

MINUTES OF THE HOUSE TOURISM COMMITTEE.

On January 12, the committee met at the rail pursuant to an announcement in the House Chamber. The Chair determined that a quorum was present, then called the meeting to order at approximately 2:40 p.m.

All members were present except:

Committee staff present: Tom Severn, Legislative Research Department  
Renae Jefferies, Revisor of Statutes

Conferees appearing before the committee:

Others attending: See attached list

The Chair recognized Whitney Damron, representing the Unified Government of Wyandotte County and Kansas City, Kansas. Mr. Damron explained that he was requesting a bill introduction to permit the issuance of long-term revenue bonds for the NASCAR track to be constructed in Wyandotte County (**Attachment 1**)

**Representative Adkins moved, seconded by Representative Wilk, to introduce the draft as a committee bill. On voice vote, the motion carried.**

The Chair announced that it was her intent to hold hearings on this bill next Tuesday and Wednesday, January 13-14.

The meeting was adjourned at approximately 2:45 p.m.

The next meeting is scheduled for January 14, 1998.



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TO: The Honorable Barbara Allen, Chair  
And Members of the House Tourism Committee

FROM: Whitney Damron  
On behalf of the  
Unified Government of Wyandotte County and Kansas City, Kansas

RE: Request for Bill Introduction

DATE: January 12, 1998

On behalf of the Unified Government of Wyandotte County and Kansas City, Kansas, I appear before you today and respectfully request introduction of a bill which would allow for the issuance of special revenue bonds for up to thirty years to finance a redevelopment project which will create a major tourism area for the state of Kansas pursuant to K.S.A. 12-1744(a)(1)(D) and amendments thereto.

Current law limits the time period for such special revenue bonds to twenty years. The Unified Government strongly believes that the additional ten years for such revenue bonds is necessary in order to finance the development of a NASCAR motor speedway project in Wyandotte County which will be a major tourism attraction for Wyandotte County and the State of Kansas.

On behalf of the Unified Government, I thank you for your time and consideration of this request. We look forward to committee hearings on this proposal at your earliest possible convenience.

House Tourism  
01-12-98  
Attachment 1

## STATUTORY CHANGES FOR 1998 SESSION

New language is in bold with [ ]. Deleted language is surrounded by << >>

79-3620. Disposition of moneys; sales tax refund fund;. Disposition of moneys; sales tax refund fund; credit to state highway fund; credit to city bond finance fund. (a) All revenue collected or received by the director of taxation from the taxes imposed by this act shall be deposited daily with the state treasurer. The state treasurer shall credit all revenue received from this act, less amounts withheld as provided in subsection (b) and amounts credited as provided in subsection (c) and (d), to the state general fund.

(b) A refund fund, designated as "sales tax refund fund" not to exceed \$100,000 shall be set apart and maintained by the director from sales tax collections and estimated tax collections and held by the state treasurer for prompt payment of all sales tax refunds including refunds authorized under the provisions of K.S.A. 79-3635, and amendments thereto. Such fund shall be in such amount, within the limit set by this section, as the director shall determine is necessary to meet current refunding requirements under this act. In the event such fund as established by this section is, at any time, insufficient to provide for the payment of refunds due claimants thereof, the director shall certify the amount of additional funds required to the director of accounts and reports who shall promptly transfer the required amount from the state general fund to the sales tax refund fund, and notify the state treasurer, who shall make proper entry in the records.

(c) The state treasurer shall credit 5/8 of the revenue collected or received from the tax imposed by K.S.A. 79-3603, and amendments thereto, at the rate of 4.9%, and deposited as provided in subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(d) The state treasurer shall credit all revenue collected or received from the tax imposed by K.S.A. 79-3603, and amendments thereto, as certified by the director, from taxpayers doing business within that portion of a redevelopment district occupied by a redevelopment project that was determined by the secretary of commerce and housing to be of statewide as well as local importance <<and to meet the other criteria>> [or will create a major tourism area for the state as] specified in K.S.A. 12-1774(a)(1)(D), and amendments thereto, to the city bond finance fund, which fund is hereby created. The provisions of this subsection shall expire when the total of all amounts credited hereunder and under subsection (d) of K.S.A. 79-3710, and amendments thereto, is sufficient to retire the [special obligation] bonds issued for the purpose of financing all or a portion of the <<construction>> [costs] of such redevelopment project.

