

Approved

Ivan Sand

Date 2-16-88

MINUTES OF THE House COMMITTEE ON Local Government

The meeting was called to order by Representative Ivan Sand at  
Chairperson

1:30 a.m./p.m. on February 9, 1988 in room 521-S of the Capitol.

All members were present except:

Representative Brown, excused  
Representative Rezac, excused

Committee staff present:

Mike Heim, Legislative Research Dept.  
Bil Edds, Revisor of Statutes' Office  
Lenore Olson, Committee Secretary

Conferees appearing before the committee:

Representative Henry Helgerson  
Joe Norton, Gilmore and Bell, Municipal Bond Counsel, Wichita  
Tim Witsman, Wichita-Sedgwick County Partnership for Growth, Inc.  
Brenda Manske, Secretary and Legislative Chair, Kansas Downtown  
Development Association  
Tom Whalen, General Manager, Manhattan Chamber of Commerce  
Nathanial M. Griffen, Vice President, Greater Downtown Wichita,  
Wichita Area Chamber of Commerce  
Tom Powell, City Attorney, Wichita  
Willie Martin, Intergovernmental Coordinator, Sedgwick County  
Dennis Shockley, representing the city of Kansas City, Kansas  
Al Bailey, Director of Economic Development, Topeka

Representative Fuller presented information on new legislation regarding disposition of property in possession of a museum.

A motion was made by Representative Francisco and seconded by Representative Miller to introduce this museum bill. The motion carried.

Mike Heim gave an overview of HB 2667.

Representative Helgerson testified in favor of HB 2667 and HB 2670, stating that they will provide a greater opportunity for rebuilding the downtown areas.

Joe Norton testified in favor of HB 2667 and HB 2670, stating that their purpose is to promote downtown development by using tax increment financing to provide funds and bond authority for redevelopment projects. (Attachment 1)

Tim Witsman testified on HB 2667 and HB 2670, stating that he is in favor of these bills, but with a few changes. (Attachment 2)

Brenda Manske testified in support of HB 2667 and HB 2670, stating that these bills provide economic development financing tools that will benefit small cities as well as large cities. (Attachment 3)

Tom Whalen testified in support of HB 2667 and HB 2670, stating that they would help existing businesses and new businesses. (Attachment 4)

Nathanial M. Griffin testified in favor of HB 2667 and HB 2670, stating that they would streamline and broaden existing legislation. (Attachment 5)

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Local Government,  
room 521-S, Statehouse, at 1:30 ~~a.m.~~/p.m. on February 9, 1988

Tom Powell testified in favor of HB 2667 and HB 2670, stating that both bills should be effective tools for economic development and downtown revitalization for cities and towns in Kansas (Attachment 6)

Willie Martin testified in favor of HB 2667 and HB 2670, stating that they would stimulate economic growth and redevelopment. (Attachment 7)

Dennis Shokley testified in favor of HB 2667 and HB 2670, stating that some changes need to be made. (Attachment 8)

Al Bailey testified in favor of HB 2667 and HB 2670, stating that he supports both bills.

A motion was made by Representative Baker and seconded by Representative Bowden to introduce a bill concerning school districts; affecting the purposes for which capital outlay taxes may be levied. The motion carried. (Attachment 9)

The minutes of February 1, 2 and 3, 1988 were approved.

The meeting adjourned.



STATE OF KANSAS

HENRY M. HELGERSON, JR.  
REPRESENTATIVE, EIGHTY-SIXTH DISTRICT  
4009 HAMMOND DRIVE  
WICHITA, KANSAS 67218-1221



TOPEKA

HOUSE OF  
REPRESENTATIVES

COMMITTEE ASSIGNMENTS  
MEMBER APPROPRIATIONS  
ECONOMIC DEVELOPMENT  
ELECTIONS

HOUSE COMMITTEE ON LOCAL GOVERNMENT

HB 2667--MID--Municipal Improvement District

HB 2770--TIF--Tax Increment Financing Act

These two bills were requested by the City of Wichita,  
Wichita Area Chamber of Commerce, and Greater Downtown Wichita.

It is hoped that by changing the present statutes, it  
will provide a greater opportunity for rebuilding the downtown  
area.

*Attachment*  
*2/9/88* 1



REQUESTED PUBLIC HEARING PRESENTATIONS  
HOUSE COMMITTEE ON LOCAL GOVERNMENT  
Tuesday, February 9

HB 2667--MID--Municipal Improvement District Act Amendments

HB 2770--TIF--Tax Increment Financing Act Amendments

1. Rep. Henry Helgerson (background)
2. Joe Norton, Gilmore and Bell, Municipal Bond Counsel, Wichita (general explanation)
3. Tim Witsman, Wichita-Sedgwick County Partnership for Growth, Inc., Wichita
4. Brenda Manske, Secretary and Legislative Chair, Kansas Downtown Development Association, Yates Center (316-625-3559)
5. Phil Alexander, City Attorney, Hutchinson
6. Tom Whalen, General Manager, Manhattan Chamber of Commerce, Manhattan
7. Nathaniel M. Griffin, Vice President, Greater Downtown Wichita, Wichita Area Chamber of Commerce, Wichita
8. Tom Powell, City Attorney, Wichita
9. Willie Martin, Intergovernmental Coordinator, Sedgwick County
10. Possible other conferees from Kansas City, Lawrence, Topeka and Overland Park
11. E.A. Mosher, Executive Director, League of Kansas Municipalities, Topeka

HB 2667

PROPOSED MUNICIPAL IMPROVEMENT DISTRICT LEGISLATION  
Amending K.S.A. 12-1794 et seq.

SUMMARY: Kansas law presently includes a self-service Municipal Improvement District which permits a governing body to form an ad valorem improvement district to carry out improvement within a district. The purpose of this act is to broaden this statute by facilitating the creation of an ad valorem taxing district to provide needed services as well as facilities within downtown areas. These amendments refine and expand the existing law. For various reasons, the existing Business Improvement District was deemed unworkable for this purpose and a new approach was needed.

THE PROPOSAL: Specific changes will:

1. Allow property-owners rather than business-owners (as allowed under Business Improvement District statutes) to be assessed for a program of services.
2. Broaden activities to include "services" like security, transportation, promotion, maintenance and operation of parking facilities.
3. Retain existing provisions dealing with district formation and dissolution, except that the city's governing body becomes responsible for holding and presiding over all hearings instead of the Planning Commission. A district can still be proposed either by a city's governing body or by 25 percent of the property-owners within a proposed district. After a district is established, proposed amendments to the district or the tax levy must go through the same procedure as required for the original district. A district may still be dissolved by a 40-percent petition by district property-owners prior to establishing the district.
4. Expand the hearing process to require a hearing before any services are provided as well as for improvements to be constituted. The city may also require a feasibility report to help determine whether or not an improvement should be made as proposed.
5. Restrict Municipal Improvement District to central business districts, as presently provided.
6. Affirm that the MID is a separate taxing district and that revenues collected from it will be maintained separately from all other funds. The governing body may create an advisory board comprised of representatives from district businesses to help plan services and improvements, but must retain overall control.
7. Establish the governing body of the city as the governing body of the district.
8. Clarify that MID boards are tax exempt like other municipal bonds.



