

Approved: March 6, 1998  
date

## MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Alicia Salisbury at 8:00 a.m. on March 5, 1998 in Room 123-S of the Capitol.

Members present: Senators Salisbury, Barone, Brownlee, Donovan, Feleciano, Gooch, Jordan, Ranson, Steffes, Steineger and Umbarger.

Committee staff present: Lynne Holt, Legislative Research Department  
Bob Nugent, Revisor of Statutes  
Betty Bomar, Committee Secretary

Conferees appearing before the committee:  
Joan Wagnon, Mayor, City of Topeka  
Jim Kaup

Others attending: See attached list

Upon motion by Senator Steineger, seconded by Senator Ranson, the Minutes of the March 4, 1998 Meeting were unanimously approved.

A letter from Fred Kaminska, President Kansas State Building Trades, addressed to Senator Anthony Hensley was distributed to members of the Committee. (Attachment 1)

The fiscal note on **SB 672** was distributed to members of the Committee. (Attachment 2)

### **SB 672 - Procedural changes to tax increment financing law**

Joan Wagnon, Mayor, City of Topeka, testified in support of **SB 672**. Mayor Wagnon stated the City of Topeka, seven years ago, established a Tax Increment Financing (TIF) redevelopment plan for the "Watertower Place", an area bounded by Jackson Street on the west, 10th Avenue on the north, 13th Street on the south and I-70 on the east. A developer presented a proposal to the City which proceeded for a few years during which nothing of substance occurred and the endeavor ended in litigation. Last year a court decision did terminate the relationship so the City of Topeka does feel it can proceed with development of this blighted area. The TIF project has been dormant for at least 3 years and the City of Topeka has entered into an agreement with JND to develop a shopping center within this same general area.

Mayor Wagnon stated under current law the 20-year period begins when the TIF redevelopment district is created. **SB 672** sets the trigger date when the city transmits its TIF redevelopment plan to the county. This is when the property value within the redevelopment area is established by the county clerk and a figure is attached upon which the increment financing can be based. Mayor Wagnon stated New Section 4, on Page 7 is an amendment proposed by the City of Topeka and is project specific pertaining only to the City of Topeka. The change in the time line for all TIF projects is applicable statewide. Mayor Wagnon stated the proposed amendments are structured to permit Topeka to take advantage of some unique opportunities that may occur - - opportunities resulting from the "New State-Capitol City Partnership". The City needs to revitalize a previously approved redevelopment plan. (Attachment 3)

Jim Kaup, briefed the Committee on the proposed amendments.

Senator Steineger moved, seconded by Senator Jordan, that **SB 672** be amended on Page 1, line 21 by striking "12-774" and inserting "12-1774"; Page 3, line 24 following subsection "(d)., by inserting "Subject to the provisions of section 4 of this act,."; line 42 following the word "plan" by inserting ", or a revision of the plan as authorized by section 4 of this act,."; Page 4, line 19 following the word "plan" by inserting ", or a revision of the plan as authorized by section 4 of this act,.", line 32 by striking all after the "period", striking all of lines 33, 34, 35 and 36, and the sentence on line 37; Page 5, line 16 following the word "plan" by inserting ", or a revision of the plan as authorized by section 4 of this act,.", line 37 following the word "plan" by inserting ", or a revision of the plan as authorized by section 4 of this act,."; Page 6, line 9

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON COMMERCE, Room 123-S Statehouse, at 8:00 a.m. on March 5, 1998.

following the word "plan" by inserting ", or a revision of the plan as authorized by section 4 of this act," line 36, following the word "plan" by inserting ", or a revision of the plan as authorized by section 4 of this act," line 39 following "K.S.A." by adding "1997 Supp. 12-1775; Page 7, inserting a New Sec. 4. which reads as follows: "(a) The provisions of this section shall apply to all cities in which a redevelopment plan has been dormant and no tax increment has been received for not less than three years following adoption of the ordinance establishing a redevelopment plan pursuant to subsection (e) of K.S.A. 12-1772, and amendments thereto, and the boundaries of such plan include a portion of the land subject to the jurisdiction of the capitol area plaza authority established under the provisions of K.S.A. 1997 Supp. 75-2237, and amendments thereto.