79-3620b. City bond finance fund moneys, distribution to cities. Moneys credited to the city bond finance fund in accordance with the provisions of subsections (d) of K.S.A. 79-3620 and (d) of K.S.A. 79-3710, and amendments thereto, shall be distributed biannually to cities which have issued special obligation bonds to finance, in whole or in part, a redevelopment project which was determined by the secretary of commerce and housing to be of statewide as well as local importance <<and to meet the other criteria>> [or will create a major tourism area for the state as] specified in K.S.A. 12-1774(a)(1)(D), and amendments thereto. The state treasurer shall make such biannual distributions on such dates as mutually agreed to by the city and the state treasurer. The total of all distributions under this section shall not exceed an amount determined to be sufficient to retire the principal and interest payable on such [special obligation ] bonds. Moneys paid to cities hereunder shall be deposited in a special fund of the city to pay the costs described herein.

79-3710. Disposition of moneys; compensating tax refund

79-3710. Disposition of moneys; compensating tax refund fund; credit to state highway fund; credit to city bond finance fund. (a) All revenue collected or received by the director under the provisions of this act shall be deposited daily with the state treasurer and the state treasurer shall credit the same, less amounts set apart as provided in subsection (b) and amounts credited as provided in subsection (c) and (d), to the general revenue fund of the state.

(b) A revolving fund, designated as "compensating tax refund fund" not to exceed \$10,000 shall be set apart and maintained by the director from compensating tax collections and estimated tax collections and held by the state treasurer for prompt payment of all compensating tax refunds. Such fund shall be in such amount, within the limit set by this section, as the director shall determine is necessary to meet current refunding requirements under this act.

(c) The state treasurer shall credit 5/98 of the revenue collected or received from the tax imposed by K.S.A. 79-3703, and amendments thereto, at the rate of 4.9%, and deposited as provided in subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(d) The state treasurer shall credit all revenue collected or received from the tax imposed by K.S.A. 79-3703, and amendments thereto, as certified by the director, from taxpayers doing business within that portion of a redevelopment district occupied by a redevelopment project that was determined by the secretary of commerce and housing to be of statewide as well as local importance <<and to meet the other criteria>> [or will create a major tourism area for the state as] specified in K.S.A. 12-1774(a)(1)(D), and amendments thereto, to the city bond finance fund created by subsection (d) of K.S.A. 79-3620, and amendments thereto. The provisions of this subsection shall expire when the total of all amounts credited hereunder and under subsection (d) of K.S.A. 79-3620, and amendments thereto, is sufficient to retire the [special obligation] bonds issued for the purpose of financing all or a portion of the <<construction>> [costs] of such redevelopment project.

12-1771. (a) No city shall exercise any of the powers conferred by K.S.A. 12-1770 et seq., and amendments thereto, unless the governing body of such city has adopted a resolution finding that the specific project area sought to be redeveloped is a blighted area, a conservation area, a major tourism area as defined in K.S.A. 12-774 [12-1774] and amendments thereto or was designated prior to July 1, 1992, as an enterprise zone pursuant to K.S.A. 12-17,110 prior to its repeal, and the conservation, development or redevelopment of such area is necessary to promote the general and economic welfare of such city. Enterprise zones designated prior to July 1, 1992, may be enlarged by the city to an area not exceeding 25% of the city's land area upon a finding by the secretary of the department of commerce and housing that a redevelopment project proposed by the city which requires the enlargement is of statewide importance and that it will meet the criteria specified in K.S.A. 12-1774 (a)(1)(D), and amendments thereto. For the purpose of this subsection, the term "blighted area" means an area which: (1) Because of the presence of a majority of the following factors, substantially impairs or arrests the sound development and growth of the municipality or constitutes an economic or social liability or is a menace to the public health, safety, morals or welfare in its present condition and use: (A) A substantial number of deteriorated or deteriorating structures; (B) predominance of defective or inadequate street layout; (C) unsanitary or unsafe conditions; (D) deterioration of site improvements; (E) diversity of ownership; (F) tax or special assessment delinquency exceeding the fair value of the land; (G) defective or unusual conditions of title; (H) improper subdivision or obsolete platting or land uses; (I) the existence of

