

HOUSE Substitute for SENATE BILL No. 302

By Committee on Transportation

3-19

9 AN ACT relating to transportation; providing for a transportation works
10 for Kansas program; relating to the financing thereof; amending K.S.A.
11 12-1775, 68-416, 68-20,120, 68-2320, 68-2321 and 68-2328 and K.S.A.
12 2009 Supp. 12-6a35, 12-6a36, 12-1774, 12-1774a, 12-17,148, 12-
13 17,149, 68-2315, 68-2331, 75-5063 and 75-5064 and repealing the ex-
14 isting sections; also repealing K.S.A. 68-2314a.
15

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

17 New Section 1. (a) In order to plan, develop and operate or coor-
18 dinate the development and operation of the various modes and systems
19 of transportation within the state, the secretary of transportation is hereby
20 authorized and directed to initiate a transportation works for Kansas
21 program.

22 (b) The transportation works for Kansas program shall provide for
23 the construction, improvement, reconstruction and maintenance of the
24 state highway system. The program shall provide for the selection of pro-
25 jects which will allow for the flexibility to meet emerging and economic
26 needs. Program expenditures may include, but not be limited to, the
27 following:

28 (1) Preservation projects to efficiently maintain a safe state highway
29 system in its original or improved condition. It is the intent of the legis-
30 lature that bridges and pavement condition of the state highway system
31 be maintained or improved as determined by the Kansas department of
32 transportation's performance measures;

33 (2) expansion and economic opportunity projects, which include ad-
34 ditions to the transportation system or which improve access, relieve con-
35 gestion and enhance economic development opportunities. The Kansas
36 department of transportation shall develop and utilize criteria for the
37 selection of expansion and economic opportunity projects. The selection
38 criteria shall include, but not be limited to, engineering and traffic data,
39 local consultation, geographic distribution and an economic impact anal-
40 ysis evaluation; and

41 (3) modernization projects, which include improvements to the trans-
42 portation system by widening lanes or shoulders, making geometric im-
43 provements, upgrading interchanges or building rail grade separations to

1 improve the safety, condition or service of the highway system. The Kan-
2 sas department of transportation shall develop and utilize criteria for the
3 selection of modernization projects. The selection criteria shall include,
4 but not be limited to, engineering data, local consultation and geographic
5 distribution.

6 The department of transportation shall develop criteria for the incor-
7 poration of practical improvements into designs of the projects specified
8 in this subsection.

9 (c) The transportation works for Kansas program shall provide for
10 assistance, including credit and credit enhancements, to cities and coun-
11 ties in meeting their responsibilities for the construction, improvement,
12 reconstruction and maintenance of the roads and bridges not on the state
13 highway system. These expenditures may include, but not be limited to,
14 the following:

15 (1) Apportionment of the special city and county highway fund to
16 assist cities and counties with their responsibilities for roads and bridges
17 not on the state highway system;

18 (2) programs to share federal aid with cities and counties to assist
19 with their responsibilities for roads and bridges not on the state highway
20 system;

21 (3) programs to assist cities with the maintenance of city connecting
22 links as specified in K.S.A. 68-416, and amendments thereto, and local
23 partnership programs to resurface or geometrically improve city con-
24 necting links or to promote economic development;

25 (4) programs to assist cities and counties with railroad crossings of
26 roads not on the state highway system; or

27 (5) programs that allow local governments to exchange federal aid
28 funds for state funds.

29 (d) The transportation works for Kansas program shall provide for a
30 railroad program to provide assistance in accordance with K.S.A. 75-5040
31 through 75-5050, and amendments thereto, for the preservation and re-
32 vitalization of rail service in the state.

33 (e) The transportation works for Kansas program shall provide for an
34 aviation program to provide assistance for the planning, constructing, re-
35 constructing or rehabilitating the facilities of public use general aviation
36 airports, in accordance with K.S.A. 75-5061, and amendments thereto.

37 (f) The transportation works for Kansas program shall provide for
38 public transit programs to aid elderly persons, persons with disabilities
39 and the general public, in accordance with K.S.A. 75-5032 through 75-
40 5038, and amendments thereto, and K.S.A. 75-5051 through 75-5058,
41 and amendments thereto.

42 (g) The transportation works for Kansas program shall provide for a
43 multimodal economic development program to provide transportation

1 improvement assistance for transportation-sensitive economic opportu-
2 nities on a local or a regional basis.

3 (h) The secretary of transportation shall, using the department of
4 transportation selection methods and criteria, determine the projects to
5 be selected for inclusion under the transportation works for Kansas
6 program.

7 Sec. 2. K.S.A. 2009 Supp. 12-6a35 is hereby amended to read as
8 follows: 12-6a35. (a) Any municipality may issue special obligation bonds
9 in one or more series to finance any project in accordance with the pro-
10 visions of this act. Such bonds shall be made payable, both as to principal
11 and interest solely from a pledge of the sources of funds described in
12 subsections (a), (b), (c) and (e) of K.S.A. 2009 Supp. 12-6a33, and amend-
13 ments thereto. *Any municipality may also execute and deliver a loan with*
14 *respect to any project from the Kansas transportation revolving fund pur-*
15 *suant to K.S.A. 2009 Supp. 75-5063 et seq., and amendments thereto.* The
16 municipality may pledge such revenue to the repayment of such bonds
17 *or such loans* prior to, simultaneously with or subsequent to the issuance
18 of such bonds, except for any revenues received under the provisions of
19 subsection (e) of K.S.A. 2009 Supp. 12-6a33 and amendments thereto,
20 which revenues are subject to annual appropriation.

21 (b) Bonds issued pursuant to this section shall not be general obli-
22 gations of the municipality, give rise to a charge against its general credit
23 or taxing powers, or be payable out of any funds or properties other than
24 any of those set forth in subsections (a), (b), (c) and (e) of K.S.A. 2009
25 Supp. 12-6a33, and amendments thereto, and such bonds shall so state
26 on their face. *This subsection shall not apply to loans from the Kansas*
27 *transportation revolving fund pursuant to K.S.A. 2009 Supp. 75-5063 et*
28 *seq., and amendments thereto.*

29 (c) Bonds issued pursuant to this section shall be special obligations
30 of the municipality and are declared to be negotiable instruments. Such
31 bonds shall be executed by the authorized representatives of the munic-
32 ipality and sealed with the corporate seal of the municipality. All details
33 pertaining to the issuance of the bonds and terms and conditions thereof
34 shall be determined by ordinance or resolution of the municipality. The
35 provisions of K.S.A. 10-106, and amendments thereto, requiring a public
36 sale of bonds shall not apply to bonds issued under this section. All bonds
37 issued pursuant to this section and all income or interest therefrom shall
38 be exempt from all state taxes except inheritance taxes. Such bonds shall
39 contain none of the recitals set forth in K.S.A. 10-112, and amendments
40 thereto. Such bonds shall contain the following recitals: The authority
41 under which such bonds are issued; that such bonds are in conformity
42 with the provisions, restrictions and limitations thereof and that such
43 bonds and the interest thereon are to be paid from the money and rev-

1 enue received as provided in this section. Such bonds shall mature in no
2 more than 22 years.