"(b) Such city may, by ordinance of the governing body passed by a two-thirds vote, revise the project areas of a previously approved but dormant redevelopment plan into separate stages. Such an ordinance establishing one or more separate stages shall fix a date of completion and shall adopt, by reference, a revised plan which shall include: (1) a summary of a new comprehensive feasibility study required by K.S.A. 12-1771, and amendments thereto; (2) a description and map of the project area; (3) a detailed description of the buildings and facilities proposed to be constructed or improved in such project area; ad (4) any other information the governing body deems necessary to advise the public. A certified copy of such revised plan shall be transmitted to the county pursuant to K.S.A. 12-1776 and to the capitol area plaza authority. The revised plan shall be an open public record,"; Renumber the remaining sections; and on line 13, strike the word "statute book" and insert in lieu the word "Kansas Register"; and that **SB 672** be recommended favorable for passage as amended. The recorded vote was unanimous in favor of the motion.

The Committee adjourned at 8:50 a.m.

The next meeting is scheduled for March 6, 1998.



State Building and Construction Trades Council



Fred Kaminska  
President  
(316) 529-1012

Jim Harbng  
V. President  
(785) 233-4027

Bruce A. Reves  
Secretary  
(785) 537-1567

3906 NW 16th St.  
Topeka, KS 66618

February 26, 1998

(785) 233-3662 (785) 233-4577 Fax

12-C

Sen. Anthony Hensley  
Topeka, KS

Dear Sen. Hensley,

Thank you for your sponsorship on S. 299, the Prevailing Wage Bill. As you know, Dr. Peter Philips did an excellent job of offering data to support reinstatement of a prevailing wage in Kansas. Unfortunately, there were others that left unanswered questions. I would like to address some of the comments made by those opposing a prevailing wage.

1. Tom Slattery of the Association of General Contractors suggested that a prevailing wage would be unconstitutional because, as he interprets the law, those without voting rights can't work. Sen. Hensley, there is absolutely no basis for this belief except that Mr. Slattery wishes to protect his "right" and the "rights" of other contractors to hire workers at the lowest wages possible.

Mr. Slattery also commented that the cause for a less-skilled labor force is due to a good economy rather than a lack of a prevailing wage. I would certainly wonder why Mr. Slattery did not address the fact that real wages in Kansas' construction industry have fallen by 11% since the repeal of a prevailing wage, especially if the economy is so good. I would also wonder what the cause for these same employee problems were before our economic boom.

Mr. Slattery also said, "Prevailing Wage laws frustrate the competitive bidding system." Yet, he does not address how they do so. He also said that a prevailing wage law has little or no impact on wages. This comment is simply untrue and has been proven untrue through Dr. Philips' research.

2. Kevin Godar of the Association of Builders and Contractors indicated that the ABC has many apprenticeship training programs available through several school districts. I distinctly recall Mr. Godar using the term "apprenticeship" quite loosely, when in fact he shouldn't have. Mr. Godar's testimony was quite misleading in that he insisted that ABC's apprenticeship programs were quite adequate and comparable to those registered with the Department of Labor--they just simply weren't registered.

Since Mr. Godar's testimony, I have learned that the ABC training program he was speaking of is not an apprenticeship program, but rather something called a "school-fo-work" program. This program includes some basic trades training for the students while they are still in high school. Once they graduate however, they still must find a registered apprenticeship program. According to Diane Close, Director of Wichita Vocational Technical College, no one leaves the Wichita School System a journeyman. The programs offered through the Wichita School System (and I suspect others mentioned by Mr. Godar) are not adequate training programs.

Senate Commerce Committee

Date 3-05-98

Attachment # 1-1 thru 1-2

to be registered with the Department of Labor. ABC's training programs are not registered with the DOL because they are inadequate, not because, as Mr. Godar would have you believe, they choose not to be.

