series of bonds issued to finance the redevelopment
43 project, all revenues collected or received from the state transient guest

1 tax established pursuant to K.S.A. 2001 Supp. 79-5301 through 79-5304,
2 and amendments thereto, any revenue from a county or countywide re-
3 tailers' sales tax levied or collected under K.S.A. 2001 Supp. 74-8929, and
4 amendments thereto, the state retailers' sales tax pursuant to K.S.A. 79-
5 3603, and amendments thereto, and the state compensating use tax, pur-
6 suant to K.S.A. 79-3703, and amendments thereto, which have been cer-
7 tified by the director of taxation to have been derived from taxpayers
8 located in a redevelopment district shall be remitted to the state treasurer
9 in accordance with the provisions of K.S.A. 75-4215, and amendments
10 thereto. Upon receipt of each such remittance, the state treasurer shall
11 deposit the entire amount in the state treasury.

12 (b) The state treasurer shall credit all such revenues to the redevel-
13 opment bond fund which is hereby established in the state treasury. The
14 state treasurer shall make such biannual distributions on dates mutually
15 agreed upon by the treasurer and the authority. The authority shall use
16 all such moneys received pursuant to this section to pay the costs of a
17 ~~approved redevelopment project of statewide as well as local importance~~
18 ~~as described in K.S.A. 74-8902, and amendments thereto~~ *projects at the*
19 *sunflower army ammunition plant*. Any revenues not needed or commit-
20 ted for the payment of bonds or other project costs as authorized by the
21 redevelopment plan implementation agreement shall upon approval by
22 the authority be remitted by the state treasurer proportionately to the
23 appropriate taxing authorities.

24 Sec. 13. K.S.A. 2001 Supp. 74-8929 is hereby amended to read as
25 follows: 74-8929. (a) Whenever a redevelopment district is proposed to
26 be established pursuant to *section 1, and amendments thereto, by the*
27 *board of county commissioners or by the authority pursuant to K.S.A.*
28 *2001 Supp. 74-8921, and amendments thereto, the governing body of the*
29 *board of county commissioners of Johnson county in which the redevelop-*
30 ~~ment district is proposed to be located~~ *may, in addition to any county-*
31 *wide retailers' sales tax authorized by K.S.A. 12-187, and amendments*
32 *thereto, or other specific statutory provisions, may adopt and impose a*
33 *county retailers' sales tax at a rate of .5% within the redevelopment dis-*
34 *trict, without submitting the question to an election and all revenue de-*
35 *derived from the county retailers' sales tax levied under this subsection shall*
36 *be pledged for the purposes of financing the redevelopment plan and*
37 *redevelopment projects.*

38 (b) Notwithstanding any other statutory provision to the contrary,
39 whenever the ~~governing body of a~~ *board of county commissioners of John-*
40 *son county adopts and imposes the county retailers' sales tax authorized*
41 *under subsection (a), then all revenue that is derived from a countywide*
42 *retailers' sales tax imposed by such the county pursuant to K.S.A. 12-187,*
43 *and amendments thereto, from taxpayers within the redevelopment dis-*

1 trict, except those portions of such taxes which have otherwise been ex-
2 pressly dedicated for other purposes by a prior pledge of ~~such~~ *the* county
3 or by authorizing statute or voter approval, shall be considered to be
4 dedicated for purposes of the redevelopment district and upon collection
5 by the director of taxation, such revenues shall be remitted to the state
6 treasurer in accordance with the provisions of K.S.A. 75-4215, and
7 amendments thereto. Upon receipt of each such remittance, the state
8 treasurer shall deposit the entire amount in the state treasury to the credit
9 of the redevelopment bond fund established pursuant to K.S.A. 2001
10 Supp. 74-8927, and amendments thereto, *if applicable, or to the rede-*
11 *velopment bond fund established by the board of county commissioners.*

12 (c) All revenue derived from a county retailers' sales tax imposed
13 under subsection (a) and collected under subsection (b) shall upon col-
14 lection, be remitted to the state treasurer, as provided by K.S.A. 2001
15 Supp. 74-8927, and amendments thereto, and may be pledged and used
16 by the authority *or board* in like manner as other revenues collected or
17 received under K.S.A. 2001 Supp. 74-8927, and amendments thereto.
18 Whenever the authority has proposed to issue bonds pursuant to subsec-
19 tion (e) of K.S.A. 74-8905, and amendments thereto, the county retailers'
20 sales tax imposed under subsection (a) and the revenue collected under
21 subsection (b) shall remain in effect and may not be reduced or rescinded
22 by the governing body of the county until such time as the bonds have
23 been fully paid. When such bonds have been fully paid, then (1) the
24 county retailers' sales tax imposed under subsection (a) shall expire, unless
25 otherwise renewed by action of the governing body of the county for
26 purposes of implementing additional projects authorized ~~under the re-~~
27 ~~development plan~~ for the redevelopment district; and (2) the revenues to
28 be collected under subsection (b) may be rededicated for other purposes
29 by resolution of the governing body of ~~such~~ *the* county and if not so
30 rededicated then the revenues thereafter collected shall be used only for
31 approved and authorized costs in the redevelopment district in accord-
32 ance with ~~the approved~~ redevelopment ~~plan~~ *plans*. Upon rededication of
33 the revenues under subsection (b), or in the event that no future rede-
34 velopment projects or authorized costs remain for the redevelopment
35 district, the revenues derived from the countywide retailers' sales tax cov-
36 ered under subsection (b) shall thereafter be distributed to the county
37 treasurer as required under K.S.A. 12-192, and amendments thereto.

38 New Sec. 14. Whenever a redevelopment district is established un-
39 der this act and bonds are issued by the board of county commissioners
40 or by the Kansas development finance authority for any redevelopment
41 project in the district, such redevelopment project shall be regarded as a
42 redevelopment project that was determined by the secretary of commerce
43 and housing to be of statewide as well as local importance for the purposes

1 of K.S.A. 2001 Supp. 79-3620, 79-3620b and 79-3710, and amendments
2 thereto.

3 Sec. 15. K.S.A. 2001 Supp. 74-8905, 74-8921, 74-8922, 74-8923, 74-
4 8924, 74-8925, 74-8927 and 74-8929 are hereby repealed.

5 Sec. 16. This act shall take effect and be in force from and after its
6 publication in the Kansas register.

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