3 (d) Any municipality issuing bonds under the provisions of this sec-
4 tion may refund all or part of such bonds pursuant to the provisions of
5 K.S.A. 10-116a, and amendments thereto.

6 (e) Bonds issued under the provisions of this section *or loans incurred*
7 *from the Kansas transportation revolving fund pursuant to K.S.A. 2009*
8 *Supp. 75-5063 et seq., and amendments thereto*, shall be in addition to
9 and not subject to any statutory limitation of bonded indebtedness im-
10 posed on such municipality.

11 Sec. 3. K.S.A. 2009 Supp. 12-6a36 is hereby amended to read as
12 follows: 12-6a36. (a) Any municipality may issue full faith and credit bonds
13 in one or more series to finance any project in accordance with the pro-
14 visions of this act and to refinance or refund any notes or bonds issued
15 pursuant to this act. Bonds issued pursuant to this section shall be general
16 obligations of the municipality and give rise to a charge against its general
17 credit and taxing powers, and such bonds shall so state on their face. Such
18 bonds shall be made payable, both as to principal and interest solely from
19 a pledge of the sources of funds described in K.S.A. 2009 Supp. 12-6a33,
20 and amendments thereto, including a pledge of a municipality's full faith
21 and credit to use its ad valorem taxing authority for the repayment thereof
22 in the event all other authorized sources of revenue are not sufficient.
23 The municipality may pledge such revenue to the repayment of such
24 bonds prior to, simultaneously with or subsequent to the issuance of such
25 bonds.

26 (b) Bonds issued pursuant to this section shall be general obligations
27 of the municipality and are declared to be negotiable instruments. Such
28 bonds shall be executed by the authorized representatives of the munic-
29 ipality and sealed with the corporate seal of the municipality. All details
30 pertaining to the issuance of the bonds and terms and conditions thereof
31 shall be determined by ordinance or resolution of the municipality. The
32 provisions of K.S.A. 10-106, and amendments thereto, requiring a public
33 sale of bonds shall not apply to bonds issued under this section. All bonds
34 issued pursuant to this section and all income or interest therefrom shall
35 be exempt from all state taxes except inheritance taxes. Such bonds shall
36 contain the recitals set forth in K.S.A. 10-112, and amendments thereto.
37 Such bonds shall mature in no more than 22 years. Any municipality
38 issuing bonds under the provisions of this section may refund all or part
39 of such bonds pursuant to the provisions of K.S.A. 10-427, and amend-
40 ments thereto.

41 (c) The amount of the full faith and credit bonds issued and outstand-
42 ing under this act which exceeds 3% of the assessed valuation of the
43 municipality shall be within the bonded debt limit applicable to such

1 municipality.

2 (d) If, within 60 days following the date of the public hearing de-
3 scribed in K.S.A. 2009 Supp. 12-6a29, and amendments thereto, a protest
4 petition signed by 5% of the qualified voters of the municipality is filed
5 with the municipality's clerk in accordance with the provisions of K.S.A.
6 25-3601 et seq., and amendments thereto, no full faith and credit bonds
7 shall be issued until the issuance of the full faith and credit bonds is
8 approved by a majority of the voters voting at an election thereon. The
9 failure of the voters to approve the issuance of full faith and credit bonds
10 shall not prevent a municipality from issuing special obligation bonds.

11 (e) *The provisions of subsections (b), (c) and (d) shall not apply to*
12 *loans from the Kansas transportation revolving fund pursuant to K.S.A.*
13 *2009 Supp. 75-5063 et seq., and amendments thereto.*

14 Sec. 4. K.S.A. 2009 Supp. 12-1774 is hereby amended to read as
15 follows: 12-1774. (a) (1) Any city shall have the power to issue special
16 obligation bonds in one or more series *and/or execute and deliver a loan*
17 *from the Kansas transportation revolving fund pursuant to K.S.A. 2009*
18 *Supp. 75-5063 et seq., and amendments thereto*, to finance the undertak-
19 ing of any redevelopment project or bioscience development project in
20 accordance with the provisions of this act. Such special obligation bonds
21 *or loans* shall be made payable, both as to principal and interest:

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

24 (B) from revenues of the city derived from or held in connection with
25 the undertaking and carrying out of any redevelopment project or projects
26 or bioscience development project or projects under this act including
27 environmental increments;

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

30 (D) from a pledge of all of the revenue received by the city from any
31 transient guest and local sales and use taxes which are collected from
32 taxpayers doing business within that portion of the city's redevelopment
33 district or bioscience development district established pursuant to K.S.A.
34 12-1771, and amendments thereto, occupied by a redevelopment project
35 or bioscience development project. A city proposing to finance a major
36 motorsports complex pursuant to this paragraph shall prepare a project
37 plan which shall include:

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

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

43 (iii) a description and map of the location of the facility that is the

1 subject of the special bond project or major motorsports complex;
2 (iv) the relocation assistance plan required by K.S.A. 12-1777, and
3 amendments thereto;
4 (v) a detailed description of the buildings and facilities proposed to
5 be constructed or improved; and
6 (vi) any other information the governing body deems necessary to
7 advise the public of the intent of the special bond project or major mo-
8 torsports complex plan.

9 The project plan shall be prepared in consultation with the planning
10 commission of the city. Such project plan shall also be prepared in con-
11 sultation with the planning commission of the county, if any, if a major
12 motorsports complex is located wholly outside the boundaries of the city.

13 (E) from a pledge of a portion or all increased revenue received by
14 the city from: (i) Franchise fees collected from utilities and other busi-
15 nesses using public right-of-way within the redevelopment district; (ii)
16 from a pledge of all or a portion of the revenue received by the city from
17 sales taxes; or (iii) both of the above;

18 (F) with the approval of the county, from a pledge of all of the rev-
19 enues received by the county from any transient guest, local sales and use
20 taxes which are collected from taxpayers doing business within that por-
21 tion of the redevelopment district established pursuant to K.S.A. 12-1771,
22 and amendments thereto;

23 (G) *if a project is financed in whole or in part with the proceeds of a*
24 *loan to the municipality from the Kansas transportation revolving fund,*
25 *such loan shall also be payable from amounts available pursuant to K.S.A.*
26 *2009 Supp. 75-5063 et seq., and amendments thereto;*

27 ~~(G)~~ (H) by any combination of these methods.

28 The city may pledge such revenue to the repayment of such special
29 obligation bonds prior to, simultaneously with, or subsequent to the is-
30 suance of such special obligation bonds.