Mr. Godar also said that prevailing wage laws promote non-productive workers and outdated union work rules. If this were true, state's with prevailing wage laws should have the highest man hours per job--just the opposite is true.

Others as well as Mr. Godar and Mr. Slattery mentioned the high cost of wages with a prevailing wage law. They failed to mention that total construction costs were the same for comparable jobs with a prevailing wage and without a prevailing wage. Studies have shown that states without prevailing wages pay much higher wages simply because they have many more man hours per project. It can certainly be argued that these states have labor pools that are less skilled and tend to take longer for the same job.

Sen. Hensley, as you can see, these contractors have a very limited agenda. They want to keep their profit margin as high as possible. I simply believe that if the taxpayers of this state are going to pay the same amount of money for a job whether it has a prevailing wage or not, they would want their tax dollars going to provide decent wages and benefits for many families, rather than wealth for a few select contractors.

My hope is that others on your committee are able to see so clearly why we need such pro-family legislation. Once again, thank you for your support of this bill.

Sincerely,



Fred Kaminska  
President  
Kansas State Building Trades

STATE OF KANSAS



DIVISION OF THE BUDGET

Room 152-E

State Capitol Building

Topeka, Kansas 66612-1575

(785) 296-2436

FAX (785) 296-0231

February 25, 1998

Bill Graves  
Governor

Gloria M. Timmer  
Director

The Honorable Alicia Salisbury, Chairperson  
Senate Committee on Commerce  
Statehouse, Room 120-S  
Topeka, Kansas 66612

Dear Senator Salisbury:

SUBJECT: Fiscal Note for SB 672 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 672 is respectfully submitted to your committee.

SB 672 pertains to the tax increment financing laws. Current law provides that any redevelopment project must be completed within 20 years from the "date of the establishment of the redevelopment district" where the project will take place. SB 672 clarifies that the 20-year period begins from the "transmittal of the redevelopment plan to the county." Several taxation dates related to redevelopment projects would also be changed from the date of establishment of the redevelopment district to the date of transmittal of a redevelopment plan to the county. Current law also mandates a feasibility study prior to the undertaking of a redevelopment project. SB 672 would also provide that a new feasibility study be submitted by the individual or group proposing a redevelopment project if more than three years has passed following the creation of the redevelopment district and the project had been inactive.

This bill would have no fiscal impact.

Sincerely,

A handwritten signature in cursive script that reads "Gloria M. Timmer".

Gloria M. Timmer

Director of the Budget  
Senate Commerce Committee

cc: Randy Allen, Association of Counties

Date 3-05-98

Attachment # 2



# CITY OF TOPEKA

---

**Joan Wagnon, Mayor**  
215 S.E. 7th Street Room 352  
Topeka, Kansas 66603  
Phone 785-368-3895  
Fax Number 785-368-3850

## LEGISLATIVE TESTIMONY

**TO:** Senate Commerce Committee  
**FROM:** Joan Wagnon, Mayor of the City of Topeka  
**RE:** SB 672 - Amendments to the Tax Increment Finance Law Proposed by the City of Topeka  
**DATE:** March 5, 1998

The City of Topeka requested SB 672, along with the proposed amendments shown on the attached balloon draft, in order to achieve the following:

- (1) To verify, for all cities using the TIF (Tax Increment Financing) redevelopment act, when the start date of the 20-year limitation on the period of tax increments begins. These statutory provisions also effectively identify the 20-year start date for TIF bonds; and
- (2) To authorize the City of Topeka to revise and revitalize its now dormant redevelopment plan for the "Watertower Place" TIF project. This is the area adjacent to and including a proposed new state office building, and includes a portion of the land under jurisdiction of the Capitol Area Plaza Authority. It is bounded generally by Jackson Street on the west, 10th Avenue on the north, 13th Street on the south and I-70 on the east.

