

MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Senator Karin Brownlee at 8:15 a.m. on March 14, 2002 in Room 123-S of the Capitol.

All members were present except:

Committee staff present:

Sherman Parks, Revisor of Statutes  
Norman Furse, Revisor of Statutes  
Bob Nugent, Revisor of Statutes  
April Holman, Legislative Research  
Debra Hollon, Legislative Research

Conferees appearing before the committee:

Don Jarrott, Attorney for Johnson County  
Jack Brier, President KDFA  
Charles Benjamin, Sunflower Advisory Board

Others attending:

See attached list.

**SB 611—Concerning the redevelopment of the sunflower army ammunition plant in Johnson County.**

Senator Steineger presented a balloon amendment which will add an additional 400 acres with Star Bond Authority. Some of the technical features are it would not allow property tax to be abated for use of the Star Bond. The second 400 acres would be targeted towards arts, entertainment, hotel and possible theme parks. Most of the 400 acres is owned by the unified government with little development.

Ike Parsons, Fahnestock, Kansas City, Missouri testified they have been associated with unified government and other communities in the Kansas City area and across the state of Kansas for several years. Star Bonds are a very viable mechanism for providing financing to facilities of this type and would accelerate the development by the Speedway.

During Committee discussion regarding imminent domain, SIC, NAIC codes and changes to the existing Star Bond Authority for the 400 additional acres, Chairperson Brownlee stated to committee members the amendment submitted by Senator Steineger would be held for further review and the committee would work the amendments for the base bill.

April Holman, Legislative Research, briefed the committee on the amendments submitted for Balloon 1 for **SB 611** (Attachment 1).

Don Jarrott, Attorney for Johnson County, requested that on Page 11, Line 7, the amendment submitted would read "*Prior to taking title, possession or otherwise exercising control over the land, Johnson county shall ensure that adequate environmental insurance is obtained and purchased to cover the property.*" Mr. Jarrott stated that Johnson County will be responsible for ensuring that adequate comprehensive environmental liability insurance is purchased by Johnson County or the developer.

Don Jarrott requested that on Page 10, Line 38 to reinstate the language "*Nothing in this section is intended and shall not be construed to relieve the United States army, the federal government or any agency thereof from any duty, responsibility or liability for any contamination or remediation of the land as may be imposed or required under state or federal law*".

Senator Emler stated he has some concern about liability and would like somewhere in the amendments that the State of Kansas is not responsible for the clean-up or any associated fees which would include fees of litigation.

Don Jarrott stated a preamble was offered at the first meeting and the Bond Council for Johnson County would like the Section 1 amendment to be adopted because it would declare this is a blighted area and establishes the base line for use using a lot of the economic development tools.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON COMMERCE at on March 14, 2002 in Room 123-S of the Capitol.

Senator Brownlee asked the committee if they would feel comfortable adding the amendments in the balloon which were mostly technical except for the one on Page 11 that deals with switching from a competent attorney to the Kansas Attorney General, the language added on Page 11, Line 7 regarding prior to taking title there has to be adequate environmental insurance and Page 3, Line 35 correcting the Statute number from 79-8924 to 74-8924.

Senator Jordan moved, seconded by Senator Steineger to adopt the amendments in Balloon 1 for **SB 611**. Motion carried.

Balloon 2 for **SB 611** was submitted to committee members and was recommended by the KDFA (Attachment 2). Chairperson Brownlee stated there is ambiguity as to whether or not the additional 2% sales tax would be part of the STAR Bond Authority as when the OZ project was being considered and it was decided to remove the 2% sales tax. The state-wide sales tax of 4.9% plus 1% county sales tax would pay off the STAR Bonds.

Senator Steineger moved, seconded by Senator Emler to adopt Balloon 2 for **SB 611**. Motion carried.

Balloon 3 for **SB 611** was submitted to committee members and is placing Section 74-8902 for the purpose of striking out Section (q) on Page 3 of the balloon (Attachment 3). This balloon was submitted by KDFA and eliminates the language for the OZ Project.

Senator Jenkins moved, seconded by Senator Jordan to adopt Balloon 3 for **SB 611**. Motion carried.

Ron Gaches, representing Intrust Bank, submitted written testimony to committee members regarding **HB 2676** (Attachment 4).

Meeting adjourned at 9:30 a.m.

The next meeting is scheduled for Tuesday, March 19, 2002 at 8:30 a.m.



