

HOUSE BILL No. 2712

By Committee on Economic Development and Tourism

1-30

9 AN ACT concerning rural housing; relating to creating the housing de-
10 velopment grant program; exempting certain cities from certain
11 requirements for rural housing incentive district financing; amending
12 K.S.A. 12-5246 and K.S.A. 2007 Supp. 12-5242, 79-4803 and 79-4804
13 and repealing the existing sections.
14

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

16 Section 1. K.S.A. 2007 Supp. 12-5242 is hereby amended to read as
17 follows: 12-5242. *Except as otherwise provided, as used in ~~the rural hous-~~*
18 *ing incentive district act K.S.A. 12-5241 through 12-5251 and sections 3*
19 *through 9, and amendments thereto, the following words and phrases*
20 *shall have the following meanings unless a different meaning clearly ap-*
21 *pears from the context:*

22 (a) “City” means any city incorporated in accordance with Kansas law
23 with a population of less than 40,000 in a county with a population of less
24 than 60,000, as certified to the secretary of state by the director of the
25 division of the budget on the previous July 1 in accordance with K.S.A.
26 11-201, and amendments thereto;

27 (b) “City housing authority” means any agency of a city created pur-
28 suant to the municipal housing law, K.S.A. 17-2337 et seq., and amend-
29 ments thereto.

30 (c) “Corporation” means the Kansas housing resources corporation.

31 ~~(b)~~ (d) “County” means any county organized in accordance with
32 K.S.A. 18-101 et seq., and amendments thereto, with a population of less
33 than 40,000, as certified to the secretary of state by the director of the
34 division of the budget on the previous July 1st in accordance with K.S.A.
35 11-201, and amendments thereto;

36 ~~(e)~~ (e) “Developer” means the person, firm or corporation responsi-
37 ble under an agreement with the governing body to develop housing or
38 related public facilities in a district.

39 ~~(f)~~ (f) “District” means a rural housing incentive district established
40 in accordance with this act.

41 ~~(g)~~ (g) “Governing body” means the board of county commissioners
42 of any county or the mayor and council, mayor and commissioners or
43 board of commissioners, as the laws affecting the organization and status

1 of cities affected may provide;

2 (h) “Housing development activities” means the construction or re-
3 habilitation of infrastructure necessary to support construction of new
4 residential dwellings and the actual construction of such residential dwell-
5 ings, if such construction is conducted by a city housing authority.

6 ~~(i)~~ (i) “Secretary” means the secretary of commerce of the state of
7 Kansas.

8 ~~(g)~~ (j) “Real property taxes” means and includes all taxes levied on
9 an ad valorem basis upon land and improvements thereon.

10 ~~(h)~~ (k) “Taxing subdivision” means the county, the city, the unified
11 school district, and any other taxing subdivision levying real property
12 taxes, the territory or jurisdiction of which includes any currently existing
13 or subsequently created rural housing incentive district.

14 Sec. 2. K.S.A. 12-5246 is hereby amended to read as follows: 12-
15 5246. (a) At the public hearing, a representative of the city or county shall
16 present the proposed plan for the development or renovation of housing
17 in the proposed district. Each project proposed for the district shall be
18 identified and explained. At the hearing the developer or developers that
19 have contracted with the city to undertake such project shall be identified
20 and present in person or through such developer’s representative. Fol-
21 lowing the presentation, all interested persons shall be given an oppor-
22 tunity to be heard. The governing body for good cause shown may recess
23 such hearing to a time and date certain, which shall be fixed in the pres-
24 ence of persons in attendance at the hearing.

25 (b) Upon the conclusion of the public hearing, the governing body
26 may adopt the plan for the district and may establish the district by or-
27 dinance or, in the case of any county, by resolution. The boundaries of
28 such district shall not include any area not designated in the notice re-
29 quired by K.S.A. 12-5245. Any addition of area to the district or any
30 substantial change to the plan shall be subject to the same procedure for
31 public notice and hearing as required for the initial establishment of the
32 district.