conditions which endanger life or property by fire and other causes; or (J) conditions which create economic obsolescence; or (2) has been identified by any state or federal environmental agency as being environmentally contaminated to an extent that requires a remedial investigation, feasibility study and remediation or other similar state or federal action; or (3) previously was found by resolution of the governing body to be a slum or a blighted area under K.S.A. 17-4742 et seq., and amendments thereto.

For the purpose of this subsection, conservation area means any improved area within the corporate limits of a city in which 50% or more of the structures in the area have an age of 35 years or more, which area is not yet blighted, but may become a blighted area due to the existence of a combination of two or more of the following factors: (i) Dilapidation, obsolescence or deterioration of the structures; (ii) illegal use of individual structures; (iii) the presence of structures below minimum code standards; (iv) building abandonment; (v) excessive vacancies; (vi) overcrowding of structures and community facilities; or (vii) inadequate utilities and infrastructure. Not more than 15% of the land area of a city may be found to be a conservation area.

(b) The powers conferred upon cities under the provisions of K.S.A. 12-1770 et seq., and amendments thereto, shall be exercised by cities, as determined by resolution adopted pursuant to K.S.A. 12-1772, and amendments thereto, (1) in enterprise zones designated prior to July 1, 1992, including any area added to such enterprise zone after July 1, 1992, pursuant to subsection (a), (2) in blighted areas of cities and counties described by subsection (a)(2), (3) in conservation areas of cities, (4) in major tourism areas as defined in K.S.A. 12-1774 and amendments thereto or (5) in blighted areas of cities, as determined by resolution adopted pursuant to K.S.A. 17-4742 et seq., and amendments thereto.

(c) Within that portion of the city described in subsection (b), the governing body of a city may establish a district to be known as a "redevelopment district". Within that portion of a city and county described in subsection (b) excluding paragraph (3) of subsection (b), the governing body of the city, upon written consent of the board of county commissioners, may establish a district inclusive of land outside the boundaries of the city to be known as a redevelopment district. In all such cases, the board of county commissioners, prior to providing written consent, shall be subject to the same procedure for public notice and hearing as is required of a city pursuant to subsection (d) for the establishment of a redevelopment district. One or more redevelopment projects may be undertaken by a city within a redevelopment district after such redevelopment district has been established in the manner provided by subsection (d).

(d) Any city proposing to establish a redevelopment district shall adopt a resolution stating that the city is considering the establishment of a redevelopment district. Such resolution shall:

(1) Give notice that a public hearing will be held to consider the establishment of a redevelopment district and fix the date, hour and place of such public hearing;

(2) describe the proposed boundaries of the redevelopment district;

(3) describe a proposed comprehensive plan that identifies all of the proposed redevelopment project areas and that identifies in a general manner all of the buildings and facilities that are proposed to be constructed or improved in each redevelopment project area;

(4) state that a description and map of the proposed redevelopment district are available for inspection at a time and place designated;



(5) state that the governing body will consider findings necessary for the establishment of a redevelopment district.

Notice shall be given as provided in subsection (c) of K.S.A. 12-1772, and amendments thereto.

(e) Upon the conclusion of the public hearing, the governing body may adopt a resolution to make any findings required by subsection (a) and may establish the redevelopment district by ordinance. Such resolution shall contain a comprehensive plan that identifies all of the proposed redevelopment project areas and identifies in a general manner all of the buildings and facilities that are proposed to be constructed or improved in each redevelopment project area. The boundaries of such district shall not include any area not designated in the notice required by subsection (d). Any addition of area to the redevelopment district or any substantial change to the comprehensive plan shall be subject to the same procedure for public notice and hearing as is required for the establishment of the district.