HB 2670

PROPOSED TAX INCREMENT FINANCING LEGISLATION  
Amending K.S.A. 12-1770 et seq.

**SUMMARY:** The purpose of this act is to promote downtown development by using tax increment financing to provide funds and bond authority for redevelopment projects. The existing statute, which has been on the books since 1976, lacks flexibility and has not been widely used. Proposed changes will simplify and enhance the flexibility of tax increment financing for Kansas cities.

**WHAT TAX INCREMENT FINANCING IS:** Tax increment financing is a means of providing public funds for community development and redevelopment in partnership with private business. Current law provides that the increase in property taxes resulting from the new improvements may be used to pay for public investment in a development project; that is, retire either "full faith and credit" or "special obligation" bonds. Property is assessed and taxed in the same manner as other property, but the growth (increment) in real property taxes levied by the county, city and school district, which results from the increased valuation from the project, is pledged to retire the bonds.

**THE PROPOSAL:** The proposal envisions a shift from a project orientation to a district orientation. Tax revenue incomes will be used to finance additional improvements in the district. Specific changes will:

1. Permit TIF in non-downtown areas.
2. Create a two-stage approval process in place of the existing one-step procedure, with hearings in both phases. The governing body would first establish the redevelopment district. Information provided at this time would still include proposed district boundaries and a comprehensive plan that identifies all of the proposed redevelopment projects.

Counties and school districts with taxing authority over a proposed district would still have the right to veto the establishment of the district within 30 days of its adoption, as currently allowed. The second step would provide for a hearing on each specific redevelopment project before the project is started.

3. Create a 15-year "redevelopment district" instead of the existing five-year district. This change will allow for project staging rather than requiring that everything be done at once. Additional projects within the district will also become possible. The two-step procedure and separate hearings will help ensure that projects are feasible before they are commenced. The 15-year timetable for the district would begin upon establishment of the district.
  4. Freeze taxes on all property within the district, not just those proposed for redevelopment. The increment created through growth of tax values would then be available for improvements anywhere in the district.
  5. Maintain the 20-year maximum for bonds issued to finance the project.
- 1-4

6. Clarify the uses for which funds may be expended to include site preparation, streets, drainage, parking, landscaping bond principal and interest.
7. Continue to require a comprehensive feasibility study before a project is undertaken to ensure that the benefits will exceed the cost and that income will be sufficient to pay for the project.
8. Permit excess funds from one project and uncommitted local option sales taxes to be used for other qualified projects within the district. This latter amendment would not affect Wichita since local sales tax funds are already committed.
9. Require a second public notice and hearing process for any substantial changes to either the district or the adopted plan.

*Tim Witsman*

# THE CHAMBER



## TESTIMONY

KANSAS LEGISLATURE

HOUSE LOCAL GOVERNMENT COMMITTEE

FIFTH FLOOR, STATE CAPITOL, TOPEKA, KANSAS

ROOM 521 SOUTH - 1:30 P.M.

FEBRUARY 9, 1988

CHAIRMAN SAND, COMMITTEE MEMBERS

I'M TIM WITSMAN, PRESIDENT OF THE WICHITA AREA CHAMBER OF COMMERCE. OUR ORGANIZATION IS MADE UP OF APPROXIMATELY 2,100 BUSINESSES IN THE WICHITA AREA. OUR MISSION IS TO "PROMOTE A HEALTHY AND GROWTH-ORIENTED ECONOMIC ENVIRONMENT FOR THE BENEFIT OF BUSINESS AND THE PEOPLE OF WICHITA AND THE REGIONAL AREA."

*Attachment 2  
2/9/88*

ONE WAY WE ARE DOING THAT IS THROUGH THE WI/SE PARTNERSHIP. THIS IS A NON-PROFIT, COOPERATIVE EFFORT BY THE PUBLIC AND PRIVATE SECTORS. OUR MISSION IS TO BOOST THE ECONOMIC CLIMATE OF OUR PART OF KANSAS THROUGH BLUEPRINT 2000, A NINE-POINT DEVELOPMENT PLAN.

DOWNTOWN IS ONE OF THE NINE AREAS BEING EMPHASIZED. WICHITA RECOGNIZES THE IMPORTANCE OF DOWNTOWN TO OUR COMMUNITY AND IS DIRECTING A SUBSTANTIAL AMOUNT OF MONEY AND EFFORT TOWARD CENTRAL CITY REVITALIZATION. THIS ATTITUDE IS REFLECTED IN A STATEMENT IN THE WI/SE SUMMARY REPORT: "A CITY IS CENTERED ON AND TAKES ITS IDENTITY FROM ITS CORE. SIMPLY PUT, A CITY CANNOT AFFORD TO LOSE ITS HEART." THAT IS TRUE OF ANY CITY, REGARDLESS OF ITS SIZE, ECONOMY OR LOCATION.

AS PART OF THE ENTIRE PLANNING AND REVITALIZATION PROCESS, WE NEED A SOUND DOWNTOWN INVESTMENT STRATEGY, WE NEED ADDITIONAL FINANCIAL RESOURCES AND WE NEED A FAVORABLE LEGAL CLIMATE.

THIS IS WHY THE CHAMBER AND WI/SE SUPPORT HB 2667 AND HB 2670. THESE BILLS AMEND TWO EXISTING KANSAS STATUTES, NEITHER OF WHICH HAS WORKED EFFECTIVELY IN THE PAST. OUR RESEARCH COMMITTEE SPENT A GREAT DEAL OF TIME ASSESSING VARIOUS ALTERNATIVES. THESE CHANGES REPRESENT THE BEST JUDGMENT OF MANY EXPERTS ON WHAT NEEDS TO BE DONE.

I WILL LET OTHERS ADDRESS SPECIFICS. BUT, IN BRIEF, THE  
CHANGES WE ARE PROPOSING TO THE MUNICIPAL IMPROVEMENT  
DISTRICT STATUTE WOULD:

ALLOW PROPERTY OWNERS RATHER THAN BUSINESS OWNERS BE  
ASSESSED FOR A PROGRAM OF SERVICES;  
INCLUDE SERVICES SUCH AS SECURITY AND TRANSPORTATION  
MAKE THE CITY'S GOVERNING BODY THE GOVERNING BODY FOR  
THE DISTRICT  
REQUIRE A HEARING BEFORE ANY SERVICES AND  
IMPROVEMENTS ARE INSTITUTED  
AND CLARIFY THAT MID BONDS ARE TAX EXEMPT.