**Commencement of 20-year Period to Complete TIF Project.** The amendments found in sections 1 to 3, on pages 3 to 6 of SB 672, deal with the commencement of the 20-year period of time in which to complete a TIF project, as noted in (1) above.<sup>1</sup>

Under current law the 20-year period begins when the TIF redevelopment district is created. Under SB 672 the period would begin once the city transmits its TIF redevelopment plan to the county per K.S.A. 12-1776.

---

<sup>1</sup>See p. 3, lines 40:41, p. 4, lines 17:20; p. 5, lines 15:16 and 36:38; p. 6, lines 8:9 and 35:39.

**Dormant TIF District in Topeka.** The New Section 4 amendment, on page 7 of the balloon, deals with the unusual Topeka situation noted in (2), above. Watertower Place appears to be the only dormant TIF district in Kansas. Section 4 permits the City to enter into negotiations which could significantly enhance an area within the existing dormant district, by utilizing the lengthy procedural and approval processes that have already been completed rather than having to start over completely by preparing a new TIF redevelopment plan.

New Section 4 of SB 672 does the following:

(a) provides for staged project areas, as now permitted under K.S.A. 1997 Supp. 12-1771 (see lines 36-37, page 3);

(b) requires a two-thirds vote of the city governing body for a plan revision, the same as required for adoption of new redevelopment plan under subsection (e) of K.S.A. 12-1772; and

(c) includes requirements for (1) a new financial feasibility study, (2) a description of and map of the project area, and (3) a description of the proposed building and facilities. These same requirements are found at K.S.A. 12-1772(a), applicable to new redevelopment plans.

While the balloon's New Section 4 could be made into a new subsection (f) to K.S.A. 12-1772, to do so would require a very lengthy amendment to SB 672. The City respectfully suggests the simpler approach of a new statute -- one the Revisor might codify as Supp. 12-1772a.

In summary, the City has attempted to carefully structure the amendments to SB 672 to permit the City to take advantage of some unique opportunities that may soon occur -- opportunities resulting from the "New State-Capitol City Partnership". To make this TIF project work, the City needs to revitalize a previously approved redevelopment plan. While the new sections will permit the City to promptly deal with recent private sector initiatives -- for redevelopment to be located in an area of declining assessed valuation for which no tax increment has been received -- procedural due process is provided, with a two-thirds governing body vote required to pass the ordinance modifying the redevelopment plan.

**The City respectfully requests favorable Committee action on SB 672, with the balloon amendments.**

---

**NOTE:** HB 2631, the Kansas City motor speedway act, was published in the Kansas Register on February 26. Both HB 2631 and SB 672 amend K.S.A. 1997 Supp. 12-1771 and 12-1775. As a result, reconciliation amendments will be required, which normally occurs at the "recessed" or "veto"



session. However, the changes made by HB 2631 and SB 672 are not in conflict. Since HB 2631 is now law, the reconciliation amendments could also be included in this bill.

1998 House Bill 2631, at section 5, amends the TIF law to require of all cities, not just Kansas City, that an offer of compensation be made to owners of property within the TIF district that may be acquired by eminent domain, as follows: compensation equal to the highest appraised valuation of the property over the three years preceding the year of condemnation.

For Kansas City only, under section 5 of HB 2631 whatever final compensation is made --whether by negotiation or by court-award under the eminent domain procedure act -- that compensation is to be increased by 25%.

# SENATE BILL No. 672

By Committee on Ways and Means

2-16

9 AN ACT concerning tax increment financing; relating to the period of  
 10 time by which a project shall be completed and the determination of  
 11 the assessed value of the property located in a redevelopment district;  
 12 amending K.S.A. 12-1776 and K.S.A. 1997 Supp. 12-1771 and 12-1775  
 13 and repealing the existing sections.  
 14