## SENATE BILL No. 611

By Committee on Commerce

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9 AN ACT concerning Johnson county; relating to the redevelopment of  
10 the sunflower army ammunition plant; authorizing certain powers, in-  
11 cluding tax increment financing and sales tax revenue bonds; relating  
12 to projects of the Kansas development finance authority; amending  
13 K.S.A. 2001 Supp. 74-8905, 74-8921, 74-8922, 74-8923, 74-8924, 74-  
14 8925, 74-8927 and 74-8929 and repealing the existing sections.

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

17 New Section 1. The board of county commissioners of Johnson  
18 county, by resolution, may establish a redevelopment district to cover and  
19 include all or any part or parts of the property known as the sunflower  
20 army ammunition plant. Prior to establishing the redevelopment district,  
21 the board shall adopt a resolution stating its intent to create the district  
22 and the proposed adoption of a comprehensive master development plan  
23 for the property. The resolution of intent shall:

24 (a) Give notice that a public hearing will be held to consider adoption  
25 of the comprehensive master development plan for the property and es-  
26 tablishment of the redevelopment district and stating the date, time and  
27 place for the hearing;

28 (b) describe the proposed boundaries of the redevelopment district;  
29 and

30 (c) describe the proposed master development plan and indicate  
31 where copies of the plan may be obtained and inspected. A copy of the  
32 resolution setting the public hearing shall be published once in the official  
33 county newspaper not less than one week nor more than two weeks pre-  
34 ceding the date fixed for the public hearing, and copies of the resolution  
35 shall be sent by certified mail, return receipt requested, to each owner  
36 of land within the proposed district, to the board of education of any  
37 school district which does or would levy taxes on property in the proposed  
38 district, to the governing body of any city located within three miles of  
39 the boundaries of the proposed district, to the K-10 highway association,  
40 to the board of county commissioners of Douglas county and to the ~~ex-~~  
41 ~~ecutive director~~ of the Kansas development finance authority. Upon con-  
42 clusion of the public hearing, the board, within 60 days, shall consider  
43 adoption of the comprehensive master development plan, and upon adop-

president

Senate Commerce Committee  
March 14, 2002  
Attachment 1-1



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1 tion of the plan, may establish the redevelopment district.

2 New Sec. 2. The board of county commissioners of Johnson county,  
3 with or without the establishment of a redevelopment district under sec-  
4 tion 1 and amendments thereto, on its own initiative or in cooperation  
5 with a redevelopment authority or one or more developers, may request  
6 and approve the establishment of a redevelopment district by the Kansas  
7 development finance authority pursuant to K.S.A. 2001 Supp. 74-8921  
8 and 74-8922, and amendments thereto, covering all or any part or parts  
9 of the sunflower army ammunition plant. Upon establishment of such a  
10 redevelopment district at the sunflower army ammunition plant, the Kan-  
11 sas development finance authority may enter into one or more intergov-  
12 ernmental agreements with the board of county commissioners to assist  
13 in the redevelopment of the property by the exercise of those powers  
14 contained in K.S.A. 2001 Supp. 74-8905, and amendments thereto, and  
15 in addition to those purposes stated in subsection (v) or K.S.A. 2001 Supp.  
16 74-8904, and amendments thereto, the Kansas statewide projects devel-  
17 opment corporation may act to acquire and convey property and to issue  
18 bonds on behalf of the state for redevelopment plan projects approved  
19 by the authority for the redevelopment district established to cover all or  
20 part of the sunflower army ammunition plant.

21 New Sec. 3 The board of county commissioners of Johnson county,  
22 upon the establishment of a redevelopment district pursuant to section 1  
23 or 2, and amendments thereto, may create a redevelopment authority,  
24 which shall be composed and have such powers as the board may au-  
25 thorize and determine by resolution consistent with the provisions of this  
26 act.

27 New Sec. 4. (a) Upon establishment of a redevelopment district pur-  
28 suant to section 1, and amendments thereto, redevelopment within the  
29 district may be undertaken in one or more redevelopment projects, and  
30 any redevelopment project may be implemented in separate development  
31 stages. The developer proposing a redevelopment project within the dis-  
32 trict shall prepare a redevelopment project plan and submit it to the board  
33 or, if created, the redevelopment authority. The project plan shall include:

34 (1) A feasibility study, which shall be an open public record, showing  
35 that the benefits derived from the project will exceed the costs and that  
36 the income therefrom will be sufficient to pay for the project;

37 (2) a comprehensive description of the project and an analysis of its  
38 compliance and compatibility with the comprehensive master develop-  
39 ment plan adopted by the county;

40 (3) a description and map of the area to be redeveloped;

41 (4) detailed description of the buildings and facilities proposed to be  
42 constructed or a completed, proposed development plan for the project  
43 prepared in compliance with the county's applicable zoning and subdi-

or Johnson county

and Johnson county

to the state and its political subdivisions

*to development  
authority*

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1 vision regulations; ~~and~~  
2 ~~(5)~~ any other information that the board of county commissioners  
3 deems necessary to advise the public of the intent and content of the  
4 plan.