(f) No privately owned property subject to ad valorem taxes shall be acquired and redeveloped under the provisions of K.S.A. 12-1770 et seq., and amendments thereto, if the board of county commissioners or the board of education levying taxes on such property determines by resolution adopted within 30 days following the conclusion of the hearing for the establishment of the redevelopment district required by subsection (d) that the proposed redevelopment district will have an adverse effect on such county or school district.

(g) Any redevelopment plan undertaken within the redevelopment district may be in separate development stages. Each plan shall be adopted according to the provisions of K.S.A. 12-1772, and amendments thereto, and shall fix a date for completion. Except as provided herein, any project shall be completed within 20 years from the date of the establishment of the redevelopment district. Projects relating to environmental investigation and remediation under subsection (i) shall be completed within 20 years from the date a city enters into a consent decree agreement with the Kansas department of health and environment or the United States environmental protection agency. **[Redevelopment projects relating to a major tourism area shall be completed within 30 years from the date the secretary of commerce and housing makes the finding that the redevelopment project will create a major tourism area pursuant to K.S.A 12-1774(a)(1)(D).]**

(h) Any increment in ad valorem property taxes resulting from a redevelopment district undertaken in accordance with the provisions of this act, shall be apportioned to a special fund for the payment of the cost of the redevelopment project, including the payment of principal and interest on any special obligation bonds or full faith and credit tax increment bonds issued to finance such project pursuant to this act and may be pledged to the payment of principal and interest on such bonds. The maximum maturity on bonds issued to finance projects pursuant to this act shall not exceed 20 years[, **except for the maturity of bonds issued to finance projects for a major tourism area which shall not exceed 30 years**]. For the purposes of this act, "increment" means that amount of ad valorem taxes collected from real property located within the redevelopment district that is in excess of the amount which is produced from such property and attributable to the assessed valuation of such property prior to the date the redevelopment district was established, as determined under the provisions of K.S.A. 12-1775, and amendments thereto.

(i) The governing body of a city, in contracts entered into with the Kansas department of health and environment or the United States environmental protection agency, may pledge increments receivable in future years to pay costs directly relating to the investigation and remediation of environmentally

contaminated areas. The provisions in such contracts pertaining to pledging increments in future years shall not be subject to K.S.A. 10-1101 et seq. or 79-2925 et seq., and amendments thereto.

(j) Before any redevelopment project is undertaken, a comprehensive feasibility study, which shows the benefits derived from such project will exceed the costs and that the income therefrom will be sufficient to pay for the project shall be prepared. Such feasibility study shall be an open public record.

**[(k) If a city determines that revenues from sources other than property taxes will be sufficient to pay any special obligations bonds issued to finance a redevelopment project for which the secretary of commerce and housing makes a finding that such project will create a major tourism area pursuant to K.S.A. 12-1774(a)(1)(D) and amendments thereto, all property, both real and personal, in such redevelopment district shall be exempt from property taxation for a period ending on the earliest of (1) the date which is 30 years after the date of the finding by the secretary of commerce and housing with respect to such major tourism area, or (2) the date on which no such special obligation bonds issued to finance such redevelopment project in a major tourism area remain outstanding,]**

**12-1773.** (a) Any city which has adopted a redevelopment plan in accordance with the provisions of this act may purchase or otherwise acquire real property. Upon a 2/3 vote of the members of the governing body thereof a city may acquire by condemnation any interest in real property, including a fee simple title thereto, which it deems necessary for or in connection with any redevelopment plan of an area located within the redevelopment district. However no city shall exercise such eminent domain power to acquire real property in a conservation area.

Any such city may exercise the power of eminent domain in the manner provided by K.S.A. 26-501 et seq., and amendments thereto. In addition to any compensation or damages allowed under the eminent domain procedure act, such city shall also provide for the payment of relocation assistance as provided in K.S.A. 12-1777, and amendments thereto.

