

Approved: 4-30-97
Date

MINUTES OF THE HOUSE COMMITTEE ON TAXATION..

The meeting was called to order by Chairperson Phill Kline at 1:00 p.m. on March 26, 1997 in Room 519-S of the Capitol.

Committee staff present: Chris Courtwright, Legislative Research Department
Tom Severn, Legislative Research Department
Don Hayward, Revisor of Statutes
Shirley Sicilian, Department of Revenue
Ann McMorris, Committee Secretary

Conferees appearing before the committee:
Sen. Ben Vidrickson
Sen. Chris Steineger
Ernest Mosher, City of Topeka

Others attending: See attached list

Chair opened hearing on

SB 280- Ownership of tax increment financed structures by developers

Proponents:
Sen. Ben Vidricksen (Attachment 1)
Sen. Chris Steineger

Closed hearing on SB 280

Chair opened hearing on

HB 2496 - Tax increment rebates

Proponents:
Ernest Mosher, City of Topeka (Attachment 2)

Chair closed hearing on **HB 2496**.

Moved by Rep. Larkin, seconded by Rep. Kline, amend **SB 41** by inserting new language that the homestead act would include all classes of residential property. Motion carried.

Moved by Rep. Larkin, seconded by Rep. Reardon, **SB 41** be passed favorably as amended. Motion carried.

Moved by Rep. Powell, seconded by Rep. Kline, amend **SB 7** to extend tax lid for another year to keep fund limit in place and delete the requirement for additional exemptions. Motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON TAXATION, ROOM 519-S Statehouse, at 9:00 a.m. on March 26, 1997.

Moved by Rep. Presta, seconded by Rep. Powell, conceptual amendment in **SB 7** on Rep. Wagle's concern adopting county wide measures to require definition of a ballot question be in language that explains what the county will be able to do. Motion carried.

Moved by Rep. Powell, seconded by Rep. Tanner, pass **SB 7** favorably as amended. Motion carried.

The next meeting is scheduled for date to be determined.

Adjournment

Attachments - 2

TAXATION COMMITTEE GUEST LIST

DATE: **MARCH 26, 1997**

NAME	REPRESENTING
Whitney Dammann	City of KC, KS
Bob Brown	Miss. Bob Durabauer
Bob Corkins	KCCI
Julie Hain	Hain & Weir
Randy Ede	GMA
Jesse H. [unclear]	[unclear]
KAREN FRANCE	Ks. Assoc. of REALTORS
DAVE HOLTHAUS	Western Resources
JOYCE COKER	JOHNSON COUNTY GOVNT
Randy Allen	Ks. Assoc. of Counties
Judy Moler	Ks. Assn of Counties
Kelly Kuntala	City of Overland Park
Chuck Stone	KBA
Chris McKenjin	League of Ks. Muncip
Becy Swannick	" " "
E.A. Moshe	City of Topeka