31 (2) Bonds issued under paragraph (1) of subsection (a) shall not be
32 general obligations of the city, nor in any event shall they give rise to a
33 charge against its general credit or taxing powers, or be payable out of
34 any funds or properties other than any of those set forth in paragraph (1)
35 of this subsection and such bonds shall so state on their face. *This para-*
36 *graph shall not apply to loans from the Kansas transportation revolving*
37 *fund pursuant to K.S.A. 2009 Supp. 75-5063 et seq., and amendments*
38 *thereto.*

39 (3) Bonds issued under the provisions of paragraph (1) of this sub-
40 section shall be special obligations of the city and are declared to be
41 negotiable instruments. They shall be executed by the mayor and clerk
42 of the city and sealed with the corporate seal of the city. All details per-
43 taining to the issuance of such special obligation bonds and terms and

1 conditions thereof shall be determined by ordinance of the city. All special
2 obligation bonds issued pursuant to this act and all income or interest
3 therefrom shall be exempt from all state taxes except inheritance taxes.
4 Such special obligation bonds shall contain none of the recitals set forth
5 in K.S.A. 10-112, and amendments thereto. Such special obligation bonds
6 shall, however, contain the following recitals, viz., the authority under
7 which such special obligation bonds are issued, they are in conformity
8 with the provisions, restrictions and limitations thereof, and that such
9 special obligation bonds and the interest thereon are to be paid from the
10 money and revenue received as provided in paragraph (1) of this
11 subsection.

12 (b) (1) Subject to the provisions of paragraph (2) of this subsection,
13 any city shall have the power to issue full faith and credit tax increment
14 bonds to finance the undertaking of any redevelopment project in ac-
15 cordance with the provisions of K.S.A. 12-1770 et seq., and amendments
16 thereto, other than a project that will create a major tourism area. Such
17 full faith and credit tax increment bonds shall be made payable, both as
18 to principal and interest: (A) From the revenue sources identified in par-
19 agraph (1) of subsection (a) or by any combination of these sources; and
20 (B) subject to the provisions of paragraph (2) of this subsection, from a
21 pledge of the city's full faith and credit to use its ad valorem taxing au-
22 thority for repayment thereof in the event all other authorized sources of
23 revenue are not sufficient.

24 (2) Except as provided in paragraph (3) of this subsection, before the
25 governing body of any city proposes to issue full faith and credit tax in-
26 crement bonds as authorized by this subsection, the feasibility study re-
27 quired by K.S.A. 12-1772, and amendments thereto, shall demonstrate
28 that the benefits derived from the project will exceed the cost and that
29 the income therefrom will be sufficient to pay the costs of the project.
30 No full faith and credit tax increment bonds shall be issued unless the
31 governing body states in the resolution required by K.S.A. 12-1772, and
32 amendments thereto, that it may issue such bonds to finance the proposed
33 redevelopment project.

34 The governing body may issue the bonds unless within 60 days follow-
35 ing the date of the public hearing on the proposed project plan a protest
36 petition signed by 3% of the qualified voters of the city is filed with the
37 city clerk in accordance with the provisions of K.S.A. 25-3601 et seq., and
38 amendments thereto. If a sufficient petition is filed, no full faith and credit
39 tax increment bonds shall be issued until the issuance of the bonds is
40 approved by a majority of the voters voting at an election thereon. Such
41 election shall be called and held in the manner provided by the general
42 bond law.

43 The failure of the voters to approve the issuance of full faith and credit

1 tax increment bonds shall not prevent the city from issuing special obli-
2 gation bonds in accordance with this section.

3 No such election shall be held in the event the board of county com-
4 missioners or the board of education determines, as provided in K.S.A.
5 12-1771, and amendments thereto, that the proposed redevelopment dis-
6 trict will have an adverse effect on the county or school district.

7 (3) As an alternative to paragraph (2) of this subsection, any city which
8 adopts a redevelopment project plan but does not state its intent to issue
9 full faith and credit tax increment bonds in the resolution required by
10 K.S.A. 12-1772, and amendments thereto, and has not acquired property
11 in the redevelopment project area may issue full faith and credit tax in-
12 crement bonds if the governing body of the city adopts a resolution stating
13 its intent to issue the bonds and the issuance of the bonds is approved by
14 a majority of the voters voting at an election thereon. Such election shall
15 be called and held in the manner provided by the general bond law.

16 The failure of the voters to approve the issuance of full faith and credit
17 tax increment bonds shall not prevent the city from issuing special obli-
18 gation bonds pursuant to paragraph (1) of subsection (a). Any project plan
19 adopted by a city prior to the effective date of this act in accordance with
20 K.S.A. 12-1772, and amendments thereto, shall not be invalidated by any
21 requirements of this act.

22 (4) During the progress of any redevelopment project in which the
23 redevelopment project costs will be financed, in whole or in part, with
24 the proceeds of full faith and credit tax increment bonds, the city may
25 issue temporary notes in the manner provided in K.S.A. 10-123, and
26 amendments thereto, to pay the redevelopment project costs for the pro-
27 ject. Such temporary notes shall not be issued and the city shall not ac-
28 quire property in the redevelopment project area until the requirements
29 of paragraph (2) or (3) of this subsection, whichever is applicable, have
30 been met.

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

39 (6) Any city issuing special obligation bonds or full faith and credit
40 tax increment bonds under the provisions of this act may refund all or
41 part of such issue pursuant to the provisions of K.S.A. 10-116a, and
42 amendments thereto.

43 (c) Any increment in ad valorem property taxes resulting from a re-

1 development project in the established redevelopment district under-
2 taken in accordance with the provisions of this act, shall be apportioned
3 to a special fund for the payment of the redevelopment project costs,
4 including the payment of principal and interest on any special obligation
5 bonds or full faith and credit tax increment bonds issued to finance such
6 project pursuant to this act and may be pledged to the payment of prin-
7 cipal and interest on such bonds.

8 (d) A city may use the proceeds of special obligation bonds or full
9 faith and credit tax increment bonds, *or proceeds of a loan from the Kan-*
10 *sas transportation revolving fund pursuant to K.S.A. 2009 Supp. 75-5063*
11 *et seq., and amendments thereto*, or any uncommitted funds derived from
12 sources set forth in this section to pay the redevelopment project costs
13 as defined in K.S.A. 12-1770a, and amendments thereto, to implement
14 the redevelopment project plan.

15 Sec. 5. K.S.A. 2009 Supp. 12-1774a is hereby amended to read as
16 follows: 12-1774a. (a) In the event that the city shall default in the pay-
17 ment of any special obligation bonds payable from revenues authorized
18 pursuant to subsection (a)(1)(D) of K.S.A. 12-1774, and amendments
19 thereto, no public funds shall be used to pay the holders thereof except
20 as otherwise specifically authorized in this act.