(b) Any property acquired by a city under the provisions of this act may be sold or leased to any person, firm or corporation, hereinafter referred to as a developer, in accordance with the redevelopment plan and under such other conditions as may be agreed upon. Such city may use the proceeds of special obligation bonds issued under K.S.A. 12-1774, and amendments thereto, or full faith and credit tax increment bonds issued under K.S.A. 12-1774, and amendments thereto, or any uncommitted funds derived from those sources set forth in paragraph (1) of subsection (a) of K.S.A. 12-1774, and amendments thereto, to implement the redevelopment plan including, without limitation:

- (1) Acquisition of property within the project area;
- (2) payment of relocation assistance;
- (3) site preparation;
- (4) sanitary and storm sewers and lift stations;
- (5) drainage conduits, channels and levees;
- (6) street grading, paving, graveling, macadamizing, curbing, guttering and surfacing;
- (7) street lighting fixtures, connection and facilities;
- (8) underground gas, water, heating, and electrical services and connections located within the public right-of-way;
- (9) sidewalks and pedestrian underpasses or overpasses;
- (10) drives and driveway approaches located within public right-of-way;
- (11) water mains and extensions;
- (12) plazas and arcades;
- (13) parking facilities;



(14) landscaping and plantings; fountains, shelters, benches, sculptures, lighting, decorations and similar amenities; and

(15) all related expenses to redevelop and finance the redevelopment project.

None of the proceeds from the sale of such bonds shall be used for the construction of buildings or other structures to be owned by or to be leased to such developer, except for proceeds of such bonds as may be issued under subsection (a)(1)(D) of K.S.A. 12-1774, and amendments thereto and except for proceeds of such bonds as may be issued for a redevelopment district including some or all of the land and buildings comprising a state mental institution closed pursuant to section 2 of chapter 219 of the 1995 Session Laws of Kansas.

**12-1774** (a) (1) Any city shall have the power to issue special obligation bonds to finance the undertaking of any redevelopment project in accordance with the provisions of this act. Such special obligation bonds shall be made payable, both as to principal and interest:

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

(B) from revenues of the city derived from or held in connection with the undertaking and carrying out of any redevelopment project or projects under this act;

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

(D) from a pledge of a portion or all of the revenue received by the city from transient guest, sales and use taxes collected pursuant to K.S.A. 12-1696 *et seq.*, 79-3601 *et seq.*, 79-3701 *et seq.* and 12-187 *et seq.*, and amendments thereto, and which are collected from taxpayers doing business within that portion of the city's redevelopment district established pursuant to K.S.A. 12-1771, and amendments thereto, occupied by a redevelopment project if there first is a finding by the secretary of commerce and housing that the redevelopment project is of statewide as well as local importance or will create a major tourism area for the state. In making a finding that a redevelopment project is of statewide as well as local importance, the secretary must conclude at least: (i) That capital improvements costing not less than \$300,000,000 will be built in the state for such redevelopment project; and (ii) not less than 1,500 permanent and seasonal employment positions as defined by K.S.A. 74-50,114, and amendments thereto, will be created in the state by such redevelopment project. In making a finding that a redevelopment project will create a major tourism area within the state, the secretary must conclude at least: (i) That capital improvements costing not less than \$100,000,000 will be built in the state to construct a project for such major tourism area; and (ii) that the project constructed will **[include a facility]** designated within the standard industrial classification code 7948-0201 **[and ancillary facilities thereto]**;

(E) (i) from a pledge of a portion or all increased revenue received by the city from franchise fees collected from utilities and other businesses using public right-of-way within the redevelopment district; (ii) from a pledge of a portion or all of the revenue received by the city from sales taxes collected pursuant to K.S.A. 12-187, and amendments thereto; or

(F) by any combination of these methods.

The city may pledge such revenue to the repayment of such special obligation bonds prior to, simultaneously with, or subsequent to the issuance of such special obligation bonds.