THE CHANGES TO THE TAX INCREMENT FINANCING STATUTE WOULD:  
PERMIT TIF IN NON-DOWNTOWN AREAS  
CREATE A TWO-STAGE APPROVAL PROCESS  
CREATE A 15-YEAR "REDEVELOPMENT DISTRICT"  
FREEZE PROPERTY TAXES ON ALL PROPERTY WITHIN THE  
DISTRICT  
CLARIFY THE USES FOR WHICH THE FUNDS CAN BE USED  
PERMIT EXCESS FUNDS FROM ONE PROJECT TO BE USED FOR  
OTHER QUALIFIED PROJECTS  
REQUIRE A SECOND PUBLIC NOTICE AND HEARING PROCESS  
FOR ANY SUBSTANTIAL CHANGES



THESE BILLS REFLECT THE THINKING OF THE CITY ATTORNEY,  
BOND COUNSEL, THE SEDGWICK COUNTY DELEGATION AND STAFF.  
THESE PROPOSALS CONSTITUTE OUR BEST JUDGMENT ON HOW TO  
ENCOURAGE DOWNTOWN REVITALIZATION THROUGH LEGISLATIVE  
ACTION.

WE HAVE A STRONG CONSTITUENCY, INCLUDING OTHER COMMUNITIES  
THROUGHOUT KANSAS, FOR THESE EFFORTS. I HAVE COPIES FOR  
YOU OF LETTERS FROM WICHITA BUSINESS LEADERS, THE PEOPLE  
WHO WILL HAVE TO INCUR THE COSTS OF AN MID. THEY ARE  
TELLING US THEY ARE PREPARED TO DO SO.

WE THINK THESE CHANGES MAKE A LOT OF SENSE. THEY HAVE  
BUILT-IN SAFEGUARDS. THEY REQUIRE LOCAL APPROVAL. THEY  
WILL GO A LONG WAY TO GETTING THE JOB DONE.

WE URGE YOU TO HELP US MAKE THIS POSSIBLE. YOUR SUPPORT  
OF THESE BILLS WILL HELP ALL KANSAS CITIES GROW AND  
PROSPER. THANK YOU.

PRESENTATION

to

HOUSE LOCAL GOVERNMENT  
COMMITTEE

by

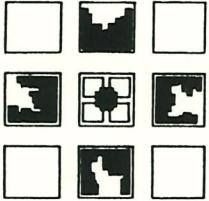
BRENDA M. MANSKE

Secretary and Legislative Chair  
Kansas Downtown Development Association

Executive Director  
Southeast Kansas Tourism Region, Inc.

February 9, 1988

*attachment 3*  
*2/9/88*



## KANSAS DOWNTOWN DEVELOPMENT ASSOCIATION

P.O. BOX 2836  
TOPEKA, KANSAS 66601

### KDDA Supports HB 2667 and HB 2670

The Kansas Downtown Development Association (KDDA) joins Greater Downtown Wichita in support of HB 2667 and HB 2670, which respectively propose amendments to the existing Municipal Improvement Districts (MID) Act and to the Redevelopment of Central Business District Act.

H.B. 2667 amends the existing MID Act to allow municipal improvement districts to promote and to stimulate district development by financing promotional programs by use of an ad valorem tax levy on property within the district. These funds may then be used to retire bonds issued under such districts.

H.B. 2667 also proposes an amendment that would allow ad valorem tax funds to pay for the following services within the MID: development and promotion of community events; amenities such as benches, shelters and sculptures; transportation, operation of parking facilities; maintenance, security and sanitation. KDDA submits that such services are essential to the growth and vitality of Kansas cities. KDDA supports this method of financing such services.

H.B. 2670 proposes amendments to the Redevelopment of Central Business District Act (Tax Increment Financing, or TIF) to allow unobligated local sales tax revenues to pay for projects financed through TIF bonds. Such financing is a means of providing public funds for community development and redevelopment in partnership with private business. KDDA supports this type of public/private partnership as one of the main tenets of the Kansas Main Street Program.

KDDA also submits that H.B. 2670 will give municipalities greater ability to issue and to retire such bonds for projects that are used primarily to aid commercial or retail development.

Although H.B. 2667 and H.B. 2670 were introduced by primarily urban legislators, it is KDDA's position that these amendments provide economic development financing tools that will benefit small cities as well as large cities in Kansas. The existing urban economic climate dictates that larger cities will be able to capitalize sooner than their smaller, rural counterparts on the downtown development opportunities addressed by H.B. 2667 and H.B. 2670. The economic edge that the larger cities possess will not, however, prevent cities like Ottawa, Derby or Russell from pursuing the alternative development financing vehicles created in these two amendments, whether potential projects involve development and promotion of a downtown marketing plan or placement of downtown "street furniture" such as benches, pedestrian shelters or artwork.

Your support for H.B. 2667 and H.B. 2670 will be appreciated.

MANHATTAN CHAMBER OF COMMERCE  
505 Poyntz Avenue, P.O. Box 988  
Manhattan, Kansas 66502  
(913) 776-8829

The Honorable Ivan Sand  
State Representative  
House of Representatives  
Chairman, House Local Government Committee  
State Capitol Building  
Topeka, Kansas 66612

Mr. Chairman and Members of the House Local Government Committee:

Thank you for letting us appear today to comment on H.B. 2667 dealing with Municipal Improvement Districts and H.B. 2670 regarding Tax Increment Financing.

I am Tom Whalen, General Manager of the Manhattan Chamber of Commerce, and with me today is Jim Pearson, Assistant City Manager of Manhattan. Our organization stands fully in support of both of these bills. It is our belief that cities need every available tool at their disposal in order to provide the greatest flexibility possible in responding to the needs of our existing businesses or private developers wanting to make investment in our community.

I don't think it's necessary to reiterate details of this legislation. Obviously these bills present complex issues, but we in Manhattan are committed to the complex problem of development, redevelopment and preservation, and it is our feeling that solving these problems may involve complex solutions.

In 1977 the City Commission of Manhattan took a firm stand to preserve and enhance development in its central business district. The Manhattan Chamber of Commerce joined in this stand, and downtown redevelopment remained the Chamber's highest priority until a project was completed and the Manhattan Town Center Mall opened in October last year.

The Manhattan Town Center Mall represents a private investment of approximately \$40,000,000. Conventional public financing for infrastructure improvements amounted to an additional \$6,000,000 which the developer also shares with the city at large. Other associated costs of \$15,000,000 were paid primarily from grants. Overall, this private-public partnership of \$60,000,000 plus constitutes the single greatest economic development effort in Manhattan's history.

Not included in the previous description is the role Tax Increment Financing played in making the entire project feasible - in part by being able to provide off-site amenities to properties adjoining the mall, integrating the mall into the existing business district. Again, the developer is paying the expense of these improvements through the incremental property tax revenue produced by the development.