33 (c) The ordinance or resolution establishing the district shall be null
34 and void if, within 30 days following the conclusion of the hearing:

35 (1) The board of education levying taxes on such property determines
36 by resolution that the proposed district will have an adverse effect on
37 such school district;

38 (2) the governing body of any city located within three miles of *the*
39 district proposed to be established by a county determines by ordinance
40 that the proposed district will have an adverse effect on such city; or

41 (3) the board of county commissioners of the county in which a city
42 governing body proposes to establish such a district *determines by reso-*
43 *lution that the proposed district will have an adverse effect on such*

1 *county.*

2 New Sec. 3. (a) Any city that prior to July 1, 2013, is located, in whole
3 or in part, within the boundaries of a county designated by the United
4 States federal emergency management agency under major disaster dec-
5 laration FEMA-1711-DR or FEMA-1699, as eligible to receive individual
6 or public assistance from the United States federal government that de-
7 sires to designate a rural housing incentive district pursuant to this act
8 shall be exempt from the provisions of subsection (c) of K.S.A. 12-5244,
9 subsections (b), (c) and (d) of K.S.A. 12-5245 and K.S.A. 12-5246, and
10 amendments thereto, and may adopt a plan for a designated rural housing
11 incentive district without the approval of the secretary and without con-
12 ducting a public hearing on such proposed plan.

13 (b) For any city in a county declared by the governor to be a state of
14 disaster after January 1, 2008, if the governor finds that such disaster
15 resulted in the destruction of a significant amount of residential housing
16 in such city the governor may designate such city to exercise the exemp-
17 tion authorized by subsection (a) for a period of five years from the date
18 of the declaration of a state of disaster.

19 (c) Nothing in this section shall be construed so as to exempt a city
20 from any other requirement set forth in this act, or to limit any of the
21 rights, duties and privileges of a city under any other provisions of this
22 act.

23 New Sec. 4. (a) The corporation is hereby authorized to develop a
24 program of grants to cities to carry out housing development activities in
25 accordance with the provisions of this act. Cities to be awarded grants
26 pursuant to this act shall be selected by the corporation in accordance
27 with rules and regulations adopted by the president of the corporation.

28 (b) A city shall submit a request for grant funds to the corporation in
29 a form and manner prescribed by the corporation. Such request shall
30 include a statement of such city's proposed housing development activi-
31 ties, projected use of grant funds and any other information related to
32 the grant required by the corporation.

33 (c) As part of any request for grant funds the requesting city shall
34 certify to the corporation that the city will provide matching funds in an
35 amount equal to at least 10% of the total amount of funds granted to the
36 city by the corporation if the grant funds are to be used for construction
37 or rehabilitation of infrastructure, and at least 50% of the total amount
38 of funds granted if the grant funds are to be used by a city housing
39 authority for purposes other than construction or rehabilitation of infra-
40 structure, or in-kind labor and services with an equivalent value and that
41 the city will comply with all other provisions of this act and abide by all
42 federal, state and local laws.

43 (d) The president of the corporation shall adopt rules and regulations

1 regarding the application procedure, grant periods, grant evaluation and
2 reporting criteria, the filing of forms that support the request for grant
3 awards, the method and manner of payment of grant funds to any city,
4 and any other matter necessary to carry out the provisions of this act.

5 (e) The corporation shall annually report to the state legislature and
6 the governor its progress hereunder. In addition to any information re-
7 quired by subsection (b) of section 5, and amendments thereto, such
8 report shall include all revenue collected and projects completed by the
9 corporation during the period covered by the report and also the revenue
10 and projects contemplated by the corporation during the next ensuing
11 year.

12 New Sec. 5. (a) Each city shall submit to the corporation, at a time
13 determined by the corporation, a performance and evaluation report con-
14 cerning the use of grant funds made available under this act, together
15 with an assessment by the city of the relationship of such use to the
16 housing development activities identified in the city's statement under
17 subsection (b) of section 4, and amendments thereto. The city's report
18 shall indicate an evaluation of the housing development activities, the
19 nature of and reasons for any changes in such activities and an evaluation
20 of the use of the grant funds for such activities. The corporation shall, at
21 least on an annual basis, make such reviews and audits as may be nec-
22 essary or appropriate to determine:

23 (1) Whether the city has carried out its housing development activi-
24 ties in a timely manner;

25 (2) whether the city has carried out those activities and its certifica-
26 tions in accordance with the requirements of this act and all federal, state
27 and local laws; and

28 (3) whether the city has a continuing capacity to carry out those ac-
29 tivities in a timely manner.

