

SENATE BILL No. 237

AN ACT relating to the redevelopment of property located within a federal enclave in Johnson and Labette counties; 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. 74-8902, 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. As used in sections 1 to 6, inclusive, and section 16, and amendments thereto, “board” or “board of county commissioners” means the board of county commissioners of Johnson county or the board of county commissioners of Labette county.

New Sec. 2. The board of county commissioners, by resolution, may establish a redevelopment district to cover and include all or any part or parts of the property located within a federal enclave in Johnson and Labette counties. 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 president 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 adoption of the plan, may establish the redevelopment district.

New Sec. 3. The board of county commissioners, with or without the establishment of a redevelopment district under section 1 and amendments thereto, on its own initiative or in cooperation with a redevelopment authority or one or more developers, may request and approve the establishment of a redevelopment district by the Kansas development finance authority pursuant to K.S.A. 74-8921 and 74-8922, and amendments thereto, covering all or any part or parts of property located within a federal enclave in Johnson and Labette counties. Upon establishment of such a redevelopment district, the Kansas development finance authority may enter into one or more intergovernmental agreements with the board of county commissioners to assist in the redevelopment of the property by the exercise of those powers contained in K.S.A. 74-8905, and amendments thereto, and in addition to those purposes stated in subsection (v) or K.S.A. 74-8904, and amendments thereto, the Kansas statewide projects development corporation may act to acquire and convey property and to issue bonds on behalf of Johnson or Labette county for redevelopment plan projects approved by the authority and Johnson or Labette county for the redevelopment district established to cover all or part of the property located within a federal enclave in Johnson and Labette counties.

New Sec. 4. (a) The board of county commissioners of Johnson county and the board of county commissioners of Labette county may create a redevelopment authority, which shall be composed and have such powers as the board may authorize and determine by resolution consistent with the provisions of this act.

(b) Any redevelopment authority created pursuant to subsection (a) of this section shall be composed of seven members appointed by the board of county commissioners, with at least three of the members being representatives of cities, townships or other local governmental entities located adjacent to the federal enclave property. Each member appointed

to the redevelopment authority shall be a resident of the county and shall serve for a term consistent with the term of office for the board member making the appointment and until such member's successor is appointed and qualifies. In case of a vacancy in office, a member shall be appointed by the board in the same manner to fill the unexpired term.

Any member of the redevelopment authority may be removed by the board of county commissioners for the same cause justifying removal of any appointive officer.

Members of the redevelopment authority shall receive no compensation for their services but may be reimbursed for necessary expenses incurred in the performance of their duties.

(c) Upon creation, the redevelopment authority shall be a body corporate and politic, as quasi-municipal organization under the laws of this state, with the powers conferred by this act or by resolution of the board of county commissioners. In performing the duties authorized under this act, the redevelopment authority shall have the power:

- (1) To sue and be sued;
- (2) to receive for its lawful activities any contributions or moneys appropriated by the state, any city, county or other political subdivision or agency, or by the federal government or any agency or officer thereof from any other source;
- (3) to disburse funds for its lawful activities;
- (4) to enter into contracts;
- (5) to acquire by donation, purchase or lease land that is located within a federal enclave or land located within a redevelopment district established under this act;
- (6) to sell and convey real estate acquired under this act; and
- (7) to do and perform all other things provided by this act, or amendments thereto, or by resolution of the board of county commissioners and to have the powers conferred by this act or board resolution.

Powers conferred on the redevelopment authority may be exercised only with the approval of the board of county commissioners and all expenditures made by the redevelopment authority shall be within available resources.

(d) The redevelopment authority shall, at a minimum, perform the following duties:

- (1) Conduct meetings with representatives and officials of cities, counties, planning associations or commissions or similar entities or organizations to develop information and ensure that the full range of interests related to the redevelopment is considered;
- (2) review any comprehensive plan adopted for the property and develop recommendations for changes, if needed;
- (3) evaluate surrounding property uses, zoning regulations, and other land use factors and development recommendations to ensure compatibility;
- (4) evaluate the development potential and market feasibility for proposals and options for redevelopment of the property;
- (5) evaluate potential methods for the transfer, ownership and development of the property;
- (6) make recommendations to the board on proposals for the acquisition and financing of the property by the county;
- (7) conduct such other studies as the board may request or direct; and
- (8) present such studies, reports, recommendations and other information to the board.