Opponents of Tax Increment Finance, and there were some in Manhattan, might argue that the county and school district pay the cost of development because

*Attachment 4  
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they are denied the benefit of the increased property value for the life of the Tax Increment Bond. This argument, however, ignores the fact that the development would not have occurred without this development tool, and further, that the previous tax base was being eroded by blighted conditions within the business community.

It is easy to take sides on an issue when it is so complex and there are so many facets to consider. In Manhattan though, we have moved beyond abstract debate on Tax Increment Finance to the legal issuance of \$9.3 million in tax increment bonds. H.B. 2670 in its current form would be beneficial to our community because it provides another non-property tax security that will ensure greater fiscal flexibility in resolving local issues and strengthen the city's ability to pay off the bonds and protect the bond holders.

In the matter of H.B. 2667, granting authority to cities to create Municipal Finance Districts, we at the Manhattan Chamber encourage its passage. As pointed out in previous comments, we want to look within our community for economic growth and stability. Although we have an active industrial promotion effort aimed at attracting outside industry, we have a history in Manhattan of utilizing a variety of mechanisms to assist businesses in self help public/private partnerships.

Manhattan was among the first cities in Kansas to be recognized for a Main Street Program; two Business Improvement Districts have been established (one serving the downtown and one in Aggieville); and of course, the downtown redevelopment depended heavily on the creation of a Tax Increment Finance District. Additionally, some of these areas are overlaid by Enterprise Zones and historic preservation districts that provide opportunities for tax incentives.

We see Municipal Improvement Districts as provided for in H.B. 2667 as simply another tool to be utilized in encouraging business growth.

In summary, there is no specific plan in Manhattan to utilize either the Municipal Improvement District or Tax Increment Finance at this time. However, I hope I have impressed on the Committee that we in Manhattan are dynamic and growth oriented, and willing to work with business in partnership with the city and state for the benefit of our mutual constituency. We have no doubt, based on our past experiences, that an opportunity will present itself to utilize every tool at our disposal for continued growth and development. We therefore encourage this Committee to support these bills in the present form so that their provisions can be included in our present and future planning.

Finally, in the event you ultimately believe amendments are necessary, we ask that you remember that Manhattan has availed itself of the existing Tax Increment legislation, and that the city's ability to meet its obligation to repay \$9.3 million in tax increment debt should not be encumbered by situational changes in the existing law intended for future users.

Thank you for this opportunity to address you, and we are prepared to answer any questions you may have.



Greater Downtown  
Wichita

350 W. Douglas  
Wichita, Kansas 67202

TESTIMONY

KANSAS LEGISLATURE  
HOUSE LOCAL GOVERNMENT COMMITTEE  
FIFTH FLOOR, STATE CAPITOL, TOPEKA, KANSAS  
ROOM 521 SOUTH - 1:30 P.M.

FEBRUARY 9, 1988

CHAIRMAN SAND, COMMITTEE MEMBERS:

I AM NATHANIEL GRIFFIN, VICE PRESIDENT OF GREATER DOWNTOWN WICHITA. THIS IS A 190-MEMBER ORGANIZATION OF DOWNTOWN BUSINESSES WHICH IS PART OF THE WICHITA AREA CHAMBER OF COMMERCE. I AM HERE TODAY TO TESTIFY ON BEHALF OF HOUSE BILLS 2667 AND 2670.

THESE BILLS ARE AMENDMENTS TO KANSAS STATUTES DEALING WITH TAX INCREMENT FINANCING AND MUNICIPAL IMPROVEMENT DISTRICTS. OUR ORGANIZATION SUPPORTS THESE BILLS BECAUSE THEY WILL HELP US REVITALIZE OUR DOWNTOWN.

GREATER DOWNTOWN WICHITA AND THE CITY OF WICHITA HAVE BEEN WORKING FOR MORE THAN SIX MONTHS TO DEVELOP THIS PACKAGE OF

*attachment 5  
2/9/88*

ECONOMIC DEVELOPMENT INCENTIVES. OUR OVERALL OBJECTIVE IS TWOFOLD -- FIRST, TO PROVIDE INCENTIVES FOR PRIVATE INVESTMENT IN CENTRAL CITY AREAS, AND SECOND, TO GENERATE PRIVATE MONIES FOR DOWNTOWN SERVICES AND FACILITIES.

LET ME EXPLAIN HOW THIS CAME ABOUT. OUR GROUP FORMED A COMMITTEE OF POLITICAL, GOVERNMENTAL AND BUSINESS LEADERS TO EXPLORE LEGISLATIVE OPTIONS THAT WOULD ENCOURAGE DOWNTOWN INVESTMENT. AS A FIRST STEP, WE EVALUATED THE STRENGTHS AND WEAKNESSES OF EXISTING KANSAS LEGISLATION. AS A RESULT OF THAT EFFORT, WE DECIDED TO PROPOSE A SERIES OF AMENDMENTS TO THE TAX INCREMENT FINANCING AND MUNICIPAL IMPROVEMENT DISTRICT STATUTES. WORKING WITH VARIOUS EXPERTS AND INTEREST GROUPS, WE DEVELOPED THE PROPOSALS WHICH ARE NOW BEFORE YOU.

IT IS IMPORTANT TO UNDERSTAND THAT THESE CHANGES STREAMLINE AND BROADEN EXISTING LEGISLATION. WE ARE NOT PROPOSING A RADICAL DEPARTURE FROM PRESENT PRACTICE. WITH HOUSE BILL 2667, OUR OBJECTIVE IS TO ENABLE DOWNTOWN PROPERTY-OWNERS TO TAX THEMSELVES TO CARRY OUT IMPROVEMENTS AND PROVIDE SERVICES. WITH HOUSE BILL 2670, OUR OBJECTIVE IS TO UTILIZE TAXES GENERATED THROUGH DOWNTOWN IMPROVEMENTS TO PAY FOR PART OF THOSE IMPROVEMENTS. THE STATUTE NEEDS TO BE CHANGED TO MAKE IT MORE EFFECTIVE.

LET'S TAKE A LOOK AT SOME OF THE SPECIFICS:

HOUSE BILL 2667 WILL BROADEN THE KANSAS SELF-SERVICE MUNICIPAL IMPROVEMENT DISTRICT STATUTE BY PROVIDING NEEDED SERVICES AND FACILITIES WITHIN DOWNTOWN AREAS. OTHER CHANGES WILL ASSESS



PROPERTY-OWNERS RATHER THAN BUSINESS-OWNERS FOR THE SERVICES AND FACILITIES AND WILL ESTABLISH THE GOVERNING BODY OF THE CITY AS THE GOVERNING BODY OF THE DISTRICT. WE ARE NOT PROPOSING CHANGING EXISTING PROVISIONS DEALING WITH DISTRICT FORMATION AND DISSOLUTION. AS IS NOW THE CASE, MIDS CAN ONLY BE FORMED IN DOWNTOWN AREAS.