30 (b) Insofar as they relate to grant funds provided under this act, the
31 financial transactions of cities may be audited under such rules and reg-
32 ulations as may be adopted by the corporation. The corporation shall
33 report the final results of any audits conducted pursuant to this section
34 to the state legislature, the governor and the secretary of revenue during
35 the legislative session immediately following the audit.

36 New Sec. 6. (a) The proceeds of any grant funds received pursuant
37 to this act may only be used for expenditures incurred in carrying out
38 housing development activities.

39 (b) No more than \$50,000 shall be expended out of grant funds
40 awarded pursuant to this act on the construction of a single-family resi-
41 dential dwelling by a city housing authority, excluding infrastructure costs.

42 New Sec. 7. (a) There is hereby established in the state treasury the
43 housing development grant program fund. All moneys credited to such

1 fund shall be used only for the awarding of grants pursuant to sections 4
2 through 6, and amendments thereto. Such fund shall be administered in
3 accordance with the provisions of sections 4 through 6, and amendments
4 thereto, and the provisions of appropriation acts.

5 (b) All expenditures from the housing development grant program
6 fund shall be made in accordance with appropriation acts upon warrants
7 of the director of accounts and reports issued pursuant to vouchers ap-
8 proved by the president of the Kansas housing resources corporation.

9 (c) On July 1 of each year, or as soon thereafter as sufficient moneys
10 are available, \$4,000,000 credited to the state gaming revenues fund shall
11 be transferred and credited to the housing development grant program
12 fund established by subsection (a).

13 (d) On or before the 10th of each month, the director of accounts
14 and reports shall transfer from the state general fund to the housing
15 development grant program fund interest earnings on:

16 (1) The average daily balance of moneys in the housing development
17 grant program fund for the preceding month; and

18 (2) the net earnings rate for the pooled money investment portfolio
19 for the preceding month.

20 New Sec. 8. For purposes of sections 4 through 8, and amendments
21 thereto, the term "city" means any city that prior to July 1, 2011, is lo-
22 cated, in whole or in part, within the boundaries of a county designated
23 by the United States federal emergency management agency under major
24 disaster declaration FEMA-1711-DR or FEMA-1699, as eligible to re-
25 ceive individual or public assistance from the United States federal gov-
26 ernment, or designated exempt by the governor pursuant to section 3,
27 and amendments thereto. On or after July 1, 2011, "city" shall mean any
28 city incorporated in accordance with Kansas law.

29 New Sec. 9. The provisions of sections 3 through 9 are hereby made
30 a part of and supplemental to the Kansas rural housing incentive district
31 act.

32 Sec. 10. K.S.A. 2007 Supp. 79-4803 is hereby amended to read as
33 follows: 79-4803. (a) After the transfer of moneys pursuant to K.S.A. 2007
34 Supp. 79-4806 *and section 7*, and amendments thereto:

35 (1) An amount equal to 10% of the balance of all moneys credited to
36 the state gaming revenues fund shall be transferred and credited to the
37 correctional institutions building fund created pursuant to K.S.A. 76-6b09
38 and amendments thereto, to be appropriated by the legislature for the
39 use and benefit of state correctional institutions as provided in K.S.A. 76-
40 6b09 and amendments thereto; and

41 (2) an amount equal to 5% of the balance of all moneys credited to
42 the state gaming revenues fund shall be transferred and credited to the
43 juvenile detention facilities fund.

1 (b) There is hereby created in the state treasury the juvenile deten-
2 tion facilities fund which shall be administered by the commissioner of
3 juvenile justice. The Kansas advisory group on juvenile justice and delin-
4 quency prevention shall review and make recommendations concerning
5 the administration of the fund. All expenditures from the juvenile deten-
6 tion facilities fund shall be for the retirement of debt of facilities for the
7 detention of juveniles; or for the construction, renovation, remodeling or
8 operational costs of facilities for the detention of juveniles in accordance
9 with a grant program which shall be established with grant criteria de-
10 signed to facilitate the expeditious award and payment of grants for the
11 purposes for which the moneys are intended. "Operational costs" shall
12 not be limited to any per capita reimbursement by the commissioner of
13 juvenile justice for juveniles under the supervision and custody of the
14 commissioner but shall include payments to counties as and for their costs
15 of operating the facility. The commissioner of juvenile justice shall make
16 grants of the moneys credited to the juvenile detention facilities fund for
17 such purposes to counties in accordance with such grant program. All
18 expenditures from the juvenile detention facilities fund shall be made in
19 accordance with appropriation acts upon warrants of the director of ac-
20 counts and reports issued pursuant to vouchers approved by the com-
21 missioner of juvenile justice or the commissioner's designee.