Upon the establishment of a redevelopment district pursuant to section 2 or 3, and amendments thereto, the redevelopment authority shall perform the following additional duties as prescribed by the board:

- (1) Solicit and receive development proposals for all or parts of property;
- (2) evaluate development proposals received for all parts of the property and present the evaluation and recommendation to the board or to a zoning board as directed by the board;
- (3) coordinate with county officials or staff in negotiations with developers;
- (4) prepare recommendations to the board concerning financing or redevelopment or infrastructure for the property;

- (5) prepare recommendations for updates to the comprehensive master plan; and
- (6) perform such other studies and coordination as the board may request or direct.

In the event that the board of county commissioners determines that it is in the best interest of the county to acquire all or part of the enclave property for redevelopment purposes, then the redevelopment authority shall perform the following additional duties as prescribed by the board:

- (1) Act as the primary contact for developers who are interested in acquiring and developing land at the property;
  - (2) prepare and present marketing strategy for the property; and
  - (3) provide such other duties as the board may request or direct.
- (e) If created, the redevelopment authority may, upon approval of the board of county commissioners, acquire by negotiated sale, all or any part of the property located within a federal enclave in county, and in so doing, may enter into contracts for the payment of costs for such property, may incur debt and obligation secured by the property, and may sell the property to pay such obligations. The redevelopment authority may not incur any other debt, nor pledge any other resources.

The board of county commissioners shall approve such acquisition if the following conditions are satisfied:

- (1) The property is part of the sunflower army ammunition plant in Johnson county;
- (2) the property is transferred by deed without restrictions due to environmental contamination and with a covenant of transfer in compliance with the provisions of 42 U.S.C. 9620 *et seq.*, and amendments thereto, or the governor has executed a finding of suitability for early transfer in compliance with federal laws and regulations;
- (3) neither the state of Kansas through its subdivisions or agencies nor Johnson county has declared an intent to acquire the property for redevelopment purposes;
- (4) the acquisition will not require the redevelopment authority to finance the acquisition with resources other than that which is secured by the property itself;
- (5) the acquisition is made upon terms that expressly exclude any obligation of Johnson county or the state for the payment of any funds for the acquisition; and
- (6) the redevelopment authority has presented a feasibility study demonstrating that the costs of acquisition, including all required obligations for environmental remediation, can be paid and satisfied as and when due through the subdivision, selling and redevelopment of the property.

Upon acquisition of all or any part of the property, the redevelopment authority shall immediately request establishment of a redevelopment district under section 2 or 3, and amendments thereto, and all redevelopment or the property shall be in conformance with the comprehensive master plan and zoning and subdivision regulations adopted by the board of county commissioners.

(f) If, at any time after creating a redevelopment authority pursuant to this section, the board of county commissioners determines that the redevelopment authority is no longer needed or should otherwise be dissolved, then the board of county commissioners may, by resolution, dissolve and abolish the redevelopment authority. Thereafter, the board of county commissioners, for and on behalf of the county, shall assume and perform any on-going duties or powers of the authority, shall assume title to and possession of all property, real or personal, owned or held by the authority, and shall assume all debts, contracts and obligations lawfully incurred or entered into by the authority. The board of county commissioners may, by subsequent resolution, reestablish a redevelopment authority under this section at any later time.

New Sec. 5. (a) Upon establishment of a redevelopment district pursuant to section 2, and amendments thereto, redevelopment within the district may be undertaken in one or more redevelopment projects, and any redevelopment project may be implemented in separate development stages. The developer proposing a redevelopment project within the district shall prepare a redevelopment project plan and submit it to the board or, if created, the redevelopment authority. The project plan shall include:

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

(2) a comprehensive description of the project and an analysis of its compliance and compatibility with the comprehensive master development plan adopted by the county;

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

(4) detailed description of the buildings and facilities proposed to be constructed or a completed, proposed development plan for the project prepared in compliance with the county's applicable zoning and subdivision regulations;

(5) a detailed plan for the financing of the redevelopment plan; and

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

(b) Upon submission and receipt of the redevelopment project plan, the board, or, if applicable, the redevelopment authority, shall schedule a public hearing on the plan. The date fixed for the public hearing shall be not less than 30 nor more than 70 days following receipt of the plan. Copies of the proposed project plan shall be delivered to those persons and entities entitled to notice under section 2, and amendments thereto. Notice of the public hearing shall be included with the plan as delivered and shall also be published once each week for two consecutive weeks in the official county newspaper. The notice shall fix the date, time and place of the hearing and shall state where copies of the plan can be obtained or examined. Finally, if the board of county commissioners or, if applicable, the redevelopment authority has been requested or otherwise will consider to issue tax increment financing or other bonds or indebtedness to provide financial assistance for the redevelopment project, then the plan and notice shall include a summary of such financing.

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

New Sec. 6. (a) The board of county commissioners shall have the power to issue special obligation bonds in one or more series to finance the undertaking of any redevelopment project approved under this act.