HOUSE BILL 2670 GIVES TAX INCREMENT FINANCING A PROJECT ORIENTATION RATHER THAN A DISTRICT ORIENTATION. THESE CHANGES ADDRESS THE FACT THAT TIF HAS NOT BEEN WIDELY USED IN KANSAS. THEY FINE-TUNE, SIMPLIFY AND ENHANCE THE FLEXIBILITY OF THE STATUTE. THE CHANGES CREATE A TWO-STAGE APPROVAL PROCESS, ESTABLISH A 15-YEAR "REDEVELOPMENT DISTRICT," PERMIT PROJECT STAGING AND CLARIFY USES TO WHICH FUNDS CAN BE PUT. MOST OF THE PROCEDURES REMAIN UNCHANGED, INCLUDING THOSE WHICH FREEZE PROPERTY TAXES WITHIN THE DISTRICT, MAINTAIN A 20-YEAR MAXIMUM FOR BONDS AND REQUIRE A COMPREHENSIVE FEASIBILITY STUDY BEFORE A PROJECT IS UNDERTAKEN. UNCOMMITTED LOCAL OPTION SALES TAXES ARE ALSO AVAILABLE FOR OTHER QUALIFIED PROJECTS WITHIN THE DISTRICT.

THESE BILLS HAVE BIPARTISAN SUPPORT THROUGHOUT THE STATE. SEDGWICK COUNTY'S DELEGATION SUPPORTS THEM, AS DO THOSE OF KANSAS CITY, LAWRENCE AND OTHER MUNICIPALITIES. KANSAS NEEDS TO CREATE THE TOOLS TO ENABLE DOWNTOWN REVITALIZATION TO TAKE PLACE. BUSINESS IS READY TO DO ITS PART IF THE STATE DOES ITS PART BY CREATING A FAVORABLE ENVIRONMENT FOR INVESTMENTS.

WE HAVE BEEN WORKING ON THESE PROPOSALS FOR MANY MONTHS AND HAVE FOUND NO APPARENT OPPOSITION TO THEM. OUR PROPOSALS DO NOT

MANDATE ACTION -- THEY ONLY MAKE IT POSSIBLE TO ACT; THEY DO NOT  
THREATEN ESTABLISHED INTERESTS -- THEY CREATE AN ECONOMIC CLIMATE  
FROM WHICH ALL WILL BENEFIT.

GREATER DOWNTOWN WICHITA HAS COMMITTED ITSELF TO REVITALIZING  
DOWNTOWN AND WE NEED YOUR HELP. PLEASE CONSIDER THESE PROPOSALS  
FAVORABLY AND WE WILL ALL MOVE FORWARD TOWARD GREATER ECONOMIC  
VITALITY FOR KANSAS.

THANK YOU.

*extra attachments?*

William D. Buntin  
President

Box One  
Wichita, Kansas 67201  
Phone 316 268-1111

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## FIRST NATIONAL BANK

February 8, 1988

Chairman Ivan Sand  
House Local Government Committee  
3rd Floor  
State Capitol Building  
Topeka, Kansas 66612

Dear Chairman Sand:

The First National Bank in Wichita has maintained its headquarters at the corner of Douglas and Main Streets in Downtown Wichita for over half a century. The headquarters complex includes several structures. We employ nearly 400 people at this location. We have a vital interest in the economic future of Wichita and recognize the need for accelerated investment within the downtown core.

House Bills 2667 and 2670 represent an important positive step for the development of our Downtown Area. They will provide Kansas with a modern package of Downtown Development Legislative Tools.

Previous attempts to create a Downtown Business Improvement District in Wichita have failed, in part because of problems with existing Kansas statutes. Under present law, tax increment financing has not been effectively utilized in our City. Changes are needed. Those presented in House Bills 2667 and 2670 are reasonable and will be effective.

The First National Bank has supported the creation of both the WI/SE Partnership and the Downtown Council, the latter representing Greater Downtown Wichita. These public/private organizations are dedicated to the goal of community revitalization in general and downtown enhancement in particular. Working with Wichita businesses, such as ours, these organizations are developing a plan which will include physical improvements and expanded services for the downtown core. Downtowns represent unique economic development challenges. They have specialized problems and requirements, not found in other areas of cities. These characteristics must be recognized by special statutes. If Kansas is to progress, its downtown areas must be strong and viable. Cities with weak core areas are weak economically.

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~~attached~~ 3-5  
2/9/88

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FIRST NATIONAL BANK

Chairman Ivan Sand  
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The Legislation proposed will benefit all cities in Kansas. It is not a Wichita bill. It is not a bill for just large cities. Rather, it is Legislation which will benefit many communities within our state.

Your support for House Bill 2667 and House Bill 2670 will be appreciated.

Cordially yours,



President

WDB:jw



**STIFEL, NICOLAUS  
& COMPANY INCORPORATED**

**INVESTMENT SERVICES SINCE 1890**

111 S. MAIN STREET, WICHITA, KANSAS 67202  
316-264-6321 • KS 1-800-362-1167

February 5, 1988

Honorable Ivan Sand  
Chairman: Local Government Committee  
3rd Floor  
State Capital Building  
Topeka, KS 66616

RE: Tax Increment and Business Improvement District Legislation

Dear Mr. Sand:

I have been assisting in the financing of various projects which could have benefitted by utilizing the improved legislation which is currently before the Local Government Committee. I would like to express my support to the Committee in its approval of this legislation.

The proposed amendments allow Cities the ability to undertake projects, particularly in their Central Business Districts, which in the past have had difficulty in finance structuring under the current law. The proposed amendments have the necessary safe guards to protect individual property owners and tax payers, as well as allowing for other taxing authorities the ability to have adequate input, and the right to stop projects if those projects are considered to be a disadvantage to those taxing authorities.

These amendments are prudent and allow Cities the ability to self-govern more effectively. The amendments allow for substantial Citizen input and allow Cities to undertake projects the residents feel are essential to improve their local environment.

I hope to attend the hearing on Tuesday, February 9, 1988. If provided the opportunity, I would like to express these sentiments personally to the Committee.

Thank you for your continued dedication to making Kansas a better place to work and live.

Sincerely,



Steven F. Randle  
Vice President  
Municipal Finance

SFR/jas



517



# Multimedia Cablevision, Inc.

Union Station, 701 E. Douglas, P.O. Box 3027, Wichita, Kansas 67201 - (316) 262-4270

February 8, 1988

Mr. Ivan Sand, Chairman  
House Local Government Committee  
Kansas House of Representatives  
Topeka, Kansas 66603

Dear Mr. Sand:

I am a member of the Wichita Downtown Council and am therefore very interested in the work of your Local Government Committee.