21 (b) *This section shall not apply to loans from the Kansas transporta-*
22 *tion revolving fund pursuant to K.S.A. 2009 Supp. 75-5063 et seq., and*
23 *amendments thereto.*

24 Sec. 6. K.S.A. 12-1775 is hereby amended to read as follows: 12-
25 1775. (a) Except for redevelopment projects satisfying the conditions of
26 subsection (c) of K.S.A. 12-1771b, and amendments thereto, all tangible
27 taxable property located within a redevelopment district shall be assessed
28 and taxed for ad valorem tax purposes pursuant to law in the same manner
29 that such property would be assessed and taxed if located outside such
30 district, and all ad valorem taxes levied on such property shall be paid to
31 and collected by the county treasurer in the same manner as other taxes
32 are paid and collected. Except as otherwise provided in this section, the
33 county treasurer shall distribute such taxes as may be collected in the
34 same manner as if such property were located outside a redevelopment
35 district. Each redevelopment district established under the provisions of
36 this act shall constitute a separate taxing unit for the purpose of the com-
37 putation and levy of taxes.

38 (b) Except for redevelopment projects satisfying the conditions of
39 subsection (c) of K.S.A. 12-1771b, and amendments thereto, beginning
40 with the first payment of taxes which are levied following the date of the
41 establishment of the redevelopment district real property taxes received
42 by the county treasurer resulting from taxes which are levied subject to
43 the provisions of this act by and for the benefit of a taxing subdivision, as

1 defined in K.S.A. 12-1770a, *and amendments thereto*, on property located
2 within such redevelopment district constituting a separate taxing unit un-
3 der the provisions of this section, shall be divided as follows:

4 (1) From the taxes levied each year subject to the provisions of this
5 act by or for each of the taxing subdivisions upon property located within
6 a redevelopment district constituting a separate taxing unit under the
7 provisions of this act, the county treasurer first shall allocate and pay to
8 each such taxing subdivision all of the real property taxes collected which
9 are produced from the base year assessed valuation.

10 (2) Any real property taxes produced from that portion of the current
11 assessed valuation of real property within the redevelopment district con-
12 stituting a separate taxing unit under the provisions of this section in
13 excess of the base year assessed valuation shall be allocated and paid by
14 the county treasurer to the treasurer of the city and deposited in a special
15 fund of the city to pay the redevelopment project costs including the
16 payment of principal of and interest on any special obligation bonds or
17 full faith and credit tax increment bonds issued by such city to finance,
18 in whole or in part, such redevelopment project. When the redevelop-
19 ment project costs have been paid and such obligation bonds and interest
20 thereon have been paid, all moneys thereafter received from real property
21 taxes within such redevelopment district shall be allocated and paid to
22 the respective taxing subdivisions in the same manner as are other ad
23 valorem taxes. If such obligation bonds and interest thereon have been
24 paid before the completion of a project, the city may continue to use such
25 moneys for any purpose authorized by this act until such time as the
26 project is completed, but for not to exceed 20 years from the date of the
27 approval of the project plan, except as otherwise provided by this act.

28 (c) In any project plan or *in the loan documents relating to a loan*
29 *from the Kansas transportation revolving fund pursuant to K.S.A. 2009*
30 *Supp. 75-5063 et seq., and amendments thereto*, or in the proceedings for
31 the issuing of any special obligation bonds or full faith and credit tax
32 increment bonds by the city to finance a redevelopment project, the prop-
33 erty tax increment portion of taxes provided for in paragraph (2) of sub-
34 section (c) may be irrevocably pledged for the payment of the principal
35 of and interest on such obligation bonds *or loan*, subject to the provisions
36 of subsection (c) of K.S.A. 12-1774, and amendments thereto.

37 (d) A city may adopt a project plan in which only a specified per-
38 centage or amount of the tax increment realized from taxpayers in the
39 redevelopment district are pledged to the redevelopment project. The
40 county treasurer shall allocate the specified percentage or amount of the
41 tax increment to the treasurer of the city for deposit in the special fund
42 of the city to finance the redevelopment project costs if the city has other
43 available revenues and pledges the revenues to the redevelopment project

1 in lieu of the tax increment. Any portion of such tax increment not allo-
2 cated to the city for the redevelopment project shall be allocated and paid
3 in the same manner as other ad valorem taxes.

4 Sec. 7. K.S.A. 2009 Supp. 12-17,148 is hereby amended to read as
5 follows: 12-17,148. A separate fund shall be created for each district and
6 each project and such fund shall be identified by a suitable title. *Except*
7 *as otherwise required by the secretary of transportation in connection*
8 *with a loan to the municipality from the Kansas transportation revolving*
9 *fund*, the proceeds from the sale of bonds, *transportation revolving fund*
10 *loan*, any special assessment and transportation development district sales
11 tax authorized, levied and collected under this act by the municipality and
12 any other moneys appropriated by the governing body for such purpose
13 shall be credited to such fund. Such fund shall be used solely to pay the
14 costs of the project. Upon payment of the principal and interest on the
15 bonds, if any, the municipality shall have the authority to spend any mon-
16 eys remaining in the fund for the purposes for which local sales tax re-
17 cepts may be spent.

18 Sec. 8. K.S.A. 2009 Supp. 12-17,149 is hereby amended to read as
19 follows: 12-17,149. (a) Any municipality may issue bonds in one or more
20 series *and/or execute and deliver a loan with respect to a project from the*
21 *Kansas transportation revolving fund pursuant to K.S.A. 2009 Supp. 75-*
22 *5063 et seq., and amendments thereto*, to finance the undertaking of any
23 project in accordance with the provisions of this act. Such bonds shall be
24 made payable, both as to principal and interest solely from a pledge of
25 the sources of funds described in K.S.A. 2009 Supp. 12-17,147, and
26 amendments thereto, *except that, if a project is financed, in whole or in*
27 *part, with the proceeds of a loan to the municipality from the Kansas*
28 *transportation revolving fund, such loan shall also be payable from*
29 *amounts available pursuant to K.S.A. 2009 Supp. 75-5063 et seq., and*
30 *amendments thereto*. The municipality may pledge such revenue to the
31 repayment of such bonds *or loans* prior to, simultaneously with or sub-
32 sequent to the issuance of such bonds, except for any revenues received
33 under the provisions of subsection (d) of K.S.A. 2009 Supp. 12-17,147,
34 and amendments thereto, which revenues are subject to annual
35 appropriation.

36 (b) Bonds issued pursuant to subsection (a) shall not be general ob-
37 ligations of the municipality, give rise to a charge against its general credit
38 or taxing powers, or be payable out of any funds or properties other than
39 any of those set forth in subsection (a) and such bonds shall so state on
40 their face. *This subsection shall not apply to loans from the Kansas trans-*
41 *portation revolving fund pursuant to K.S.A. 2009 Supp. 75-5063 et seq.,*
42 *and amendments thereto*.