THE WONDERFUL WORLD OF OZ

AN OZ ENTERTAINMENT COMPANY

"Follow the Yellow Brick Road"™

F A C S I M I L E

TO: *Senator Ben Vidrich*
Lynne Holt
Legislative Research

FROM: Skip Palmer *SP*

DATE: March 14, 1997

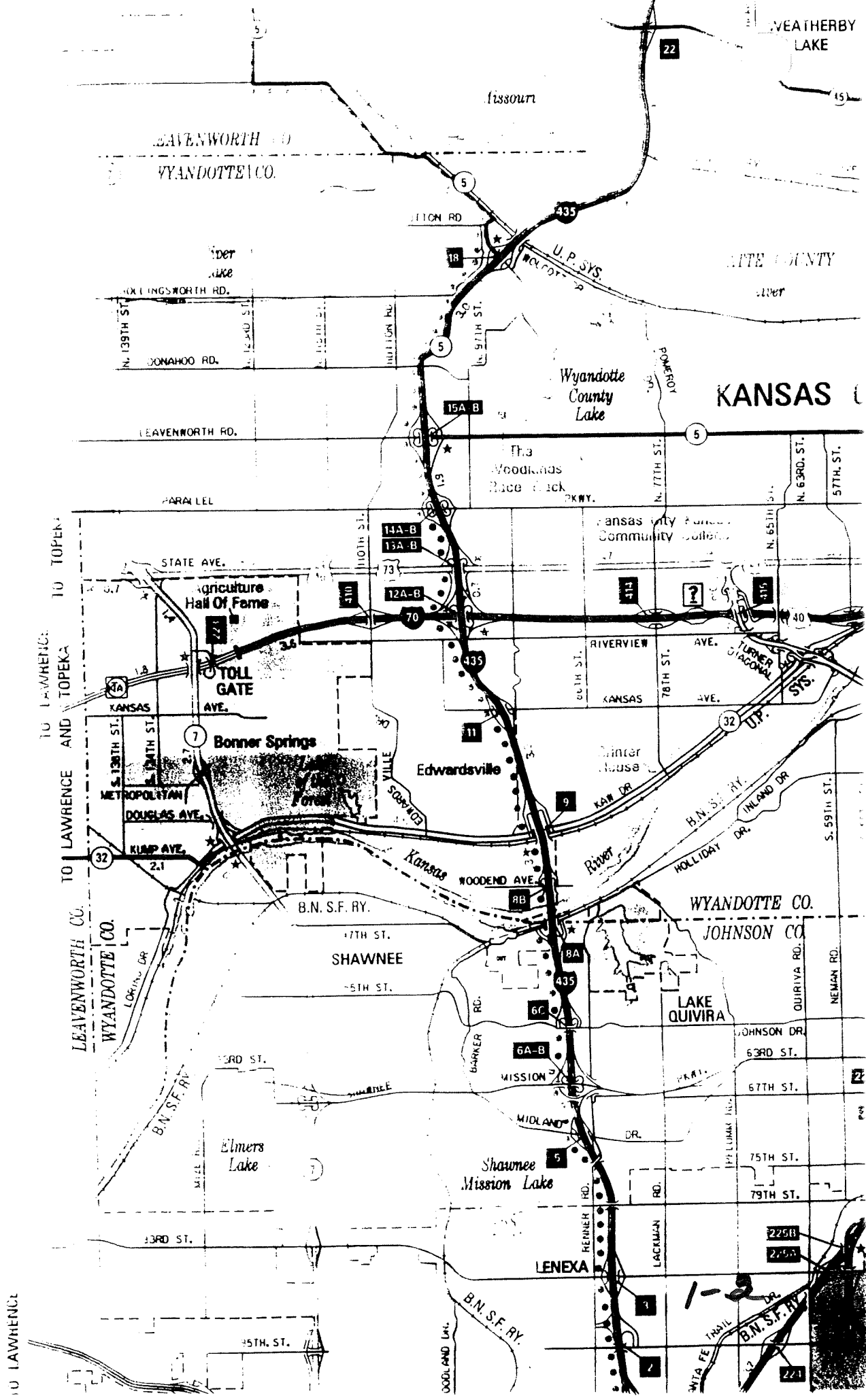
SUBJ: Project Update *Sen. Chris Steeneger*

The City of Kansas City and our company executed a Development Agreement that is essentially the "road map" for the project. The initial components include the 55 acre theme park, The Wonderful World of Oz, a 300 room hotel and conference center, an 18 hole golf course, a 600 site recreation vehicle park and all of the essential supporting service and infrastructure. The total investment on opening day is projected to be \$465,000,000. These components will utilize approximately 1,200 acres. We have initiated a voluntary land acquisition program.

The City of Kansas City has adopted a resolution expanding the existing I-435 Corridor Enterprise Zone to include the area of principle development. It is bounded by 110 Street on the east, State Avenue on the South, K-7 on the west and Parallel Parkway to the north. The next phase of negotiation with the City will result in the establishment of a Re-development Agreement for the first elements of the project. It will include the Concept Plan and the Financing Plan. The latter will specify the specific use of the proceeds from the STAR Bonds to be issued by the City.

The current project schedule provides for the commencement of construction in the Spring of 1998 with an opening date of May 20, 2000. A draft impact study prepared by the Mid-America Regional Council estimates that almost 8,000 jobs will be created, in the metropolitan region, during the two years of construction and the first year of operation.

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TO LAWRENCE

TO LAWRENCE AND TOPEKA

LEAVENWORTH CO. WYANDOTTE CO.

KANSAS

WYANDOTTE CO.

JOHNSON CO.

LENEXA

WITA FE TRAIL B.N.S.F. RY.

The Management Team

Robert B. Kory (45), J.D., is a founder of the Company. He has served as President and CEO since April 1993 and he previously served as Executive Vice President, Secretary and Chief Operating Officer of OREI since its formation in August 1991. He has been principally responsible from inception of the Project for assembling and managing the entire Project team, obtaining venture capital financing, creating and managing the passage of economic development legislation, and for defining the Project's strategic direction. For two years prior to commencing the Project, he headed a law practice specializing in entertainment finance. From 1983 through late 1989, he practiced law with Gibon, Dunn & Crutcher, Lawyers, where he developed expertise in corporate entertainment, intellectual property and securities law. Prior to attending law school, Mr. Kory was a writer and published six books. He is a summa cum laude and Phi Beta Kappa graduate of Yale College and a graduate of the University of Chicago Law School.