I understand that you will be conducting hearings on two bills developed by Greater Downtown Wichita (HB 2667 and HB 2670). Both of these measures could be very important tools for carrying out Wichita's downtown revitalization program. As Kansas' largest city, a vital downtown is an absolute must and I urge you to support passage of both of these bills.

I appreciate your attention to this request, Mr. Sand.

Sincerely,

A handwritten signature in cursive script that reads "Michael C. Burrus".

Michael C. Burrus  
Vice President Operations  
and Financial Services

MCB:vm

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FEBRUARY 3, 1988

NATHANIEL M GRIFFIN  
VICE PRESIDENT  
GREATER DOWNTOWN WICHITA  
350 W DOUGLAS  
WICHITA, KANSAS

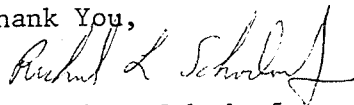
Dear Mr. Griffin:

It has recently come to my attention that the Kansas Legislature is currently considering a proposed amendment to our tax increment financing law. I would like to take this opportunity to lend my support to the proposed statute modification.

In its current form, increment financing is not a viable tool for Kansas cities to use in redevelopment projects. The new proposal would create an approval process in which citizens would be allowed input into proposed redevelopment projects and also allow local units of government a mechanism with which to improve the vitality of our Kansas cities.

If there is anything that I can do personally, or that Columbian National Title can do to help you with the proposed legislation, please call me at your earliest convenience.

Thank You,



Richard L. Schodorf  
Executive Vice President

Columbian National Title Insurance  
of Wichita, Inc.

Columbian Building, 313 South Market

Wichita, Kansas 67202

(316) 262-8231

5-9



BANK IV Wichita  
Post Office Box 4  
Wichita, Kansas 67201-0004  
Telephone 316-261-4444

February 4, 1988

**BANK IV**

Chairman Ivan Sand  
Local Government Committee  
Kansas Legislature  
State Capitol Building  
Topeka, KS 66612

Dear Chairman Sand and Committee Members:

BANK IV Wichita has a very significant investment in property in downtown Wichita. In that regard, I express my strong support for House Bills 2667 and 2670. A steering committee of The Chamber of which I am a member has been evaluating Kansas downtown development legislation. Our committee believes that in order to facilitate private investment in downtown and enable downtown property owners to tax themselves for needed physical and service improvements, statutory changes are necessary.

These proposals are the result of that effort. They incorporate a wide range of expertise provided by the city attorney, GDW Staff, bond council, property owners and members of the Sedgwick County delegation. If these bills become law, BANK IV will join with the business community in determining what our downtown priorities are and where our efforts should be focused.

The State of Kansas must act quickly if it is to keep pace with the rapid changes transforming the face of urban communities across the country. BANK IV believes in Kansas and will play a continuing role in enhancing the well being of our citizens. Help us make this possible.

Sincerely,

Robert W. Asmann  
Executive Vice President and  
Assistant to the President

RWA:kjc

bcc: Nat Griffin ✓

*Copy*

*5-16*

**MISCO INDUSTRIES, INC.**

8 February 88

Mr. Ivan Sand, Chairman  
House Local Government Committee  
3rd Floor, State Capitol  
Topeka, Kansas 66616

Dear Representative Sand:

MISCO Industries, Inc. is a property owner in downtown Wichita. We are vitally concerned about the economic well-being of the center city. Recently the anchor tenant in our building, The Residence Inn Company, announced its intention to relocate its corporate office to Bethesda, Maryland. While this action may not be directly attributable to economic conditions in downtown Wichita, it does point out the need to maintain our competitive position relative to other cities throughout the United States.

MISCO supports HB 2667 and HB 2670 because we believe that Kansas communities must take active steps to revitalize their downtowns. These bills will enable us to focus private resources on downtown problems.

HB 2667 broadens the Kansas Municipal Improvement District statute by allowing property owners to tax themselves for downtown services and facilities. Municipal Improvement Districts are widely used in downtown areas throughout the country to supplement services provided by municipal governments.

HB 2670 will give us a Tax Increment Financing bill which permits systematic implementation of district-wide downtown improvements. It should be more widely used than the present statute which has led to only two TIF projects over a number of years.

These statutes will be used only where a local community determines it is in its best interest to do so. The bills provide ample safeguards.

I hereby request your support for both HB 2667 and 2670.

Sincerely,

  
PETER H. BEREN  
Executive Vice President

PB/jrc



DEPARTMENT OF LAW  
OFFICE OF CITY ATTORNEY  
CITY HALL — THIRTEENTH FLOOR  
455 NORTH MAIN STREET  
WICHITA, KANSAS 67202 - 1635  
(316) 268-4681

February 9, 1988

The Honorable Ivan Sand  
Chairman, House Local Government  
Committee  
State Capitol Building  
Topeka, Kansas

Re: HB 2670 - Tax Increment  
Financing and  
HB 2667 - Municipal Improve-  
ment Districts

Ladies and Gentlemen:

I appear before you today to testify on behalf of two bills. HB 2667, Municipal Improvement Districts (MID), and HB 2670, Tax Increment Financing (TIF). I am here to ask support for both of these bills. If passed, both of these bills should be effective tools for economic development and downtown revitalization for cities and towns in Kansas.

I am also in support of the amendments to the MID and TIF that are being submitted by Mr. Ernie Mosher of the Kansas League of Municipalities.

I will first speak to the MID bill. By far the most significant change proposed to be made to the MID law, as it presently exists, is the addition of the ability to provide services to be paid for by ad valorem taxes collected from within a MID. The types of services contemplated include sidewalk and street cleaning, sanitation, extra security personnel, financial support for public parking garages, public transportation and care and maintenance of public improvements.

The types of services mentioned can now be financed under a Business Improvement District. However, business improvement districts have proved to be difficult to establish and even more difficult to maintain. The business improvement districts are operated by taxes assessed against businesses. In most cities, businesses are constantly changing and this makes collection of a tax difficult. In addition, a business tax must be collected

*Attachment to  
2/9/88*



The Honorable Ivan Sand  
February 9, 1988  
Page 2

as a personal debt. Experience has shown that a tax collected as a personal debt is more difficult to collect than a tax against property. In summary, if passed, the MID, as proposed to be amended, should provide flexibility that will add economic development and revitalization of downtown areas.

The proposed amendment set forth in HB 2670, if adopted, should provide an opportunity for wider use of tax increment financing within the State of Kansas. This should result in the enhancement of economic development within the cities and towns of the State of Kansas.

The first item I feel should be pointed out is that, under HB 2670, school boards and County governments still have veto power to stop the formation of a tax increment financing district. This should ensure that tax bases for all taxing jurisdictions are protected from abuse.

The purpose of HB 2670 is to provide greater flexibility to cities that establish TIF districts while maintaining protection for all taxing jurisdictions. I.e., veto powers.