(2) Bonds issued under paragraph (1) of subsection (a) shall not be general obligations of the city, nor in any event shall they give rise to a charge against its general credit or taxing powers, or be payable out of any funds or properties other than any of those set forth in paragraph (1) of this subsection and such bonds shall so state on their face.

(3) Bonds issued under the provisions of paragraph (1) of this subsection shall be special obligations of the city and are declared to be negotiable instruments. They shall be executed by the mayor and

clerk of the city and sealed with the corporate seal of the city. All details pertaining to the issuance of such special obligation bonds and terms and conditions thereof shall be determined by ordinance of the city. All special obligation bonds issued pursuant to this act and all income or interest therefrom shall be exempt from all state taxes except inheritance taxes.

Such special obligation bonds shall contain none of the recitals set forth in K.S.A. 10-112, and amendments thereto. Such special obligation bonds shall, however, contain the following recitals, viz., the authority under which such special obligation bonds are issued, they are in conformity with the provisions, restrictions and limitations thereof, and that such special obligation bonds and the interest thereon are to be paid from the money and revenue received as provided in paragraph (1) of this subsection.

(b) (1) Subject to the provisions of paragraph (2) of this subsection, any city shall have the power to issue full faith and credit tax increment bonds to finance the undertaking of any redevelopment project in accordance with the provisions of K.S.A. 12-1770 *et seq.*, and amendments thereto other than a project determined by the secretary of commerce and housing to be of statewide as well as local importance [or will create a major tourism area] <<and to meet the other criteria>> [as] specified in K.S.A. 12-1774 (a)(1)(D), and amendments thereto. Such full faith and credit tax increment bonds shall be made payable, both as to principal and interest: (A) From the revenue sources identified in paragraph (1)(A), (B), (C), (D) and (E) of subsection (a) or by any combination of these sources; and (B) subject to the provisions of paragraph (2) of this subsection, from a pledge of the city's full faith and credit to use its ad valorem taxing authority for repayment thereof in the event all other authorized sources of revenue are not sufficient.

(2) Except as provided in paragraph (3) of this subsection, before the governing body of any city proposes to issue full faith and credit tax increment bonds as authorized by this subsection, the feasibility study required by K.S.A. 12-1771, and amendments thereto, shall demonstrate that the benefits derived from the project will exceed the cost and that the income therefrom will be sufficient to pay the costs of the project.

No full faith and credit tax increment bonds shall be issued unless the governing body states in the resolution required by K.S.A. 12-1772, and amendments thereto, that it may issue such bonds to finance the proposed redevelopment project. The governing body may issue the bonds unless within 60 days following the date of the public hearing on the proposed redevelopment plan a protest petition signed by 3% of the qualified voters of the city is filed with the city clerk in accordance with the provisions of K.S.A. 25-3601 *et seq.*, and amendments thereto. If a sufficient petition is filed, no full faith and credit tax increment bonds shall be issued until the issuance of the bonds is approved by a majority of the voters voting at an election thereon. Such election shall be called and held in the manner provided by the general bond law. The failure of the voters to approve the issuance of full faith and credit tax increment bonds shall not prevent the city from issuing special obligation bonds in accordance with K.S.A. 12-1774, and amendments thereto. No such election shall be held in the event the board of county commissioners or the board of education determines, as provided in K.S.A. 12-1771, and amendments thereto, that the proposed redevelopment district will have an adverse effect on the county or school district.

(3) As an alternative to paragraph (2) of this subsection, any city which adopts a redevelopment plan but does not state its intent to issue full faith and credit tax increment bonds in the resolution required by K.S.A. 12-1772, and amendments thereto, and has not acquired property in the redevelopment project area may issue full faith and credit tax increment bonds if the governing body of the city adopts a resolution stating its intent to issue the bonds and the issuance of the bonds is approved by a majority of the voters voting at an election thereon. Such election shall be called and held in the manner provided by the general bond law. The failure of the voters to approve the issuance of full faith and credit tax increment bonds shall not prevent the city from issuing special obligation bonds pursuant to paragraph (1) of subsection (a). Any redevelopment plan adopted by a city prior to the effective date

of this act in accordance with K.S.A. 12-1772, and amendments thereto, shall not be invalidated by any requirements of this act.