Harold B. (Skip) Palmer, II (50), recently joined the Project as Vice President - Attractions and President of The Wonderful World of OZ, Inc., the wholly owned theme park operating subsidiary of the Company. Mr. Palmer has 25 years experience in the themed entertainment industry as an operations executive, including almost ten years with The Walt Disney Company, where he rose to Director (operations) at Disneyland. After leaving Disney at the end of 1979, he spent three years in Australia with the Grundy Organization where he opened the country's first family entertainment center and water park. From 1984 to 1989, he was a principal at Management Resources. From 1990 to the present, he has served as President of The Palmer Company which has focused on operations consulting for theme park developers. His distinguished career includes military service in Vietnam where he rose to the rank of Captain, was awarded the Silver Star, and ended his tour of duty on General Westmoreland's staff in the United States and an official spokesman for the United States Army.



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June 16, 1992

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Trust puts its trust in 'Oz' park

By Kirk Honeycutt

The L. Frank Baum Trust has given its OK to bring Dorothy back to K.C. from OZ.

Robert Baum, managing trustee of the Baum Trust and great-grandson of L. Frank Baum, author of "The Wizard of Oz" and 13 other Oz books, announced Monday that the trust has signed a comprehensive agreement with Landmark Entertainment Group and OZ Resorts & Entertainment Inc. to support development of "The Wonderful World of Oz" theme park in Kansas City, Kan.

Design has been under way since December, when Landmark, a creator of several major theme parks, reached an agreement with Turner Home Entertainment to use images and characters from the 1939 MGM film musical starring Judy Garland, Bert Lahr, Jack Haley and Ray Bolger.

"After reviewing Landmark's imaginative concept design and master plan and OZ Resorts' comprehensive development plans, we could not be more enthusiastic about this project," said Baum.

"This new agreement with the Baum family for us to use all the Oz books will allow us to fully

develop the park as a true representation of the world that L. Frank Baum created," said Landmark CEO Gary Goddard.

Goddard, who founded Landmark in 1980 with Tony Christopher, noted, "We're ex-Disney guys, so the appeal (of this project)

is to a theme park in the Disney tradition with rides, shows and attractions that represent the best of the Oz stories."

"The Wonderful World of Oz" will include in its first phase a 50-acre theme park, a hotel and a championship golf course. Robert Kory, one of the principals in OZ Resorts & Entertainment Inc., a privately held Kansas corporation, said the opening for the park is tentatively scheduled for spring 1996, with the hotel probably opening a year earlier.

"This is a destination resort for the Midwest," said Kory. "Sixty-eight million people live within a day's drive of Kansas City."

Future plans call for a 900-acre development with additional hotels, a water park, a recreational vehicle park and an Oz museum to house Oz memorabilia. □



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MEMORANDUM

TO: House Committee on Taxation
FROM: E.A. Mosher, Lobbyist, City of Topeka
RE: HB 2496 -- Property Tax Rebates and State School Aid Under the Neighborhood Revitalization Act.
DATE: March 26, 1997

HB 2496, initiated by the City of Topeka and the Topeka Board of Education, is designed to remove a "double whammy" on school districts which voluntarily participate in City-sponsored Neighborhood Revitalization Act programs.

Under the Neighborhood Revitalization Act (K.S.A. Supp. 12-17,114 et seq.), designated to encourage rehabilitation and reconstruction in older urban neighborhoods, eligible property is assessed and taxed in the same manner as all other taxable property. However, any increment in property taxes, resulting from increased assessed valuation from improvements by a taxpayer to qualifying property in a NRA area, may be used to rebate to the taxpayer some or all of the tax increment. If more than city-levied taxes are to be affected by the proposed rebate program, an intergovernment agreement must be entered into by each affected municipality.

Please note that new improvements in an NRA area are not exempt from taxation. The assessed valuation is not reduced. Instead, the rebate is made after property taxes on the full assessed valuation of the improved property has been paid. A school district which participates in a NRA program is subject to a "double whammy": (1) the rebate of school taxes "received" by the school district is returned to the owner, and (2) the assessed valuation attributable to the rebate is included in state school aid computations, further reducing the district's net revenue.

HB 2496 eliminates this "double hit" by removing from state school aid computations only the assessed valuation for which a district receives no net tax revenue under a NRA program. It accomplishes this by requiring the County Clerk to certify annually to the State Commissioner of Education the amount of assessed valuation on which school district taxes have actually been rebated. And as noted in the last sentence of the bill, it requires the Commissioner to deduct the amount of rebated valuation in the determination of state school aid. This includes, under present school aid formulas only that state aid paid in connection with the Local Option Budget support and state aid for capital improvements.

Finally, I would note that the bill was prepared after consultation with Dale Dennis, Deputy Commissioner, State Board of Education; Ben F. Barrett, Director, Kansas Legislative Research Department; and Diana Martin, Shawnee County Office of County Clerk; Mike Jones.