The flexibility of creating a TIF under HB 2670 results from several changes set forth in the bill. Some of the more significant changes are:

1. More than one project can be planned for a district without the necessity of a feasibility study being provided for each project before the district is created. Each project listed in the plan must thereafter stand on its own. The amendment proposes a two-stage approval process by a governing body involving a notice and hearing in each stage. The governing body first establishes a redevelopment district by resolution; the district is established for fifteen (15) years. When the redevelopment district is established, a general comprehensive plan that identifies the building and construction that is to occur in the redevelopment district within the fifteen (15) years is established. Each separate development within the redevelopment is called a redevelopment project.
2. Development of a district is expanded from five (5) years to fifteen (15) years.
3. Allows creation of a TIF in areas found to be slum or blighted under urban renewal laws.

6.2

The Honorable Ivan Sand  
February 9, 1988  
Page 3

4. The proposed amendment would also broaden the definition that tax increment funds can be used for to include site preparation, streets, drainage, parking, landscaping, etc. It still would not include structures to be owned by the developer.
5. The proposed amendment also allows the pledging of funds from uncommitted local sales tax.
6. The Act also redefines Tax Increment to mean any increase in value that the redevelopment district sustains after the redevelopment district is created. This means that any value increase in the redevelopment district can be used as a pledge to pay public improvements that are financed with tax increment bonds. This definition of tax increment should allow for a much greater latitude and much more potential for revitalization of downtown areas.

In summary, the TIF bill, if passed, should provide cities and towns in Kansas greater flexibility in redeveloping areas designated as tax increment financing districts which should result in greater opportunities for economic development in cities and towns in Kansas.

The Municipal Improvement District Act and Tax Increment Financing Act, as they are presently drafted, are valuable tools that can be used by cities that have deteriorating downtown areas. It is my belief that, if the amendments, as proposed, for the MID and TIF are passed by the Legislature, these tools will become much more valuable and downtown redevelopment projects should be much more feasible than they have been in the past.

Very truly yours,

*Thomas R. Powell*

Thomas R. Powell  
Director of Law and City Attorney

TRP:cdh

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SEDGWICK COUNTY, KANSAS

INTERGOVERNMENTAL COORDINATOR

WILLIE MARTIN

COUNTY COURTHOUSE • SUITE 315 • WICHITA, KANSAS 67203-3759 • TELEPHONE (316) 268-7552

February 9, 1988

TO: HOUSE LOCAL GOVERNMENT COMMITTEE

FROM: Willie Martin, Intergovernmental Coordinator  
Sedgwick County

RE: House Bill 2667 - Municipal Improvement Districts  
House Bill 2670 - Tax Increment Financing

Sedgwick County supports the concept of Tax Increment Financing and the use of Municipal Improvement Districts as tools for stimulating economic growth and redevelopment. This type of financing involves the cooperation and participation of the city, county, and local school board, as well as businesses and property owners within the district.

The proposed legislation provides additional flexibility for MID and TIF but maintains adequate guidelines and regulations for their implementation.

We respectfully request your support of HB 2667 and HB 2670.

*Attachment 7  
2/9/88*

# CITY OF KANSAS CITY, KANSAS

ONE CIVIC CENTER PLAZA  
KANSAS CITY, KANSAS 66101  
(913) 573-5017

DENNIS M. SHOCKLEY  
INTERGOVERNMENTAL & PUBLIC AFFAIRS



February 8, 1988

Rep. Ivan Sand  
Chairman  
House Local Government Committee  
Statehouse  
Topeka, KS 66612

Dear Chairman Sand:

Attached please find policy positions from the City of Kansas City Kansas' 1988 Legislative Program. These positions support both HB 2667 regarding Municipal Improvement Districts and HB 2670 regarding Tax Increment Financing.

Sincerely,

  
Dennis M. Shockley

enc(2)

*Attachment 8  
2/9/88*



**ISSUE #5:**

Amendments to the Redevelopment of Central Business District Areas Act  
**(Tax Increment Financing)**

**SUMMARY:**

The Redevelopment of Central Business District Areas Act was first enacted in 1976 to promote, stimulate, develop and redevelop central business district areas of cities. Generally, it authorizes cities to acquire certain property and to issue bonds for the financing of redevelopment projects. While the act was amended in 1979, 1982 and 1984, it has only led to one tax increment project in the Kansas City, Kansas downtown and just a few statewide. Changes are needed which would make this act more flexible and therefore more useable.

Amendments are needed which would also allow: development in "blighted areas" as well as CBDs and enterprise zones; a two stage approval process by the governing body; a "redevelopment district" with a redevelopment plan; redefinition of tax increment to include the district; captured increment starting with the establishment of the district; broadening of what project funds can be spent; and infusion of funds for projects from sources other than tax increment.

**ACTION & COMMENTS:**

Bill will be introduced; monitor closely.

See Appendix "D" for more detailed amendments.

Proposed Amendments  
to the  
Redevelopment of Central Business District Areas Act  
(Tax Increment Financing) - K.S.A. 12-1770, et seq.

The purpose of the Act is to promote and stimulate development by the use of tax increment financing to provide funds and bonding authority for redevelopment projects.

1. Broadens Act to allow development in "blighted areas" (as previously found under Urban Renewal) in addition to central business district and enterprise zones.
2. Amendments propose two stage approval process by governing body, involving notice and hearing in each stage.
3. Governing body first establishes "redevelopment district" by resolution. District is good for 15 years. County and School Districts have opportunity to veto establishment of district within 30 days of adoption. At this stage, a comprehensive plan must be established that identifies projects that will be accomplished in the future.
4. After District is established, any number of projects may be accomplished within the district. A redevelopment plan must be submitted and adopted by the City for each.
5. Changes definition of tax increment from "the amount of ad valorem taxes collected from real property located within the redevelopment project areas which is attributable to its increase in assessed valuation resulting from a redevelopment project and which is in excess of that amount which is produced from such property and attributable to the assessed valuation of such property prior to any increase in assessed valuation resulting from a redevelopment project and as of the date the redevelopment plan was adopted", to "the amount of ad valorem taxes collected from real property located within a redevelopment district which is attributable to its increase in assessed valuation which is in excess of the amount produced from such property and attributable to the assessed valuation of such property prior to the date the redevelopment project was established."
6. Increment is captured beginning with the establishment of a redevelopment district.
7. Bonds issued to finance the project have a maximum maturity of 20 years (no change).
8. The project definition, for which project funds may be expended, is broadened (like MID) to include site preparation, streets, drainage, parking, landscaping, etc. (but not the structures to be owned by developer).
9. Sources of project funds include tax increment, unused funds from other projects and uncommitted local sales tax.

Proposed Amendments to Self-Supported Municipal Improvement District Act

K.S.A. 12-1794, et seq.