(b) Any bonds issued by the county under this section shall be considered in like manner to bonds issuable by the Kansas development finance authority, under subsection (e) of K.S.A. 74-8905, and amendments thereto, and shall be payable, both as to principal and interest, in the manner provided by K.S.A. 74-8924, and amendments thereto. The board may designate any or all of the revenue sources authorized under K.S.A. 74-8924, and amendments thereto, which shall be used for payment of bonds issued under this section and may pledge such revenue to the repayment of such bonds prior to, simultaneously with or subsequent to the issuance of such bonds.

(c) The maximum maturity on bonds issued to finance projects pursuant to this act shall not exceed 20 years.

(d) The board may authorize the issuance of bonds payable from the increment in ad valorem property taxes resulting from any redevelopment project, and the board may divide the real property within the redevelopment district into separate redevelopment project areas. In that case, the bonds authorized may be issued for and payable from the property for the separate project areas within the district, and each separate project area shall constitute a separate taxing unit for the purpose of the computation and levy of taxes.

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

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

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

Sec. 7. K.S.A. 74-8902 is hereby amended to read as follows: 74-8902. The following words or terms used in this act shall have the following meanings unless a different meaning clearly appears from the context:

(a) “Act” means the Kansas development finance authority act.

(b) “Authority” means the Kansas development finance authority created by K.S.A. 74-8903, and amendments thereto.

(c) “Agricultural business enterprises” means facilities supporting or utilized in the operation of farms, ranches and other agricultural, aquacultural or silvicultural commodity producers and services provided in conjunction with the foregoing. “Agricultural business enterprise” shall not include a swine production facility on agricultural land which is owned, acquired, obtained or leased by a corporation, limited liability company, limited partnership, corporate partnership or trust.

(d) “Agricultural land,” “corporation,” “corporate partnership,” “limited liability company,” “limited partnership,” “swine production facility” and “trust” have the meanings ascribed pursuant to K.S.A. 2002 Supp. 17-5903, and amendments thereto.

(e) “Board of directors” means the board of directors of the authority created by K.S.A. 74-8903, and amendments thereto.

(f) “Bonds” means any bonds, notes, debentures, interim certificates, grant and revenue anticipation notes, interest in a lease, lease certificate of participation or other evidences of indebtedness, whether or not the interest on which is subject to federal income taxation, issued by the authority pursuant to this act.

(g) “Capital improvements” means any physical public betterment or improvement or any preliminary plans, studies or surveys relative thereto; land or rights in land, including, without limitations, leases, air rights, easements, rights-of-way or licenses; and any furnishings, machinery, vehicles, apparatus or equipment for any public betterment or improvement.

(h) “Construct” means to acquire or build, in whole or in part, in such manner and by such method as the authority shall determine to be in the public interest and necessary to accomplish the purposes of and authority set forth in this act.

(i) “Loans” means loans made for the purposes of financing any of the activities authorized within this act, including loans made to financial institutions for funding or as security for loans made for accomplishing any of the purposes of this act and reserves and expenses appropriate or incidental thereto.

(j) “Educational facilities” means real, personal and mixed property of any and every kind intended by an educational institution in furtherance of its educational program.

(k) “Facilities” means any real property, personal property or mixed property of any and every kind.

(l) “Health care facilities” means facilities for furnishing physical or mental health care.

(m) “Housing development” means any work or undertaking, whether new construction or rehabilitation, which is designed and financed pursuant to the provisions of this act for the primary purpose of providing dwelling accommodations for elderly persons and families of low income in need of housing.

(n) “Industrial enterprise” means facilities for manufacturing, producing, processing, assembling, repairing, extracting, warehousing, distributing, communications, computer services, transportation, corporate and management offices and services provided in connection with any of the foregoing, in isolation or in any combination, that involve the creation of new or additional employment or the retention of existing employment.

(o) “Political subdivision” means political or taxing subdivisions of the state, including municipal and quasi-municipal corporations, boards, commissions, authorities, councils, committees, subcommittees and other subordinate groups or administrative units thereof, receiving or expending and supported, in whole or in part, by public funds.

(p) “Pooled bonds” means bonds of the authority, the interest on which is subject to federal income taxation, which are issued for the purpose of acquiring bonds issued by two or more political subdivisions.

~~(q) “Project of statewide as well as local importance” means a project as to which the secretary of commerce and housing has made a finding that at least: (i) Capital improvements costing not less than \$300,000,000 or, if constructed in a county which according to the 1990 decennial census contained a population of 25,000 or less, costing not less than \$5,000,000 will be built in the state for such project; (ii) not less than 1,500 or, if created in a county which according to the 1990 decennial census contained a population of 25,000 or less, not less than 150 permanent and seasonal employment positions as defined by K.S.A. 74-50,114, and amendments thereto, will be created in the state by such project; (iii) is located outside of the city limits of any city at the time of such finding; and (iv) is to be located at a site designated as a federal enclave as of January 1, 1998.~~

~~(r)~~ (q) “State” means the state of Kansas.