(4) During the progress of any redevelopment project in which the city's costs will be financed, in whole or in part, with the proceeds of full faith and credit tax increment bonds, the city may issue temporary notes in the manner provided in K.S.A. 10-123, and amendments thereto, to pay the city's cost for the project. Such temporary notes shall not be issued and the city shall not acquire property in the redevelopment project area until the requirements of paragraph (2) or (3) of this subsection, whichever is applicable, have been met.

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

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

12-1775. Taxing subdivision and real property taxes defined; assessment and distribution of taxes; pledge of proceeds of bonds. (a) For the purposes of this act, the term "taxing subdivision" shall include the county, the city, the unified school district and any other taxing subdivision levying real property taxes, the territory or jurisdiction of which includes any currently existing or subsequently created redevelopment district. The term "real property taxes" includes all taxes levied on an ad valorem basis upon land and improvements thereon.

(b) **[Except for redevelopment projects satisfying the conditions of K.S.A. 12-1771(k) hereof, a]**ll tangible taxable property located within a redevelopment district shall be assessed and taxed for ad valorem tax purposes pursuant to law in the same manner that such property would be assessed and taxed if located outside such district, and all ad valorem taxes levied on such property shall be paid to and collected by the county treasurer in the same manner as other taxes are paid and collected. Except as otherwise provided in this section, the county treasurer shall distribute such taxes as may be collected in the same manner as if such property were located outside a redevelopment district. Each redevelopment district established under the provisions of this act shall constitute a separate taxing unit for the purpose of the computation and levy of taxes.

(c) Beginning with the first payment of taxes which are levied following the date of approval of any redevelopment district established pursuant to K.S.A. 12-1771, and amendments thereto, real property taxes received by the county treasurer resulting from taxes which are levied subject to the provisions of this act by and for the benefit of a taxing subdivision, as herein defined, on property located within such redevelopment district constituting a separate taxing unit under the provisions of this section, shall be divided as follows:

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

(2) Any real property taxes produced from that portion of the current assessed valuation of real property within the redevelopment district constituting a separate taxing unit under the provisions of this section in excess of an amount equal to the total assessed value of such real property on the effective date of the establishment of the district shall be allocated and paid by the county treasurer to the treasurer of the city and deposited in a special fund of the city to pay the cost of redevelopment projects including the payment of principal of and interest on any special obligation bonds or full faith and credit tax increment bonds issued by such city to finance, in whole or in part, such redevelopment project. When such obligation bonds and interest thereon have been paid, all moneys thereafter received from real property taxes within such redevelopment district shall be allocated and paid to the respective taxing subdivisions in the same manner as are other ad valorem taxes. If such obligation bonds and interest thereon have been paid before the completion of a project, the city may continue to use such moneys for any purpose authorized by this act until such time as the project is completed, but for not to exceed 20 years from the date of the establishment of the redevelopment district.

(d) In any redevelopment plan or in the proceedings for the issuing of any special obligation bonds or full faith and credit tax increment bonds by the city to finance a redevelopment project, the property tax increment portion of taxes provided for in paragraph (2) of subsection (c) may be irrevocably pledged for the payment of the principal of and interest on such obligation bonds, subject to the provisions of subsection (h) of K.S.A. 12-1771, and amendments thereto. A city may adopt a redevelopment plan in which only a specified percentage of the tax increment realized from taxpayers in the redevelopment district are pledged to the redevelopment project. The county treasurer shall allocate the specified percentage of the tax increment to the treasurer of the city for deposit in the special fund of the city to finance the cost of redevelopment projects if the city has other available revenues and pledges the revenues to the redevelopment project in lieu of the tax increment. Any portion of such tax increment not allocated to the city for the redevelopment project shall be allocated and paid in the same manner as other ad valorem taxes.