5 (b) Upon submission and receipt of the redevelopment project plan,  
6 the board, or, if applicable, the redevelopment authority, shall schedule  
7 a public hearing on the plan. The date fixed for the public hearing shall  
8 be not less than 30 nor more than 70 days following receipt of the plan.  
9 Copies of the proposed project plan shall be delivered to those persons  
10 and entities entitled to notice under section 1, and amendments thereto.  
11 Notice of the public hearing shall be included with the plan as delivered  
12 and shall also be published once each week for two consecutive weeks in  
13 the official county newspaper. The notice shall fix the date, time and place  
14 of the hearing and shall state where copies of the plan can be obtained  
15 or examined. Finally, if the board of county commissioners or, if appli-  
16 cable, the redevelopment authority has been requested or otherwise will  
17 consider to issue tax increment financing or other bonds or indebtedness  
18 to provide financial assistance for the redevelopment project, then the  
19 plan and notice shall include a summary of such financing.

20 (c) Following the public hearing, the board of county commissioners  
21 or, if applicable, the redevelopment authority, shall consider and may  
22 approve and adopt the project plan. Any redevelopment project approved  
23 under this act shall be completed within 20 years from the date of the  
24 project approval. Any substantial changes to the project plan as approved  
25 shall be considered in the same manner and pursuant to the same pro-  
26 cedures as the initial project approval.

27 New Sec. 5. (a) The board of county commissioners of Johnson  
28 county shall have the power to issue special obligation bonds in one or  
29 more series to finance the undertaking of any redevelopment project ap-  
30 proved under this act.

31 (b) Any bonds issued by the county under this section shall be con-  
32 sidered in like manner to bonds issuable by the Kansas development  
33 finance authority, under subsection (e) of K.S.A. 2001 Supp. 74-8905,  
34 and amendments thereto, and shall be payable, both as to principal and  
35 interest, in the manner provided by K.S.A. 2001 Supp. 79-8924, and  
36 amendments thereto. The board may designate any or all of the revenue  
37 sources authorized under K.S.A. 2001 Supp. 74-8924, and amendments  
38 thereto, which shall be used for payment of bonds issued under this sec-  
39 tion and may pledge such revenue to the repayment of such bonds prior  
40 to, simultaneously with or subsequent to the issuance of such bonds.

41 (c) The maximum maturity on bonds issued to finance projects pur-  
42 suant to this act shall not exceed 20 years.

43 (d) The board may authorize the issuance of bonds payable from the

(5) a detailed plan for the financing of the  
redevelopment plan; and

(6)

1 increment in ad valorem property taxes resulting from any redevelopment  
2 project, and the board may divide the real property within the redevel-  
3 opment district into separate redevelopment project areas. In that case,  
4 the bonds authorized may be issued for and payable from the property  
5 for the separate project areas within the district, and each separate project  
6 area shall constitute a separate taxing unit for the purpose of the com-  
7 putation and levy of taxes.

8 (e) For purposes of this section and any bonds issued pursuant to  
9 K.S.A. 2001 Supp. 74-8925, and amendments thereto, the increment in  
10 ad valorem tax shall be determined using a base year assessed valuation  
11 as designated by the county appraiser to be the valuation assessable on  
12 the real property located within the redevelopment district regardless of  
13 the status of the property as exempt due to ownership by the United  
14 States army.

15 (f) The board may approve a redevelopment project and issue bonds  
16 for such project and authorize only a specified percentage or amount of  
17 the tax increment realized from taxpayers in the redevelopment district  
18 for repayment or pledge of repayment for the costs of the redevelopment  
19 project. The county treasurer shall allocate the specified percentage or  
20 amount of the tax increment for the district and shall allocate the re-  
21 mainder for remittance in the same manner as other ad valorem taxes.

22 (g) The board may refund all or part of any special obligation bonds  
23 issued under the provisions of this act pursuant to the provisions of K.S.A.  
24 10-116a, and amendments thereto.