43 (c) Bonds issued pursuant to subsection (a) shall be special obliga-

1 tions of the municipality and are declared to be negotiable instruments.
2 Such bonds shall be executed by the authorized representatives of the
3 municipality and sealed with the corporate seal of the municipality. All
4 details pertaining to the issuance of the bonds and terms and conditions
5 thereof shall be determined by ordinance or resolution of the munici-
6 pality. The provisions of K.S.A. 10-106, and amendments thereto, re-
7 quiring a public sale of bonds shall not apply to bonds issued under this
8 act. All bonds issued pursuant to this act and all income or interest there-
9 from shall be exempt from all state taxes except inheritance taxes. Such
10 bonds shall contain none of the recitals set forth in K.S.A. 10-112, and
11 amendments thereto. Such bonds shall contain the following recitals: The
12 authority under which such bonds are issued; that such bonds are in
13 conformity with the provisions, restrictions and limitations thereof; and
14 that such bonds and the interest thereon are to be paid from the money
15 and revenue received as provided in subsection (a) such bonds shall ma-
16 ture in no more than 22 years.

17 (d) Any municipality issuing bonds *or executing a loan from the Kan-*
18 *sas transportation revolving fund pursuant to K.S.A. 2009 Supp. 75-5063*
19 *et seq., and amendments thereto*, under the provisions of this act may
20 refund all or part of such issue pursuant to the provisions of K.S.A. 10-
21 116a, and amendments thereto.

22 (e) Bonds issued under the provisions of this act shall be in addition
23 to and not subject to any statutory limitation of bonded indebtedness
24 imposed on such municipality.

25 Sec. 9. K.S.A. 68-416 is hereby amended to read as follows: 68-416.
26 The state highway fund shall be apportioned as follows:

27 (a) The secretary of transportation annually shall apportion and dis-
28 tribute quarterly, on the first day of January, April, July and October, to
29 cities on the state highway system from the state highway fund moneys
30 at the rate of \$3,000 per year per lane per mile for the maintenance of
31 streets and highways in cities designated by the secretary as city con-
32 necting links. Unless a consolidated street and highway fund is established
33 pursuant to K.S.A. 12-1,119, and amendments thereto, all moneys dis-
34 tributed by the secretary shall be credited to the street and alley funds
35 of such cities. All moneys so distributed shall be used solely for the main-
36 tenance of city connecting links. Maintenance of such city connecting
37 links shall be as prescribed in K.S.A. 68-416a, and amendments thereto.
38 As used in this subsection, "lane" means the portion of the roadway for
39 use of moving traffic of a standard width prescribed by the secretary. In
40 lieu of such apportionment, the secretary, by and with the consent of the
41 governing body of any city within the state of Kansas, may maintain such
42 streets within the city and pay for such maintenance from the highway
43 fund.

1 (b) All of the remainder of such highway fund shall be used by the
2 secretary of transportation for:

3 (1) The construction, improvement, reconstruction and maintenance
4 of the state highway system;

5 (2) improvements in transportation programs to aid elderly persons,
6 persons with disabilities and the general public;

7 (3) for any purpose specified in ~~K.S.A. 68-2314a~~ *section 1, and*
8 *amendments thereto*;

9 (4) the support and maintenance of the department of transportation;

10 (5) the expenses of administering the motor vehicle registration and
11 drivers' license laws; and

12 (6) the payment of losses to department of transportation employees
13 authorized by K.S.A. ~~2002~~ 2009 Supp. 75-5062, and amendments thereto.

14 Sec. 10. K.S.A. 68-20,120 is hereby amended to read as follows: 68-
15 20,120. ~~(a)~~ In addition to other powers and duties granted to the secretary
16 of transportation;

17 (a) (I) The secretary of transportation may study the feasibility of
18 constructing a new toll project or turnpike project or designating existing
19 highways or any portion of such highways as a toll project or turnpike
20 project.

21 ~~(b)~~ (2) The study of the feasibility of such toll project or turnpike
22 project shall include, but not be limited to:

23 ~~(1)~~ (A) The total cost of such project;

24 ~~(2)~~ (B) a determination of the funding of such projects, including the
25 use of one or a combination of public funds, private funds or toll revenues;

26 ~~(3)~~ (C) a determination of the duration of the collection of tolls on
27 such projects and if such projects are to become toll-free, a projected
28 date when such projects would become toll-free; and

29 ~~(4)~~ (D) such other data deemed necessary by the secretary for a de-
30 termination of the project's feasibility.

31 (b) *After conducting the feasibility study under subsection (a) and if*
32 *such feasibility study provides a favorable result, the secretary of trans-*
33 *portation may recommend the construction of a new toll project or turn-*
34 *pike project or the designation of an existing highway or any portion of*
35 *such highway as a toll project or turnpike project.*

36 Sec. 11. K.S.A. 2009 Supp. 68-2315 is hereby amended to read as
37 follows: 68-2315. Annually, prior to the 10th day of each regular session
38 of the legislature, the secretary of transportation shall submit a written
39 report to the governor and each member of the legislature providing:

40 (a) Summary financial information and a statement of assurance that
41 the department of transportation has prepared a comprehensive financial
42 report of all funds for the preceding year which includes a report by
43 independent public accountants attesting that the financial statements

- 1 present fairly the financial position of the Kansas department of trans-
2 portation in conformity with generally accepted accounting principles and
3 a notification that the complete comprehensive financial report, including
4 the auditor's report is available upon request;
- 5 (b) a detailed explanation of the methods or criteria employed in the
6 selection of ~~substantial maintenance and construction projects~~ *transportation projects under subsection (b) of section 1, and amendments thereto*,
7 and in the awarding of assistance to cities, counties or other transportation
8 providers;
- 9 (c) the proposed allocation and expenditure of moneys and proposed
10 work plan for the current fiscal year and at least the next five years;
- 11 (d) information concerning ~~system enhancements~~, construction work
12 completed in the preceding fiscal year and construction work in progress;
- 13 (e) information concerning the operation and financial condition of
14 the transportation revolving fund;
- 15 (f) the annual allocation and expenditure of moneys from the coor-
16 dinated public transportation assistance fund under K.S.A. 75-5035, and
17 amendments thereto;
- 18 (g) the annual allocation and expenditure of moneys from the rail
19 service improvement fund under K.S.A. 75-5048, and amendments
20 thereto, including specific information relating to any grants or loans
21 made under such program;
- 22 (h) the annual allocation and expenditure of moneys from the public
23 use general aviation airport development fund under K.S.A. 75-5061, and
24 amendments thereto, including specific information relating to grants
25 made under such program;
- 26 (i) specific recommendations for any statutory changes necessary for
27 the successful completion of the ~~comprehensive~~ transportation program
28 specified in ~~K.S.A. 68-2314a~~ *section 1, and amendments thereto*, or effi-
29 cient and effective operation of the Kansas department of transportation;
30 and
- 31 (j) an explanation of any material changes from the previous annual
32 report.
- 33
- 34 Sec. 12. K.S.A. 68-2320 is hereby amended to read as follows: 68-
35 2320. (a) On and after July 1, 1991, the secretary of transportation is
36 hereby authorized and empowered to issue bonds of the state of Kansas,
37 payable solely from revenues accruing to the state highway fund and
38 transferred to the highway bond debt service fund and pledged to their
39 payment, for the purpose of providing funds to pay costs relating to con-
40 struction, reconstruction, maintenance or improvement of highways in
41 this state and to pay all expenses incidental thereto and to the bonds. The
42 secretary is hereby authorized to issue bonds the total principal amount
43 of which shall not exceed \$890,000,000.