~~(s)~~ (r) “State agency” means any office, department, board, commission, bureau, division, public corporation, agency or instrumentality of this state.

Sec. 8. K.S.A. 74-8905 is hereby amended to read as follows: 74-8905. (a) The authority may issue bonds, either for a specific activity or on a pooled basis for a series of related or unrelated activities or projects duly authorized by a political subdivision or group of political subdivisions of the state in amounts determined by the authority for the purpose of financing projects of statewide as well as local importance as defined pursuant to K.S.A. 12-1744, and amendments thereto, capital improvement facilities, educational facilities, health care facilities and housing developments. Nothing in this act shall be construed to authorize the authority to issue bonds or use the proceeds thereof to:

(1) Purchase, condemn or otherwise acquire a utility plant or distribution system owned or operated by a regulated public utility;

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

(3) purchase, acquire, construct, reconstruct, improve, equip, furnish, repair, enlarge or remodel property for any swine production facility on agricultural land which is owned, acquired, obtained or leased by a corporation, limited liability company, limited partnership, corporate partnership or trust.

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

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

thority may be pledged to the authority as security for the refunding bonds.

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

(d) The authority may issue bonds for the purpose of establishing and funding one or more series of venture capital funds in such principal amounts, at such interest rates, in such maturities, with such security, and upon such other terms and in such manner as is approved by resolution of the authority. The proceeds of such bonds not placed in a venture capital fund or used to pay or reimburse organizational, offering and administrative expenses and fees necessary to the issuance and sale of such bonds shall be invested and reinvested in such securities and other instruments as shall be provided in the resolution under which such bonds are issued. Moneys in a venture capital fund shall be used to make venture capital investments in new, expanding or developing businesses, including, but not limited to, equity and debt securities, warrants, options and other rights to acquire such securities, subject to the provisions of the resolution of the authority. The authority shall establish an investment policy with respect to the investment of the funds in a venture capital fund not inconsistent with the purposes of this act. The authority shall enter into an agreement with a management company experienced in venture capital investments to manage and administer each venture capital fund upon terms not inconsistent with the purposes of this act and such investment policy. The authority may establish an advisory board to provide advice and consulting assistance to the authority and the management company with respect to the management and administration of each venture capital fund and the establishment of its investment policy. All fees and expenses incurred in the management and administration of a venture capital fund not paid or reimbursed out of the proceeds of the bonds issued by the authority shall be paid or reimbursed out of such venture capital fund.

(e) The authority may issue bonds in one or more series for the purpose of financing ~~a project of statewide as well as local importance in connection with~~ a redevelopment plan *project* that is approved by the authority in accordance with K.S.A. 74-8921 and 74-8922, and amendments thereto, *or by Johnson or Labette county in accordance with the provisions of this act.*

(f) After receiving and approving the feasibility study required pursuant to K.S.A. 74-8936, and amendments thereto, the authority may issue bonds in one or more series for the purpose of financing a multi-sport athletic project in accordance with K.S.A. 74-8936 through 74-8938, and amendments thereto. If the project is to be constructed in phases, a similar feasibility study shall be performed prior to issuing bonds for the purpose of financing each subsequent phase.

(g) The authority may issue bonds for the purpose of financing resort facilities, as defined in subsection (a) of K.S.A. 32-867, and amendments thereto, in an amount or amounts not to exceed \$30,000,000 for any one resort. The bonds and the interest thereon shall be payable solely from revenues of the resort and shall not be deemed to be an obligation or indebtedness of the state within the meaning of section 6 of article 11 of

the constitution of the state of Kansas. The authority may contract with a subsidiary corporation formed pursuant to subsection (v) of K.S.A. 74-8904, and amendments thereto, or others to lease or operate such resort. The provisions of K.S.A. 32-867, 32-868, 32-870 through 32-873 and 32-874a through 32-874d, and amendments thereto, shall apply to resorts and bonds issued pursuant to this subsection.