25 Sec. 6. K.S.A. 2001 Supp. 74-8905 is hereby amended to read as  
26 follows: 74-8905. (a) The authority may issue bonds, either for a specific  
27 activity or on a pooled basis for a series of related or unrelated activities  
28 or projects duly authorized by a political subdivision or group of political  
29 subdivisions of the state in amounts determined by the authority for the  
30 purpose of financing projects of statewide as well as local importance as  
31 defined pursuant to K.S.A. 12-1744, and amendments thereto, capital  
32 improvement facilities, educational facilities, health care facilities and  
33 housing developments. Nothing in this act shall be construed to authorize  
34 the authority to issue bonds or use the proceeds thereof to:

35 (1) Purchase, condemn or otherwise acquire a utility plant or distri-  
36 bution system owned or operated by a regulated public utility;

37 (2) finance any capital improvement facilities, educational facilities or  
38 health care facilities which may be financed by the issuance of general  
39 obligation or utility revenue bonds of a political subdivision, except that  
40 the acquisition by the authority of general obligation or utility revenue  
41 bonds issued by political subdivisions with the proceeds of pooled bonds  
42 shall not violate the provisions of the foregoing; or

43 (3) purchase, acquire, construct, reconstruct, improve, equip, fur-

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1 nish, repair, enlarge or remodel property for any swine production facility  
2 on agricultural land which is owned, acquired, obtained or leased by a  
3 corporation, limited liability company, limited partnership, corporate  
4 partnership or trust.

5 Nothing in this subsection (a) shall prohibit the issuance of bonds by  
6 the authority when any statute specifically authorizes the issuance of  
7 bonds by the authority or approves any activity or project of a state agency  
8 for purposes of authorizing any such issuance of bonds in accordance with  
9 this section and provides an exemption from the provisions of this sub-  
10 section (a).

11 (b) The authority may issue bonds for activities and projects of state  
12 agencies as requested by the secretary of administration. No bonds may  
13 be issued pursuant to this act for any activity or project of a state agency  
14 unless the activity or project either has been approved by an appropriation  
15 or other act of the legislature or has been approved by the state finance  
16 council acting on this matter which is hereby characterized as a matter  
17 of legislative delegation and subject to the guidelines prescribed in sub-  
18 section (c) of K.S.A. 75-3711c, and amendments thereto. When requested  
19 to do so by the secretary of administration, the authority may issue bonds  
20 for the purpose of refunding, whether at maturity or in advance of ma-  
21 turity, any outstanding bonded indebtedness of any state agency. The  
22 revenues of any state agency which are pledged as security for any bonds  
23 of such state agency which are refunded by refunding bonds of the au-  
24 thority may be pledged to the authority as security for the refunding  
25 bonds.

26 (c) The authority may issue bonds for the purpose of financing in-  
27 dustrial enterprises, agricultural business enterprises, educational facili-  
28 ties, health care facilities and housing developments, or any combination  
29 of such facilities, or any interest in facilities, including without limitation  
30 leasehold interests in and mortgages on such facilities. No less than 30  
31 days prior to the issuance of any bonds authorized under this act with  
32 respect to any project or activity which is to be undertaken for the direct  
33 benefit of any person or entity which is not a state agency or a political  
34 subdivision, written notice of the intention of the authority to provide  
35 financing and issue bonds therefor shall be given by the president of the  
36 authority to the governing body of the city in which the project or activity  
37 is to be located. If the project or activity is not proposed to be located  
38 within a city, such notice shall be given to the governing body of the  
39 county. No bonds for the financing of the project or activity shall be issued  
40 by the authority for a one-year period if, within 15 days after the giving  
41 of such notice, the governing body of the political subdivision in which  
42 the project or activity is proposed to be located shall have adopted an  
43 ordinance or resolution stating express disapproval of the project or ac-

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1 tivity and shall have notified the president of the authority of such  
2 disapproval.

3 (d) The authority may issue bonds for the purpose of establishing and  
4 funding one or more series of venture capital funds in such principal  
5 amounts, at such interest rates, in such maturities, with such security, and  
6 upon such other terms and in such manner as is approved by resolution  
7 of the authority. The proceeds of such bonds not placed in a venture  
8 capital fund or used to pay or reimburse organizational, offering and ad-  
9 ministrative expenses and fees necessary to the issuance and sale of such  
10 bonds shall be invested and reinvested in such securities and other in-  
11 struments as shall be provided in the resolution under which such bonds  
12 are issued. Moneys in a venture capital fund shall be used to make venture  
13 capital investments in new, expanding or developing businesses, includ-  
14 ing, but not limited to, equity and debt securities, warrants, options and  
15 other rights to acquire such securities, subject to the provisions of the  
16 resolution of the authority. The authority shall establish an investment  
17 policy with respect to the investment of the funds in a venture capital  
18 fund not inconsistent with the purposes of this act. The authority shall  
19 enter into an agreement with a management company experienced in  
20 venture capital investments to manage and administer each venture cap-  
21 ital fund upon terms not inconsistent with the purposes of this act and  
22 such investment policy. The authority may establish an advisory board to  
23 provide advice and consulting assistance to the authority and the man-  
24 agement company with respect to the management and administration of  
25 each venture capital fund and the establishment of its investment policy.  
26 All fees and expenses incurred in the management and administration of  
27 a venture capital fund not paid or reimbursed out of the proceeds of the  
28 bonds issued by the authority shall be paid or reimbursed out of such  
29 venture capital fund.