1 (b) In addition to the provisions of subsection (a), on and after July
2 1, 1999, the secretary of transportation is hereby authorized and empow-
3 ered to issue bonds of the state of Kansas, payable solely from revenues
4 accruing to the state highway fund and transferred to the highway bond
5 debt service fund and pledged to their payment, for the purpose of pro-
6 viding funds to pay costs relating to construction, reconstruction, main-
7 tenance or improvement of highways in this state and to pay all expenses
8 incidental thereto and to the bonds. The secretary is hereby authorized
9 to issue bonds the total principal amount of which shall not exceed
10 \$1,272,000,000.

11 (c) (1) *In addition to the provisions of subsections (a) and (b), on and*
12 *after July 1, 2010, the secretary of transportation is hereby authorized*
13 *and empowered to issue additional bonds of the state of Kansas, payable*
14 *solely from revenues accruing to the state highway fund and transferred*
15 *to the highway bond debt service fund and pledged to their payment, for*
16 *the purpose of providing funds to pay costs relating to construction, re-*
17 *construction, maintenance or improvement of highways in this state and*
18 *to pay all expenses incidental thereto and to the bonds. No bonds shall be*
19 *issued by the secretary pursuant to this subsection unless the secretary*
20 *certifies that, as of the date of issuance of any such series of additional*
21 *bonds, the maximum annual debt service on all outstanding bonds issued*
22 *pursuant to this section and K.S.A. 68-2328, and amendments thereto,*
23 *including the bonds to be issued on such date, will not exceed 18% of*
24 *projected state highway fund revenues for the current or any future fiscal*
25 *year.*

26 (2) *As used in this subsection:*

27 (A) *“Maximum annual debt service” means the maximum amount of*
28 *debt service requirements on all outstanding bonds for the current or any*
29 *future fiscal year;*

30 (B) *“debt service requirements” means, for each fiscal year, the ag-*
31 *gregate principal and interest payments required to be made during such*
32 *fiscal year on all outstanding bonds, including the additional bonds to be*
33 *issued, less any interest subsidy payments expected to be received from*
34 *the federal government, less any principal and interest payments irrevoc-*
35 *ably provided for from a dedicated escrow of United States government*
36 *securities;*

37 (C) *“projected state highway fund revenues” means all revenues pro-*
38 *jected by the secretary of transportation to accrue to the state highway*
39 *fund for the current or any future fiscal year; and*

40 (D) *“fiscal year” means the fiscal year of the state.*

41 (3) *Debt service requirements for variable rate bonds outstanding or*
42 *proposed to be issued for the current or any future fiscal year for which*
43 *the actual interest rate cannot be determined on the date of calculation*

1 *shall be deemed to bear interest at an assume rate equal to the average of*
2 *the SIFMA swap index, or any successor variable rate index, for the im-*
3 *mediately preceding five calendar years plus 1% and an amount deter-*
4 *mined by the secretary that represents the then current reasonable annual*
5 *ancillary costs associated with variable rate debt, including credit en-*
6 *hancement, liquidity and remarketing costs; except that, debt service*
7 *requirements for variable rate bonds that are hedged pursuant to an in-*
8 *terest rate exchange or similar agreement that results in synthetic fixed*
9 *rate debt shall be deemed to bear interest at the synthetic fixed rate plus*
10 *.5% and an amount determined by the secretary that represents the then*
11 *current reasonable annual ancillary costs associated with variable rate*
12 *debt, including credit enhancement, liquidity and remarketing costs.*

13 (4) *Projected state highway fund revenues for the current or any fu-*
14 *ture fiscal year for which the actual revenues cannot be determined on*
15 *the date of calculation shall be deemed to be the actual revenues for the*
16 *most recently completed fiscal year, adjusted in each subsequent fiscal*
17 *year by a percentage equal to the historical average annual increase or*
18 *decrease in revenues for the five fiscal year period prior to the current*
19 *fiscal year, and further adjusted to take into account any increases or*
20 *decreases in the statutory rates of any taxes or other charges or transfers*
21 *that comprise a portion of the revenues.*

22 (5) *It is the intent of the legislature that the proceeds of any additional*
23 *bonding capacity under this subsection, as nearly as possible, be divided*
24 *equally among the six transportation districts established pursuant to*
25 *K.S.A. 75-5002, and amendments thereto. The Kansas department of*
26 *transportation shall give special emphasis to projects on major corridors*
27 *within each district.*

28 ~~(c)~~ (d) *In accordance with procurement statutes, the secretary may*
29 *contract with financial advisors, attorneys and such other professional*
30 *services as the secretary deems necessary to carry out the provisions of*
31 *this act, and to do all things necessary or convenient to carry out the*
32 *powers expressly granted in this act.*

33 Sec. 13. K.S.A. 68-2321 is hereby amended to read as follows: 68-
34 2321. (a) Bonds issued shall be authorized by resolution of the secretary.
35 The secretary shall determine the form and manner of the execution of
36 the bonds and the bonds may be made exchangeable for bonds of another
37 denomination or in another form. The bonds shall be dated. Bonds issued
38 under subsections (a) and (b) of K.S.A. 68-2320, and amendments
39 thereto, shall mature not more than 20 years from their date. *Bonds issued*
40 *under subsection (c) of K.S.A. 68-2320, and amendments thereto, shall*
41 *mature not more than 25 years from their date. Bonds issued for the*
42 *purpose of refunding bonds under K.S.A. 68-2328, and amendments*
43 *thereto, shall mature not more than 25 years from their date.* The bonds

1 may be in such form and denominations, may bear interest payable at
2 such times and at such rate or rates, may be payable at such places within
3 or without the state, may be subject to such terms of redemption in
4 advance of maturity at such prices, and may contain such terms and con-
5 ditions, all as the secretary shall determine. The bonds shall have all the
6 qualities of and shall be deemed to be negotiable instruments under the
7 laws of the state of Kansas. The authorizing resolution may contain any
8 other terms, covenants and conditions that the secretary deems reason-
9 able and desirable.