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

16 Section 1. K.S.A. 1997 Supp. 12-1771 is hereby amended to read as  
 17 follows: 12-1771. (a) No city shall exercise any of the powers conferred  
 18 by K.S.A. 12-1770 *et seq.*, and amendments thereto, unless the governing  
 19 body of such city has adopted a resolution finding that the specific project  
 20 area sought to be redeveloped is a blighted area, a conservation area, a  
 21 major tourism area as defined in K.S.A. ~~12-774~~ 12-1774 and amendments  
 22 thereto or was designated prior to July 1, 1992, as an enterprise zone  
 23 pursuant to K.S.A. 12-17,110 prior to its repeal, and the conservation,  
 24 development or redevelopment of such area is necessary to promote the  
 25 general and economic welfare of such city. Enterprise zones designated  
 26 prior to July 1, 1992, may be enlarged by the city to an area not exceeding  
 27 25% of the city's land area upon a finding by the secretary of the de-  
 28 partment of commerce and housing that a redevelopment project pro-  
 29 posed by the city which requires the enlargement is of statewide impor-  
 30 tance and that it will meet the criteria specified in K.S.A. 12-1774  
 31 (a)(1)(D), and amendments thereto. For the purpose of this subsection,  
 32 the term "blighted area" means an area which: (1) Because of the pres-  
 33 ence of a majority of the following factors, substantially impairs or arrests  
 34 the sound development and growth of the municipality or constitutes an  
 35 economic or social liability or is a menace to the public health, safety,  
 36 morals or welfare in its present condition and use: (A) A substantial num-  
 37 ber of deteriorated or deteriorating structures; (B) predominance of de-  
 38 fective or inadequate street layout; (C) unsanitary or unsafe conditions;  
 39 (D) deterioration of site improvements; (E) diversity of ownership; (F)  
 40 tax or special assessment delinquency exceeding the fair value of the land;  
 41 (G) defective or unusual conditions of title; (H) improper subdivision or  
 42 obsolete platting or land uses; (I) the existence of conditions which en-  
 43 danger life or property by fire and other causes; or (J) conditions which

NOTE: Further amendments are needed to reconcile provisions with 1998 House Bill No. 2631, published in the Kansas Register on February 26. This includes changes to (a) Section 1, (b) Section 2, and (c) Section 5, the repealer section.

authorizing revisions of a redevelopment plan

as amended by section 2 of 1998 House Bill No. 2631

as amended by section 4 of 1998 House Bill No. 2631

3-4

3-5

1 create economic obsolescence; or (2) has been identified by any state or  
2 federal environmental agency as being environmentally contaminated to  
3 an extent that requires a remedial investigation, feasibility study and re-  
4 mediation or other similar state or federal action; or (3) previously was  
5 found by resolution of the governing body to be a slum or a blighted area  
6 under K.S.A. 17-4742 *et seq.*, and amendments thereto.

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

18 (b) The powers conferred upon cities under the provisions of K.S.A.  
19 12-1770 *et seq.*, and amendments thereto, shall be exercised by cities, as  
20 determined by resolution adopted pursuant to K.S.A. 12-1772, and  
21 amendments thereto, (1) in enterprise zones designated prior to July 1,  
22 1992, including any area added to such enterprise zone after July 1, 1992,  
23 pursuant to subsection (a), (2) in blighted areas of cities and counties  
24 described by subsection (a)(2), (3) in conservation areas of cities, (4) in  
25 major tourism areas as defined in K.S.A. 12-1774 and amendments  
26 thereto or (5) in blighted areas of cities, as determined by resolution  
27 adopted pursuant to K.S.A. 17-4742 *et seq.*, and amendments thereto.

28 (c) Within that portion of the city described in subsection (b), the  
29 governing body of a city may establish a district to be known as a "rede-  
30 velopment district". Within that portion of a city and county described in  
31 subsection (b) excluding paragraph (3) of subsection (b), the governing  
32 body of the city, upon written consent of the board of county commis-  
33 sioners, may establish a district inclusive of land outside the boundaries  
34 of the city to be known as a redevelopment district. In all such cases, the  
35 board of county commissioners, prior to providing written consent, shall  
36 be subject to the same procedure for public notice and hearing as is  
37 required of a city pursuant to subsection (d) for the establishment of a  
38 redevelopment district. One or more redevelopment projects may be un-  
39 dertaken by a city within a redevelopment district after such redevel-  
40 opment district has been established in the manner provided by subsection  
41 (d).