22 Sec. 11. K.S.A. 2007 Supp. 79-4804 is hereby amended to read as
23 follows: 79-4804. (a) After the transfer of moneys pursuant to K.S.A. 2007
24 Supp. 79-4806 and section 7, and amendments thereto, an amount equal
25 to 85% of the balance of all moneys credited to the state gaming revenues
26 fund shall be transferred and credited to the state economic development
27 initiatives fund. Expenditures from the state economic development ini-
28 tiatives fund shall be made in accordance with appropriations acts for the
29 financing of such programs supporting and enhancing the existing eco-
30 nomic foundation of the state and fostering growth through the expansion
31 of current, and the establishment and attraction of new, commercial and
32 industrial enterprises as provided by this section and as may be authorized
33 by law and not less than $\frac{1}{2}$ of such money shall be distributed equally
34 among the congressional districts of the state. Except as provided by sub-
35 section (g), all moneys credited to the state economic development ini-
36 tiatives fund shall be credited within the fund, as provided by law, to an
37 account or accounts of the fund which are created by this section.

38 (b) There is hereby created the Kansas capital formation account in
39 the state economic development initiatives fund. All moneys credited to
40 the Kansas capital formation account shall be used to provide, encourage
41 and implement capital development and formation in Kansas.

42 (c) There is hereby created the Kansas economic development re-
43 search and development account in the state economic development in-

1 initiatives fund. All moneys credited to the Kansas economic development
2 research and development account shall be used to promote, encourage
3 and implement research and development programs and activities in Kan-
4 sas and technical assistance funded through state educational institutions
5 under the supervision and control of the state board of regents or other
6 Kansas colleges and universities.

7 (d) There is hereby created the Kansas economic development en-
8 dowment account in the state economic development initiatives fund. All
9 moneys credited to the Kansas economic development endowment ac-
10 count shall be accumulated and invested as provided in this section to
11 provide an ongoing source of funds which shall be used for economic
12 development activities in Kansas, including but not limited to continuing
13 appropriations or demand transfers for programs and projects which shall
14 include, but are not limited to, specific community infrastructure projects
15 in Kansas that stimulate economic growth.

16 (e) Except as provided in subsection (f), the director of investments
17 may invest and reinvest moneys credited to the state economic develop-
18 ment initiatives fund in accordance with investment policies established
19 by the pooled money investment board under K.S.A. 75-4232, and
20 amendments thereto, in the pooled money investment portfolio. All mon-
21 eys received as interest earned by the investment of the moneys credited
22 to the state economic development initiatives fund shall be deposited in
23 the state treasury and credited to the Kansas economic development en-
24 dowment account of such fund.

25 (f) Moneys credited to the Kansas economic development endow-
26 ment account of the state economic development initiatives fund may be
27 invested in government guaranteed loans and debentures as provided by
28 law in addition to the investments authorized by subsection (e) or in lieu
29 of such investments. All moneys received as interest earned by the in-
30 vestment under this subsection of the moneys credited to the Kansas
31 economic development endowment account shall be deposited in the
32 state treasury and credited to the Kansas economic development endow-
33 ment account of the state economic development initiatives fund.

34 (g) In each fiscal year, the director of accounts and reports shall make
35 transfers in equal amounts on July 15 and January 15 which in the aggre-
36 gate equal \$2,000,000 from the state economic development initiatives
37 fund to the state water plan fund created by K.S.A. 82a-951, and amend-
38 ments thereto, except that the aggregate amount of the transfers on such
39 dates during state fiscal year 2004 shall not exceed \$1,900,000. No other
40 moneys credited to the state economic development initiatives fund shall
41 be used for: (1) Water-related projects or programs, or related technical
42 assistance; or (2) any other projects or programs, or related technical
43 assistance, which meet one or more of the long-range goals, objectives

1 and considerations set forth in the state water resource planning act.

2 Sec. 12. K.S.A. 12-5246 and K.S.A 2007 Supp. 12-5242, 79-4803 and
3 79-4804 are hereby repealed.

4 Sec. 13. This act shall take effect and be in force from and after its
5 publication in the Kansas register.