10 (b) The proceeds from the sale of the bonds authorized to be issued
11 under this section are deemed to be trust funds which shall be deposited
12 in the custody of the state treasurer in the highway bond proceeds fund
13 which is hereby created. The secretary shall have responsibility for the
14 management and control of the highway bond proceeds fund and shall
15 provide, by resolution, for both amounts and the duration of investments
16 of moneys in such fund. Such resolution may recommend investment and
17 reporting policies, including acceptable levels of return, risk and security.
18 After consultation with the secretary and subject to the terms, covenants
19 and conditions provided in the resolutions providing for the issuance of
20 such bonds, the director of investments shall have the authority to invest
21 and reinvest moneys in such fund and to acquire, retain, manage, includ-
22 ing the exercise of any voting rights, and dispose of investments of such
23 fund. In investing or reinvesting moneys in such fund, there shall be
24 exercised the judgment and care under the circumstances then prevailing
25 which persons of prudence, discretion and intelligence exercise in the
26 management of their own affairs, not in regard to speculation but in re-
27 gard to the permanent disposition of their funds, considering the probable
28 income as well as the probable safety of their capital, except that moneys
29 of the fund may not be invested in common stocks. Notwithstanding any-
30 thing to the contrary, all interest or other income of the investments,
31 after payment of any management fees, of the highway bond proceeds
32 fund shall be credited to the highway bond debt service fund, until pay-
33 ments on bonds authorized by this act and interest thereon has been fully
34 funded. Thereafter, earnings and other income shall be credited to the
35 state highway fund.

36 (c) The authorizing resolution may provide for the execution of a trust
37 indenture. The trust indenture may contain any terms, covenants and
38 conditions that are deemed desirable by the secretary, including, without
39 limitation, those pertaining to the maintenance of various funds and re-
40 serves, the nature and extent of any security for payment of the bonds,
41 the custody and application of the proceeds of the bonds, the collection
42 and disposition of bond proceeds and earnings thereon, the investing for
43 authorized purposes, and the rights, duties and obligations of the secre-

1 tary and the holders and registered owners of the bonds.

2 (d) Any authorizing resolution and trust indenture relating to the is-
3 suance and security of the bonds may set forth covenants, agreements
4 and obligations therein, which may be enforced by mandamus or other
5 appropriate proceeding at law or in equity.

6 (e) The bonds may be issued under the provisions of this act without
7 obtaining the consent of any department, division, commission, board,
8 bureau or agency of the state and without any other proceedings or the
9 happening of any other conditions or things than those proceedings, con-
10 ditions or things which are specifically required by this act.

11 Sec. 14. K.S.A. 68-2328 is hereby amended to read as follows: 68-
12 2328. (a) Bonds may be issued for the purpose of refunding, either at
13 maturity or in advance of maturity, any bonds issued under this act, *any*
14 *interest on such bonds or both bonds and the interest thereof.* ~~Bonds may~~
15 ~~be issued subsequent to the effective date of this act for the purpose of~~
16 ~~refunding, either at maturity or in advance of maturity, bonds issued~~
17 ~~under article 23 of chapter 68 of the Kansas Statutes Annotated, and~~
18 ~~amendments thereto.~~ Such refunding bonds may either be sold or deliv-
19 ered in exchange for the bonds being refunded. If sold, the proceeds may
20 either be applied to the payment of the bonds being refunded or depos-
21 ited in trust and there maintained in cash or investments for the retire-
22 ment of the bonds being refunded, as shall be specified by the secretary
23 and the authorizing resolution or trust indenture securing such refunding
24 bonds. The authorizing resolution or trust indenture securing the re-
25 funding bonds may provide that the refunding bonds shall have the same
26 security for their payment as provided for the bonds being refunded.
27 Refunding bonds shall be sold and secured in accordance with the pro-
28 visions of this act pertaining to the sale and security of the bonds. Any
29 bonds that have been issued pursuant to this section shall not be counted
30 toward the limit on the aggregate principal amount of bonds established
31 under *subsections (a) and (b) of K.S.A. 68-2320, and amendments thereto.*

32 (b) When all bonds issued under article 23 of chapter 68 of the Kansas
33 Statutes Annotated, and amendments thereto, have either been paid or
34 the lien of such bonds shall have been defeased in accordance with their
35 terms so that the bonds are deemed to have been paid, the secretary of
36 transportation shall certify such facts to the director of accounts and re-
37 ports and upon receipt of such certification the director of accounts and
38 reports shall transfer all moneys in the state freeway fund to the state
39 highway fund and upon such transfer all liabilities of the state freeway
40 fund are hereby transferred to and imposed upon the state highway fund
41 and the state freeway fund is hereby abolished. Upon the abolition of the
42 state freeway fund, any reference to the state freeway fund or any des-
43 ignation thereof, in any statute, contract or other document shall mean

1 the state highway fund.

2 Sec. 15. K.S.A. 2009 Supp. 68-2331 is hereby amended to read as
3 follows: 68-2331. (a) For the purpose of financing a portion of the com-
4 prehensive transportation program, ~~K.S.A. 68-2314a, et seq., and amend-~~
5 ~~ments thereto~~, the Kansas development finance authority is hereby au-
6 thorized to issue one or more series of revenue bonds pursuant to the
7 Kansas development finance authority act, K.S.A. 74-8901 et seq., and
8 amendments thereto, in an amount necessary to provide a deposit or
9 deposits in a total amount not to exceed \$150,000,000 to the state highway
10 fund plus amounts necessary to pay the costs of issuance of the bonds,
11 including any credit enhancement, and provide any required reserves for
12 the bonds. The principal amount, interest rates and final maturity of such
13 revenue bonds and any bonds issued to refund such bonds or parameters
14 for such principal amount, interest rates and final maturity shall be ap-
15 proved by the secretary of transportation and by a resolution of the state
16 finance council. The bonds, and interest thereon, issued pursuant to this
17 section shall be payable from moneys appropriated by the state for such
18 purpose. The bonds and interest thereon, issued pursuant to this section
19 shall be obligations only of the authority and in no event shall such bonds
20 constitute an indebtedness or obligation of the Kansas department of
21 transportation or an indebtedness or obligation for which the faith and
22 credit or any assets of the Kansas department of transportation are
23 pledged.

24 (b) (1) The authority may pledge the contract or contracts authorized
25 in subsection (c), or any part thereof, for the payment or redemption of
26 the bonds, and covenant as to the use and disposition of money available
27 to the authority for payments of the bonds. The authority is authorized
28 to enter into any agreements necessary or desirable to effectuate the
29 purposes of this section.

30 (2) The proceeds from the sale of the bonds, other than refunding
31 bonds, issued pursuant to this section, after payment of any costs related
32 to the issuance of such bonds, shall be paid by the authority to the Kansas
33 department of transportation to be applied to the payment, in full or in
34 part, of the construction projects authorized by the comprehensive trans-
35 portation program.

36 (3) The state hereby pledges and covenants with the holders of any
37 bonds issued pursuant to the provisions of this section, that it will not
38 limit or alter the rights or powers vested in the authority by this section,
39 nor limit or alter the rights or powers of the authority, the department of
40 administration or the Kansas department of transportation, in any manner
41 which would jeopardize the interest of the holders or any trustee of such
42 holders or inhibit or prevent performance or fulfillment by the authority,
43 the department of administration or the Kansas department of transpor-

1 tation with respect to the terms of any agreement made with the holders
2 of the bonds or agreements made pursuant to this section, except that
3 the failure of the legislature to appropriate moneys for any purpose shall
4 not be deemed a violation of this pledge and covenant. The department
5 of administration is hereby specifically authorized to include this pledge
6 and covenant in any agreement with the authority. The authority is hereby
7 specifically authorized to include this pledge and covenant in any bond
8 resolution, trust indenture or agreement for the benefit of holders of the
9 bonds.