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

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

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

Sec. 9. K.S.A. 74-8921 is hereby amended to read as follows: 74-8921. (a) In addition to the other requirements of this act, bonds issued by the authority under subsection (e) of K.S.A. 74-8905, and amendments thereto, shall be issued only after the authority establishes a redevelopment district ~~and approves a redevelopment plan for a project of statewide as well as local importance~~ in accordance with ~~subsections (b) and (c) the provisions of this section.~~

~~(b) The authority may establish a district to be known as a “redevelopment district” within the state after the secretary of commerce and housing has certified that the district will contain a project of statewide as well as local importance.~~

~~(c) A project of statewide as well as local importance may be undertaken by the authority or a developer on behalf of the authority, in one or more phases, within a redevelopment district after the redevelopment district has been established by the authority.~~

(b) To establish a redevelopment district, the authority shall adopt a resolution stating its intent to establish the redevelopment district, describing the boundaries of the proposed district, identifying any proposed projects to be considered as a part of the redevelopment district, and stating the time, place, and manner that the authority will receive public written comment on the proposed redevelopment district. The resolution shall be published once each week for two consecutive weeks in a newspaper of general circulation within the county in which the redevelopment district may be established. A copy of the resolution shall be mailed to the governing bodies of the county and the school district in which the proposed redevelopment district is located. Upon conclusion of a public comment period of not less than 10 days following the second publication, the authority may adopt a resolution establishing the redevelopment district. Any addition of area to the redevelopment district shall be subject to the same procedure as the original resolution that established the redevelopment district.

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



~~(e)~~ (d) Subject to the provisions of K.S.A. 74-8925, and amendments thereto, any increment in ad valorem property taxes resulting from a redevelopment district undertaken in accordance with the provisions of this act, shall be apportioned to the redevelopment bond fund created pursuant to K.S.A. 74-8927, and amendments thereto, for the payment of the costs of ~~the an approved redevelopment project of statewide as well as local importance~~, including the payment of principal and interest on any bonds issued to finance such project pursuant to this act and may be pledged to the payment of principal and interest on such bonds. The maximum maturity of bonds issued to ~~finance projects of statewide as well as local importance~~ pursuant to this section and subsection (e) of K.S.A. 74-8905, and amendments thereto, shall not exceed ~~30~~ 20 years from the date of ~~the issuance approval of the first series of bonds issued to finance~~ the redevelopment project. For the purposes of this act, “increment” means that amount of ad valorem taxes collected from real property located within the redevelopment district that is in excess of the amount which is produced from such property and attributable to the assessed valuation of such property prior to the date the redevelopment district was established, as determined under the provisions of K.S.A. 74-8925, and amendments thereto.

~~(f)~~ (e) Before any redevelopment district is established pursuant to K.S.A. 74-8921, and amendments thereto, a comprehensive feasibility study, which shows the benefits *to the state and its political subdivisions* derived from such project will exceed the costs and that the income therefrom will be sufficient to pay for the project, shall be prepared by the developer and submitted to ~~the secretary of commerce and housing and~~ the authority and a redevelopment *plan implementation* agreement between the authority and the developer with respect to implementing the redevelopment plan shall have been executed. Such feasibility study shall be an open public record and the redevelopment agreement shall be approved by the board of county commissioners of the county in which the redevelopment district is located.

Sec. 10. K.S.A. 74-8922 is hereby amended to read as follows: 74-8922. (a) If the developer proposes to undertake a *redevelopment* project ~~of statewide as well as local importance~~ within a redevelopment district established pursuant to K.S.A. 74-8921, and amendments thereto, *at the federal enclave located in Johnson and Labette counties*, the developer shall prepare a redevelopment plan. The redevelopment plan shall include:

- (1) A summary of the feasibility study required by K.S.A. 74-8921, and amendments thereto;
- (2) a reference to the redevelopment district established under K.S.A. 74-8921 and amendments thereto;
- (3) a comprehensive description of the project ~~of statewide as well as local importance~~;
- (4) a description and map of the area to be redeveloped;
- (5) a detailed description of the buildings and facilities proposed to be constructed or improved in such area; ~~and~~
- (6) *a plan for the financing of the redevelopment project*; and
- (7) any other information the authority deems necessary to advise the public of the intent of the plan.

(b) A copy of the proposed redevelopment plan shall be delivered by the developer to the authority, ~~the secretary of commerce and housing~~ and to the board of county commissioners of the county in which the redevelopment district is located, and the board of county commissioners shall determine, within 30 days after receipt of the plan, whether the plan as proposed is consistent with the comprehensive *general development* plan for the development of the *area property*. If the proposed redevelopment plan is not consistent with the comprehensive *general development* plan, the ~~board of county commissioners shall provide its comments and objections to the authority, which shall modify, approve or deny the plan.~~ If the redevelopment plan is consistent with the comprehensive *general development* plan of the county, then the authority may adopt the redevelopment plan by a resolution passed by a majority of the board of directors of the authority. Any substantial changes to the plan as adopted shall be made in the same manner, with notice and approval of the board of county commissioners and adoption of a resolution by the authority. A

redevelopment plan may be adopted by the authority, pursuant to these procedures, at the same time that the authority establishes the redevelopment district under K.S.A. 74-8921, and amendments thereto. ~~Any redevelopment plan which proposes to undertake a project of statewide as well as local importance in a county which according to the 1990 decennial census contained a population greater than 25,000 shall be adopted prior to July 1, 2001 or, if a developer has complied with the provisions of K.S.A. 74-8930 and amendments thereto, 2002.~~