Act currently allows establishment of a self-supported MID with improvements paid for ad valorem tax levy in district.

1. Broaden activities to include "services" such as sanitation, security, transportation, parking facilities, plans and programs, promotion, etc.
2. District is initiated upon petition or City Council's own motion. A resolution is adopted which describes proposed boundaries, general improvements and services and sets a public hearing.
3. A hearing would be held by the Council after notice to set boundaries and establish the district. The matter is withdrawn upon petition of 40% of owners within proposed district.
4. The district is then established by ordinance. A maximum rate of ad valorem tax which may be levied upon the property in the district is set at this time. Amendments to the district including rate of ad valorem tax levied may be made thereafter if same procedure is followed. May be dissolved by 51% petition.
5. After district is established, a hearing is held on each project of proposed improvements and services. Reports and studies may be prepared. An advisory board may be established to recommend plans.
6. Improvements and services will be financed by an annual tax levy, collected as other ad valorem taxes. Such taxes will not be subject to abatement.
7. City may issue MID bonds, payable out of the tax levy, to pay costs. Income from revenue producing improvements may also be pledged.

**ISSUE #6:**

Amendments to the Self-Supported **Municipal Improvement District Act**

**SUMMARY:**

The Self-Supported Municipal Improvement District Act was enacted in 1981. It was established in order to allow property owners to create a district and tax themselves in order to make certain infrastructure improvements such as sewers, levees, street grading, curbing, and lighting, as well as sidewalks, water mains, and parking facilities.

Amendments are needed which would: broaden the improvement district activities to include "services" such as sanitation, security, transportation and others; change procedures for establishing the district; allow changes in the ad valorem tax being levied, if same procedure is followed; and exempt such levies from the tax lid laws.

**ACTION & COMMENTS:**

Bill will be introduced; monitor closely.

See Appendix "E".



DD!

HOUSE BILL NO. \_\_\_\_\_

By Committee on Local Government

AN ACT concerning school districts; affecting the purposes for which capital outlay taxes may be levied; amending K.S.A. 72-8801 and 72-8804, and repealing the existing sections.

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

Section 1. K.S.A. 72-8801 is hereby amended to read as follows: 72-8801. (a) The board of education of any school district may make an annual tax levy for a period of not to exceed five years in an amount not to exceed four mills upon the assessed taxable tangible property in the school district for the purposes specified in this act and for the purpose of paying a portion of the principal and interest on bonds issued by cities under the authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located within the school district. No levy shall be made under this act until a resolution is adopted by the board of education in the following form:

Unified School District No. \_\_\_\_\_,  
\_\_\_\_\_ County, Kansas.

RESOLUTION

Be It Resolved that:

The above-named school board shall be authorized to make an annual tax levy for a period not to exceed \_\_\_\_\_ years in an amount not to exceed \_\_\_\_\_ mills upon the assessed taxable tangible property in such school district for the purpose of acquisition, construction, reconstruction, repair, remodeling, additions to, furnishing and equipping of buildings necessary for school district purposes, including housing and boarding pupils enrolled in an area vocational school operated under the board, architectural expenses incidental thereto, the acquisition of

*Attachment 9  
2/9/88*

building sites, the undertaking and maintenance of asbestos control projects, the acquisition of school buses and the acquisition of other equipment and for the purpose of paying a portion of the principal and interest on bonds issued by cities under the authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located within the school district. The tax levy authorized by this resolution may be made, unless a petition in opposition to the same, signed by not less than 10% of the qualified electors of the school district, is filed with the county election officer of the home county of the school district within 40 days after the last publication of this resolution. In the event a petition is filed the county election officer shall submit the question of whether the tax levy shall be authorized to the electors in the school district at an election called for the purpose or at the next general election, as is specified by the board of education of the above school district.

CERTIFICATE

This is to certify that the above resolution was duly adopted by the board of education of Unified School District No. \_\_\_\_\_, \_\_\_\_\_ County, Kansas, on the \_\_\_\_ day of \_\_\_\_\_, 19\_\_.

\_\_\_\_\_  
Clerk of the above board of education.

All of the blanks in the above resolution shall be appropriately filled. The blank preceding the word "years" shall be filled with a specific number, and the blank preceding the word "mills" shall be filled with a specific number, and no word shall be inserted in either of the blanks. The resolution shall be published once a week for two consecutive weeks in a newspaper having general circulation in the school district. In the event that no petition as specified above is filed in accordance with the provisions of the notice, the board of education may make the tax levy specified in the resolution. If a petition is filed as provided in the notice, the board of education may notify the

9.2



county election officer of the date of an election to be held to submit the question of whether the tax levy shall be authorized. In the event that the board of education fails to notify the county election officer within 60 days after a petition is filed, the resolution shall be deemed abandoned and no like resolution shall be adopted by the board of education within the nine months following the first publication of the notice.

(b) As used in this act:

(1) "Unconditionally authorized to make a tax levy under authority of K.S.A. 72-8801, as amended," means that the school district has adopted a resolution under this section, has published the same, and either that the resolution was not protested or that it was protested and an election has been held by which the tax levy of the school district under this section was approved;

(2) "asbestos control project" means any activity which is necessary or incidental to the control of friable asbestos-containing material in buildings of municipalities and includes, but not by way of limitation, any activity undertaken for the removal or encapsulation of friable asbestos-containing material, for any remodeling, renovation, replacement, rehabilitation or other restoration necessitated by such removal or encapsulation, for conducting inspections, reinspections and periodic surveillance of buildings, performing response actions, and developing, implementing and updating operations and maintenance programs and management plans; and

(3) "friable asbestos-containing material" and "asbestos" have the meanings respectively ascribed thereto in K.S.A. 65-5301, and amendments thereto.

Sec. 2. K.S.A. 72-8804 is hereby amended to read as follows: 72-8804. Any moneys in the capital outlay fund of any school district and any moneys received from issuance of bonds under K.S.A. 72-8805, ~~as amended,~~ or 72-8810, and amendments thereto, may be used for the purpose of the acquisition, construction, reconstruction, repair, remodeling, additions to,

furnishing and equipping of buildings necessary for school district purposes, including housing and boarding pupils enrolled in an area vocational school operated under the board of education, architectural expenses incidental thereto, the acquisition of building sites, the undertaking and maintenance of asbestos control projects, the acquisition of school buses and the acquisition of other equipment. The board of education of any school district is hereby authorized to invest any portion of the capital outlay fund of the school district which is not currently needed in investments authorized by K.S.A. 12-1675, and amendments thereto, in the manner prescribed therein or may invest the same in direct obligations of the United States government maturing or redeemable at par and accrued interest within three years from date of purchase, the principal and interest whereof is guaranteed by the government of the United States. All interest received on any such investment shall upon receipt thereof be credited to the capital outlay fund.

Sec. 3. K.S.A. 72-8801 and 72-8804 are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.