42 (d) Any city proposing to establish a redevelopment district shall  
43 adopt a resolution stating that the city is considering the establishment

3-6

1 of a redevelopment district. Such resolution shall:

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

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

6 (3) describe a proposed comprehensive plan that identifies all of the  
7 proposed redevelopment project areas and that identifies in a general  
8 manner all of the buildings and facilities that are proposed to be con-  
9 structed or improved in each redevelopment project area;

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

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

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

16 (e) Upon the conclusion of the public hearing, the governing body  
17 may adopt a resolution to make any findings required by subsection (a)  
18 and may establish the redevelopment district by ordinance. Such reso-  
19 lution shall contain a comprehensive plan that identifies all of the pro-  
20 posed redevelopment project areas and identifies in a general manner all  
21 of the buildings and facilities that are proposed to be constructed or im-  
22 proved in each redevelopment project area. The boundaries of such dist-  
23 rict shall not include any area not designated in the notice required by  
24 subsection (d). Any addition of area to the redevelopment district or any  
25 substantial change to the comprehensive plan shall be subject to the same  
26 procedure for public notice and hearing as is required for the establish-  
27 ment of the district.

Subject to the provisions of section 4 of this act,

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

36 (g) Any redevelopment plan undertaken within the redevelopment  
37 district may be in separate development stages. Each plan shall be  
38 adopted according to the provisions of K.S.A. 12-1772, and amendments  
39 thereto, and shall fix a date for completion. Except as provided herein,  
40 any project shall be completed within 20 years from the date of the es-  
41 tablishment of the redevelopment district of transmittal of the redev-  
42 opment plan to the county pursuant to K.S.A. 12-1776, and amendments  
43 thereto. Projects relating to environmental investigation and remediation

, or a revision of the plan as authorized by section  
4 of this act,

3-7

1 under subsection (i) shall be completed within 20 years from the date a  
2 city enters into a consent decree agreement with the Kansas department  
3 of health and environment or the United States environmental protection  
4 agency.

5 (h) Any increment in ad valorem property taxes resulting from a re-  
6 development district undertaken in accordance with the provisions of this  
7 act, shall be apportioned to a special fund for the payment of the cost of  
8 the redevelopment project, including the payment of principal and inter-  
9 est on any special obligation bonds or full faith and credit tax increment  
10 bonds issued to finance such project pursuant to this act and may be  
11 pledged to the payment of principal and interest on such bonds. The  
12 maximum maturity on bonds issued to finance projects pursuant to this  
13 act shall not exceed 20 years. For the purposes of this act, "increment"  
14 means that amount of ad valorem taxes collected from real property lo-  
15 cated within the redevelopment district that is in excess of the amount  
16 which is produced from such property and attributable to the assessed  
17 valuation of such property prior to the date the redevelopment district  
18 was established, as determined under the provisions of K.S.A. 12-1775  
19 *redemption plan, is transmitted to the county pursuant to K.S.A. 12-*  
20 *1776, and amendments thereto.*

, or a revision of the plan as authorized by section  
4 of this act,

21 (i) The governing body of a city, in contracts entered into with the  
22 Kansas department of health and environment or the United States en-  
23 vironmental protection agency, may pledge increments receivable in fu-  
24 ture years to pay costs directly relating to the investigation and remedi-  
25 ation of environmentally contaminated areas. The provisions in such  
26 contracts pertaining to pledging increments in future years shall not be  
27 subject to K.S.A. 10-1101 *et seq.* or 79-2925 *et seq.*, and amendments  
28 thereto.

29 (j) Before any redevelopment project is undertaken, a comprehensive  
30 feasibility study, which shows the benefits derived from such project will  
31 exceed the costs and that the income therefrom will be sufficient to pay  
32 for the project shall be prepared. ~~In the event the proposed redevelopment~~  
33 ~~project has been dormant for not less than three years following adoption~~  
34 ~~of the ordinance establishing the redevelopment district pursuant to sub~~  
35 ~~section (c) of this section, a new comprehensive feasibility study shall be~~  
36 ~~completed within one year prior to transmittal of the redevelopment plan~~  
37 ~~to the county pursuant to K.S.A. 12-1776 and amendments thereto.~~ Such  
38 feasibility study shall be an open public record.