(c) (1) Under no circumstances shall the state of Kansas, any of its political subdivisions, the Kansas development finance authority or any unit of local government assume responsibility or otherwise be responsible for any environmental remediation, *or any fees which may relate thereto*, which may be required to be performed within the redevelopment district designated through any redevelopment plan, *and any attorney fees incurred by the state of Kansas as a defendant in any litigation arising from any such environmental remediation or fees relating thereto, other than an action for enforcement of federal laws commenced by appropriate authorities of the federal government, shall be paid by the party or parties bringing the litigation or otherwise causing the state of Kansas to be a party to the litigation.* ~~Any person or entity, other than the state, an instrumentality of the state, or a unit of local government, who proposes to take legal title to land which is located at a site designated as a federal enclave prior to January 1, 1998, for the purpose of developing a project of state-wide as well as local importance shall: (1) prior to taking such title, enter into a consent decree agreement with the Kansas department of health and environment or the United States environmental protection agency under which such person or entity expressly agrees to be responsible for and to complete the remediation of all environmental contamination of such land according to established standards and levels for appropriate property uses, except that part, if any, of the remediation which is, by agreement approved by the governor, to be retained by the federal government or any agency thereof and (2) prior to taking title to any of the land, provide prepaid third party financial guarantees to the state or an instrumentality thereof sufficient in form and amount to insure full and complete remediation of all of the land within the federal enclave as required in the consent decree agreement. Nothing in this section is intended and shall not be construed to relieve the United States army, the federal government or any agency thereof from any duty, responsibility or liability for any contamination or remediation of the land as may be imposed or required under state or federal law; and At the time of transfer of any real property located within a federal enclave in Johnson and Labette counties from the United States to any subdivision of the state, including Johnson and Labette counties, if all remedial action necessary to protect human health and the environment has been taken, a covenant of transfer shall be made by the United States to this effect in compliance with the provisions of 42 U.S.C. 9620 et seq., and amendments thereto. If at the time of transfer such property is still in the remediation process, the covenant of transfer may be deferred pending the completion of the remediation by the United States with a separate covenant of transfer covering the property to be provided at a future date stating that the site has been fully remediated as provided in 42 U.S.C. 9620 and amendments thereto. Nothing in this section is intended and shall not be construed to relieve the United States, the federal government or any agency thereof from any duty, responsibility or liability for any contamination or remediation of the land as may be imposed or required under state or federal law.~~

Prior to taking title, possession or otherwise exercising control over the land within a ~~former federal enclave~~ *the federal enclave located in Johnson and Labette counties* or in any other way exposing the state to potential liability for environmental remediation of such property, the state or any instrumentality of the state shall obtain the written opinion of a competent attorney, specializing in environmental law and maintaining professional liability insurance, *and the Kansas attorney general* regarding the state's potential liability resulting from taking title, possession or otherwise exercising control over the land. *Also prior to taking title, possession or otherwise exercising control over the land, Johnson county or Labette county, as appropriate, shall ensure that adequate environmental insurance is obtained and purchased to cover the property.*

Sec. 11. K.S.A. 74-8923 is hereby amended to read as follows: 74-8923. The authority may use the proceeds of bonds issued pursuant to subsection (e) of K.S.A. 74-8905, and amendments thereto, or upon approval by the board of county commissioners or other taxing subdivision in which the redevelopment district is located any uncommitted funds derived from those sources set forth in K.S.A. 74-8924, and amendments thereto, or other funds pledged for the payment of such bonds to implement the redevelopment plan, ~~including the payment or reimbursement of all costs of the project of statewide as well as local importance~~ to the extent authorized in the redevelopment plan implementation agreement adopted pursuant to K.S.A. 74-8921, and amendments thereto. Any excess revenue *from sources set forth in K.S.A. 74-8927, and amendments thereto, other than any revenues pledged from private sources which the authority has agreed in the redevelopment implementation agreement to such sources* not otherwise needed or committed for the repayment of bonds or other project costs authorized in the agreement shall upon approval by the authority be paid out by the state treasurer proportionately to the appropriate taxing authorities.