10 (4) Revenue bonds may be issued pursuant to this section without
11 obtaining the consent of any department, division, commission, board or
12 agency of the state, other than the approvals of the state finance council
13 required by this section, and without any other proceedings or the oc-
14 currence of any other conditions or other things other than those pro-
15 ceedings, conditions or things which are specifically required by the Kan-
16 sas development finance authority act.

17 (c) The department of administration and the authority are author-
18 ized to enter into one or more contracts to implement the payment ar-
19 rangement that is provided for in this section. The contract or contracts
20 shall provide for payment of the amounts required to be paid pursuant
21 to this section and shall set forth the procedure for the transfer of moneys
22 for the purpose of paying such moneys. The contract or contracts shall
23 contain such terms and conditions including principal amount, interest
24 rates and final maturity as shall be approved by resolution of the state
25 finance council and shall include, but not be limited to, terms and con-
26 ditions necessary or desirable to provide for repayment of and to secure
27 any bonds of the authority issued pursuant to this section.

28 (d) In addition to the bonds authorized under subsection (a), if the
29 incremental increases in the amount of federal funds estimated to be
30 available to fund the comprehensive transportation program projects for
31 state fiscal years 2005 through 2009 by the congressional reauthorization
32 of the federal highway program are less than the anticipated federal re-
33 ceipts, the Kansas development finance authority is authorized to issue
34 one or more series of revenue bonds pursuant to the Kansas development
35 finance authority act, K.S.A. 74-8901 et seq., and amendments thereto.
36 Such bonds shall be in an amount necessary to provide a deposit or de-
37 posits in a total amount not to exceed the lesser of the federal shortfall
38 or \$60,000,000 to the state highway fund. The purpose of such bonds
39 shall be to off-set shortfalls in anticipated federal receipts. The issuance
40 of such bonds shall be approved by resolution of the state finance council
41 and shall be issued in accordance with the provisions of this section.

42 No bonds shall be issued pursuant to this subsection prior to the review
43 and recommendation to the state finance council of such issuance by the

1 legislative budget committee.

2 (e) The approvals by the state finance council required by subsection
3 (a), (c) and (d) are hereby characterized as matters of legislative delega-
4 tion and subject to the guidelines prescribed in subsection (c) of K.S.A.
5 75-3711c, and amendments thereto. Such approvals may be given by the
6 state finance council when the legislature is in session.

7 (f) Except for bonds authorized under subsection (d), no bonds shall
8 be issued pursuant to this section prior to the review of and recommen-
9 dation to the state finance council of such issuance by the standing com-
10 mittees on transportation of the house of representatives and the senate.

11 Sec. 16. K.S.A. 2009 Supp. 75-5063 is hereby amended to read as
12 follows: 75-5063. The secretary of transportation is hereby authorized to
13 establish a transportation revolving fund to provide assistance to govern-
14 mental units for transportation projects. *The secretary may authorize the*
15 *creation of separate accounts within the transportation revolving fund*
16 *with respect to major highway enhancement projects.*

17 Sec. 17. K.S.A. 2009 Supp. 75-5064 is hereby amended to read as
18 follows: 75-5064. As used in K.S.A. 2009 Supp. 75-5063 through 75-5069,
19 *and amendments thereto:*

20 (a) “Cost” means as applied to any qualified project, any or all costs,
21 whenever incurred, approved by the department, for carrying out a qual-
22 ified project;

23 (b) “department” means the Kansas department of transportation es-
24 tablished under K.S.A. 75-5001, and amendments thereto;

25 (c) “fund” means the Kansas transportation revolving fund estab-
26 lished by K.S.A. 2009 Supp. 75-5066, *and amendments thereto, including*
27 *one or more of the separate accounts within such fund;*

28 (d) “governmental unit” means any town, city, district, county, com-
29 mission, agency, authority, board or other instrumentality of the state or
30 of any of its political subdivisions, including any combination thereof,
31 which is responsible for the construction, ownership or operation of a
32 qualified project;

33 (e) *“major highway enhancement project” means a highway project*
34 *determined by the secretary to be of local, regional or statewide economic*
35 *significance, including, but not limited to, the construction of new high-*
36 *ways, construction of additional traffic lanes, improved access control,*
37 *corridor improvements, construction, reconstruction or improvement of*
38 *highway interchanges that have not been developed, have been under-*
39 *developed or are unlikely to be developed in the absence of governmental*
40 *assistance;*

41 (f) “private enterprise” means a private person or entity that has
42 entered into a contract with a public authority to design, finance, con-
43 struct and/or operate a qualified project that is within the jurisdiction of

- 1 such public authority;
- 2 ~~(f)~~ (g) “project” means the acquisition, construction, improvement,
3 repair, rehabilitation, maintenance or extension of transportation ~~facilities~~
4 *projects*;
- 5 ~~(g)~~ (h) “project costs” means all costs or expenses which are necessary
6 or incident to a project and which are directly attributable thereto;
- 7 ~~(h)~~ (i) “project revenues” means all rates, rents, fees, assessments,
8 charges and other receipts derived or to be derived by a qualified bor-
9 rower from a qualified project;
- 10 ~~(i)~~ (j) “qualified borrower” means any governmental unit or private
11 enterprise which is authorized to construct, operate or own a qualified
12 project;
- 13 ~~(j)~~ (k) “qualified project” means any public or private transportation
14 project, including, without limitation, the construction, reconstruction,
15 resurfacing, restoration, rehabilitation or replacement of public or private
16 transportation ~~facilities~~ *projects* within the state;
- 17 ~~(k)~~ (l) “revenues” means when used with respect to the department,
18 any receipts, fees, revenues or other payments received or to be received
19 by the department under K.S.A. 2009 Supp. 75-5063 through 75-5069,
20 *and amendments thereto*;
- 21 ~~(l)~~ (m) “secretary” means the secretary of the Kansas department of
22 transportation;
- 23 ~~(m)~~ (n) “transportation project” means any bridge, culvert, highway,
24 road, street, *major highway enhancement project* or combination thereof.
- 25 Sec. 18. K.S.A. 12-1775, 68-416, 68-20,120, 68-2314a, 68-2320, 68-
26 2321 and 68-2328 and K.S.A. 2009 Supp. 12-6a35, 12-6a36, 12-1774, 12-
27 1774a, 12-17,148, 12-17,149, 68-2315, 68-2331, 75-5063 and 75-5064 are
28 hereby repealed.
- 29 Sec. 19. This act shall take effect and be in force from and after its
30 publication in the Kansas register.