39 Sec. 2. K.S.A. 1997 Supp. 12-1775 is hereby amended to read as  
40 follows: 12-1775. (a) For the purposes of this act, the term "taxing sub-  
41 division" shall include the county, the city, the unified school district and  
42 any other taxing subdivision levying real property taxes, the territory or  
43 jurisdiction of which includes any currently existing or subsequently cre-

8-3-8

1 ated redevelopment district. The term "real property taxes" includes all  
2 taxes levied on an ad valorem basis upon land and improvements thereon.

3 (b) All tangible taxable property located within a redevelopment dis-  
4 trict shall be assessed and taxed for ad valorem tax purposes pursuant to  
5 law in the same manner that such property would be assessed and taxed  
6 if located outside such district, and all ad valorem taxes levied on such  
7 property shall be paid to and collected by the county treasurer in the  
8 same manner as other taxes are paid and collected. Except as otherwise  
9 provided in this section, the county treasurer shall distribute such taxes  
10 as may be collected in the same manner as if such property were located  
11 outside a redevelopment district. Each redevelopment district established  
12 under the provisions of this act shall constitute a separate taxing unit for  
13 the purpose of the computation and levy of taxes.

14 (c) Beginning with the first payment of taxes which are levied follow-  
15 ing the date of approval of any redevelopment district established trans-  
16 mittal to the county of the redevelopment plan pursuant to K.S.A. ~~12-1771~~  
17 ~~12-1776~~, and amendments thereto, real property taxes received by the  
18 county treasurer resulting from taxes which are levied subject to the pro-  
19 visions of this act by and for the benefit of a taxing subdivision, as herein  
20 defined, on property located within such redevelopment district consti-  
21 tuting a separate taxing unit under the provisions of this section, shall be  
22 divided as follows:

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

32 (2) Any real property taxes produced from that portion of the current  
33 assessed valuation of real property within the redevelopment district con-  
34 stituting a separate taxing unit under the provisions of this section in  
35 excess of an amount equal to the total assessed value of such real property  
36 on the effective date of the establishment of the district *January 1 in the*  
37 *year preceding transmittal of the redevelopment plan to the county pur-*  
38 *suant to K.S.A. 12-1776, and amendments thereto*, shall be allocated and  
39 paid by the county treasurer to the treasurer of the city and deposited in  
40 a special fund of the city to pay the cost of redevelopment projects in-  
41 cluding the payment of principal of and interest on any special obligation  
42 bonds or full faith and credit tax increment bonds issued by such city to  
43 finance, in whole or in part, such redevelopment project. When such

, or a revision of the plan as authorized by section  
4 of this act,

, or a revision of the plan as authorized by section  
4 of this act,

3-9

1 obligation bonds and interest thereon have been paid, all moneys there-  
 2 after received from real property taxes within such redevelopment district  
 3 shall be allocated and paid to the respective taxing subdivisions in the  
 4 same manner as are other ad valorem taxes. If such obligation bonds and  
 5 interest thereon have been paid before the completion of a project, the  
 6 city may continue to use such moneys for any purpose authorized by this  
 7 act until such time as the project is completed, but for not to exceed 20  
 8 years from the date of the establishment of the redevelopment district  
 9 *transmittal to the county of the redevelopment plan.*