Sec. 12. K.S.A. 74-8924 is hereby amended to read as follows: 74-8924. (a) Any bonds issued by the authority under subsection (e) of K.S.A. 74-8905, and amendments thereto, *or by Johnson county or Labette county under this act* to finance the undertaking of any redevelopment project ~~of statewide as well as local importance~~ in accordance with the provisions of this act, shall be made payable, both as to principal and interest:

(1) From property tax increments, *other than an increment derived from ad valorem taxes levied by or on behalf of a school district*, allocated to, and paid into a special fund of the authority under the provisions of K.S.A. 74-8925, and amendments thereto;

(2) from revenues of the authority or the developer derived from or held in connection with the undertaking and carrying out of any redevelopment plan under this act;

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

(4) *when otherwise authorized by law*, from the revenue collected by the state under K.S.A. 74-8927, and amendments thereto;

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

(6) *when otherwise authorized by law*, from a portion or all of the revenue received from sales taxes collected within the redevelopment district pursuant to K.S.A. 12-187, and amendments thereto; or

(7) by any combination of these methods.

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

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

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

(c) Beginning with the first payment of taxes which are levied following the date of approval of any redevelopment district established pursuant to K.S.A. 74-8921, and amendments thereto, real property taxes received by the county treasurer resulting from taxes which are levied subject to the provisions of this act by and for the benefit of a taxing subdivision, as herein defined, on property located within such redevelopment district constituting a separate taxing unit under the provisions of this section, shall be divided as follows:

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

(2) Any real property taxes produced from that portion of the current assessed valuation of real property within the redevelopment district constituting a separate taxing unit under the provisions of this section in excess of an amount equal to the total assessed value of such real property on the effective date of the establishment of the district shall be allocated and paid by the county treasurer according to specified percentages of the tax increment expressly agreed upon and consented to by the governing bodies of the county and school district in which the redevelopment district is located. The amount of the real property taxes allocated and payable to the authority under the agreement shall be paid by the county treasurer to the treasurer of the state. The remaining amount of the real property taxes not payable to the authority shall be allocated and paid in the same manner as other ad valorem taxes. Any real property taxes paid to the state treasurer under this section shall be deposited in the redevelopment bond finance fund of the authority which is created pursuant to K.S.A. 74-8927, and amendments thereto, to pay the costs of ~~the any approved redevelopment project of statewide as well as local importance~~, including the payment of principal of and interest on any bonds issued by the authority to finance, in whole or in part, such project. When such bonds and interest thereon have been paid, all moneys thereafter received from real property taxes within such redevelopment district shall be allocated and paid to the respective taxing subdivisions in the same manner as are other ad valorem taxes. If such bonds and interest thereon have been paid before the completion of a project, the authority may continue to use such moneys for any purpose authorized by the redevelopment agreement until such time as the project costs are paid or reimbursed, but for a period not to exceed the final scheduled maturity of the bonds.

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

Sec. 14. K.S.A. 74-8927 is hereby amended to read as follows: 74-8927. (a) *Whenever a pledge of the revenue derived from the state and countywide retailers' sales tax is otherwise authorized by law to be pledged for the repayment of bonds issued to finance or refinance the redevelopment, then, until the earlier of: (1) The date the bonds issued to finance or refinance the redevelopment undertaken in the redevelopment district have been paid in full; or (2) the final scheduled maturity date of the first series of bonds issued to finance the redevelopment project, all revenues collected or received from the state transient guest tax established pursuant to K.S.A. 2002 Supp. 79-5301 through 79-5304, and amendments thereto, any revenue from a county or countywide retailers' sales tax levied or collected under K.S.A. 74-8929, and amendments thereto, the state retailers' sales tax pursuant to K.S.A. 79-3603,*

and amendments thereto, and the state compensating use tax, pursuant to K.S.A. 79-3703, and amendments thereto, which have been certified by the director of taxation to have been derived from taxpayers located in a redevelopment district 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.

(b) The state treasurer shall credit all such revenues *authorized to be pledged for the repayment of the bonds* to the redevelopment bond fund which is hereby established ~~in the state treasury and shall be held by the state treasurer as custodian for the authority.~~ *Distributions from the redevelopment bond fund shall not require an appropriation by the legislature.* The state treasurer shall make such ~~biannual~~ distributions on dates mutually agreed upon by the treasurer and the authority. The authority shall use all such moneys received pursuant to this section to pay the costs of ~~a redevelopment project of statewide as well as local importance as described in K.S.A. 74-8902, and amendments thereto~~ *projects to the extent authorized pursuant to a redevelopment plan implementation agreement approved pursuant to K.S.A. 74-8921, and amendments thereto.* Any revenues not needed or committed for the payment of bonds or other project costs as authorized by the redevelopment plan implementation agreement shall upon approval by the authority be remitted by the state treasurer proportionately to the appropriate taxing authorities.