, or a revision of the plan as authorized by section  
 4 of this act,

10 (d) In any redevelopment plan or in the proceedings for the issuing  
 11 of any special obligation bonds or full faith and credit tax increment bonds  
 12 by the city to finance a redevelopment project, the property tax increment  
 13 portion of taxes provided for in paragraph (2) of subsection (c) may be  
 14 irrevocably pledged for the payment of the principal of and interest on  
 15 such obligation bonds, subject to the provisions of subsection (h) of K.S.A.  
 16 12-1771, and amendments thereto. A city may adopt a redevelopment  
 17 plan in which only a specified percentage of the tax increment realized  
 18 from taxpayers in the redevelopment district are pledged to the redevelop-  
 19 ment project. The county treasurer shall allocate the specified per-  
 20 centage of the tax increment to the treasurer of the city for deposit in the  
 21 special fund of the city to finance the cost of redevelopment projects if  
 22 the city has other available revenues and pledges the revenues to the  
 23 redevelopment project in lieu of the tax increment. Any portion of such  
 24 tax increment not allocated to the city for the redevelopment project shall  
 25 be allocated and paid in the same manner as other ad valorem taxes.

26 Sec. 3. K.S.A. 12-1776 is hereby amended to read as follows: 12-  
 27 1776. (a) After the adoption by the city governing body of a redevelop-  
 28 ment plan which contains the provisions authorized by K.S.A. 12-1775,  
 29 and amendments thereto, the clerk of the city shall transmit a copy of the  
 30 description of the land within the redevelopment district, a copy of the  
 31 ordinance adopting the plan and a map or plat indicating the boundaries  
 32 of the district to the clerk, assessor and treasurer of the county in which  
 33 the district is located and to the governing bodies of the county and school  
 34 district which levy taxes upon any property in the district. Such documents  
 35 shall be transmitted as promptly as practicable following the adoption or  
 36 modification of the plan, ~~but in any event, on or before the January 1st~~  
 37 ~~next following the adoption or modification of the plan of the year in~~  
 38 ~~which the increment is first allocated to the taxing subdivision pursuant~~  
 39 ~~to K.S.A. and amendments thereto.~~

, or a revision of the plan as authorized by section  
 4 of this act,

1997 Supp. 12-1775

40 (b) For any year in which taxes are to be paid to the special fund  
 41 established under subsection (c)(2) of K.S.A. 12-1775, and amendments  
 42 thereto, any increase in assessed valuation of taxable tangible real prop-  
 43 erty within the redevelopment district in excess of an amount equal to

3-10

1 the total assessed value of such real property on the date of the estab-  
2 lishment of the redevelopment district shall not be considered by any  
3 taxing subdivision in computing any debt limitation or for any other pur-  
4 pose except for the levy of taxes and in determining the amount to be  
5 paid to such special fund.

6 (c) The appraiser of any county in which a redevelopment district is  
7 authorized by a city shall certify the amount of such increase in assessed  
8 valuation of real and personal property within the redevelopment district  
9 to the county clerk on or before July 1 of each year.

10 ~~Sec. 4.~~ K.S.A. 12-1776 and K.S.A. 1997 Supp. 12-1771 and 12-1775 5.  
11 are hereby repealed.

12 ~~Sec. 5.~~ This act shall take effect and be in force from and after its  
13 publication in the ~~statute book.~~ 6.

Kansas Register.

New Sec. 4. (a) The provisions of this section shall apply to all cities in which a redevelopment plan has been dormant and no tax increment has been received for not less than three years following adoption of the ordinance establishing a redevelopment plan pursuant to subsection (e) of K.S.A. 12-1772, and amendments thereto, and the boundaries of such plan include a portion of the land subject to the jurisdiction of the capitol area plaza authority established under the provisions of K.S.A. 1997 Supp. 75-2237, and amendments thereto.

(b) Such city may, by ordinance of the governing body passed by a two-thirds vote, revise the project areas of a previously approved but dormant redevelopment plan into separate stages. Such an ordinance establishing one or more separate stages shall fix a date of completion and shall adopt, by reference, a revised plan which shall include: (1) a summary of a new comprehensive feasibility study required by K.S.A. 12-1771, and amendments thereto; (2) a description and map of the project area; (3) a detailed description of the buildings and facilities proposed to be constructed or improved in such project area; and (4) any other information the governing body deems necessary to advise the public. A certified copy of such revised plan shall be transmitted to the county pursuant to K.S.A. 12-1776 and to the capitol area plaza authority. The revised plan shall be an open public record.