Sec. 15. K.S.A. 74-8929 is hereby amended to read as follows: 74-8929. (a) Whenever a redevelopment district is proposed to be established pursuant to *section 2, and amendments thereto, by the board of county commissioners or by the authority pursuant to K.S.A. 74-8921, and amendments thereto, and a pledge of the revenue derived from the state or countywide retailers' sales tax is authorized to be pledged for the repayment of bonds issued to finance or refinance the redevelopment, then* ~~the governing body of the board of county commissioners of Johnson county in which the redevelopment district is proposed to be located may or the board of county commissioners of Labette county,~~ in addition to any countywide retailers' sales tax authorized by K.S.A. 12-187, and amendments thereto, or other specific statutory provisions, *may* adopt and impose a county retailers' sales tax at a rate of .5% within the redevelopment district, without submitting the question to an election and all revenue derived from the county retailers' sales tax levied under this subsection shall be pledged for the purposes of financing the redevelopment plan *and redevelopment projects.*

(b) Notwithstanding any other statutory provision to the contrary, whenever ~~the governing body of a board of county commissioners of Johnson county~~ adopts and imposes the county retailers' sales tax authorized under subsection (a), then all revenue that is derived from a countywide retailers' sales tax imposed by ~~such the county~~ pursuant to K.S.A. 12-187, and amendments thereto, from taxpayers within the redevelopment district, except those portions of such taxes which have otherwise been expressly dedicated for other purposes by a prior pledge of ~~such the county~~ or by authorizing statute or voter approval, shall be considered to be dedicated for purposes of the redevelopment district and upon collection by the director of taxation, such revenues 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 to the credit of the redevelopment bond fund established pursuant to K.S.A. 74-8927, and amendments thereto, *if applicable, or to the redevelopment bond fund established by the board of county commissioners.*

(c) All revenue derived from a county retailers' sales tax imposed under subsection (a) and collected under subsection (b) shall upon collection, be remitted to the state treasurer, as provided by K.S.A. 74-8927, and amendments thereto, and may be pledged and used by the authority *or board* in like manner as other revenues collected or received under K.S.A. 74-8927, and amendments thereto. Whenever the authority has proposed to issue bonds pursuant to subsection (e) of K.S.A. 74-8905, and amendments thereto, the county retailers' sales tax imposed under subsection (a) and the revenue collected under subsection (b) shall re-

main in effect and may not be reduced or rescinded by the governing body of the county until such time as the bonds have been fully paid. When such bonds have been fully paid, then (1) the county retailers' sales tax imposed under subsection (a) shall expire, unless otherwise renewed by action of the governing body of the county for purposes of implementing additional projects authorized ~~under the redevelopment plan~~ for the redevelopment district; and (2) the revenues to be collected under subsection (b) may be rededicated for other purposes by resolution of the governing body of ~~such~~ *the* county and if not so rededicated then the revenues thereafter collected shall be used only for approved and authorized costs in the redevelopment district in accordance with ~~the approved~~ redevelopment ~~plan~~ *plans*. Upon rededication of the revenues under subsection (b), or in the event that no future redevelopment projects or authorized costs remain for the redevelopment district, the revenues derived from the countywide retailers' sales tax covered under subsection (b) shall thereafter be distributed to the county treasurer as required under K.S.A. 12-192, and amendments thereto.

New Sec. 16. Whenever a redevelopment district is established under this act and bonds are issued by the board of county commissioners or by the Kansas development finance authority for any redevelopment project in the district, such redevelopment project shall be regarded as a redevelopment project that was determined by the secretary of commerce and housing to be of statewide as well as local importance for the purposes of K.S.A. 2002 Supp. 79-3620, 79-3620b and 79-3710, and amendments thereto.

Sec. 17. K.S.A. 74-8902, 74-8905, 74-8921, 74-8922, 74-8923, 74-8924, 74-8925, 74-8927 and 74-8929 are hereby repealed.

Sec. 18. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the SENATE, and passed that body

\_\_\_\_\_  
SENATE concurred in  
HOUSE amendments \_\_\_\_\_

\_\_\_\_\_  
*President of the Senate.*

\_\_\_\_\_  
*Secretary of the Senate.*

Passed the HOUSE  
as amended \_\_\_\_\_

\_\_\_\_\_  
*Speaker of the House.*

\_\_\_\_\_  
*Chief Clerk of the House.*

APPROVED \_\_\_\_\_

\_\_\_\_\_  
*Governor.*