30 (e) The authority may issue bonds in one or more series for the pur-  
31 pose of financing a ~~project of statewide as well as local importance in~~  
32 ~~connection with~~ a redevelopment plan *project* that is approved by the  
33 authority in accordance with K.S.A. 2001 Supp. 74-8921 and 74-8922,  
34 and amendments thereto.

35 (f) After receiving and approving the feasibility study required pur-  
36 suant to K.S.A. 2001 Supp. 74-8936, and amendments thereto, the au-  
37 thority may issue bonds in one or more series for the purpose of financing  
38 a multi-sport athletic project in accordance with K.S.A. 2001 Supp. 74-  
39 8936 through 74-8938, and amendments thereto. If the project is to be  
40 constructed in phases, a similar feasibility study shall be performed prior  
41 to issuing bonds for the purpose of financing each subsequent phase.

42 (g) The authority may issue bonds for the purpose of financing resort  
43 facilities, as defined in subsection (a) of K.S.A. 32-867, and amendments

or by Johnson county in accordance with the  
provisions of this act



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1 thereto, in an amount or amounts not to exceed \$30,000,000 for any one  
 2 resort. The bonds and the interest thereon shall be payable solely from  
 3 revenues of the resort and shall not be deemed to be an obligation or  
 4 indebtedness of the state within the meaning of section 6 of article 11 of  
 5 the constitution of the state of Kansas. The authority may contract with  
 6 a subsidiary corporation formed pursuant to subsection (v) of K.S.A. 74-  
 7 8904, and amendments thereto, or others to lease or operate such resort.  
 8 The provisions of K.S.A. 32-867, 32-868, 32-870 through 32-873 and 32-  
 9 874a through 32-874d, and amendments thereto, shall apply to resorts  
 10 and bonds issued pursuant to this subsection.

11 (h) The authority may use the proceeds of any bond issues herein  
 12 authorized, together with any other available funds, for venture capital  
 13 investments or for purchasing, leasing, constructing, restoring, renovat-  
 14 ing, altering or repairing facilities as herein authorized, for making loans,  
 15 purchasing mortgages or security interests in loan participations and pay-  
 16 ing all incidental expenses therewith, paying expenses of authorizing and  
 17 issuing the bonds, paying interest on the bonds until revenues thereof are  
 18 available in sufficient amounts, purchasing bond insurance or other credit  
 19 enhancements on the bonds, and funding such reserves as the authority  
 20 deems necessary and desirable. All moneys received by the authority,  
 21 other than moneys received by virtue of an appropriation, are hereby  
 22 specifically declared to be cash funds, restricted in their use and to be  
 23 used solely as provided herein. No moneys of the authority other than  
 24 moneys received by appropriation shall be deposited with the state  
 25 treasurer.

26 (i) Any time the authority is required to publish a notification pur-  
 27 suant to the tax equity and fiscal responsibility act of 1982, the authority  
 28 shall further publish such notification in the Kansas register.

29 (j) Any time the authority issues bonds pursuant to this section, the  
 30 authority shall publish notification of such issuance at least 14 days prior  
 31 to any bond hearing in the official county newspaper of the county in  
 32 which the project or activity financed by such bonds are located and in  
 33 the Kansas register.

34 Sec. 7. K.S.A. 2001 Supp. 74-8921 is hereby amended to read as  
 35 follows: 74-8921. (a) In addition to the other requirements of this act,  
 36 bonds issued by the authority under subsection (e) of K.S.A. 74-8905, and  
 37 amendments thereto, shall be issued only after the authority establishes  
 38 a redevelopment district and approves a redevelopment plan for a project  
 39 of statewide as well as local importance in accordance with subsections  
 40 (b) and (c) ~~the provisions of this sec.~~

41 ~~(b) The authority may establish a district to be known as a "redevelop-~~  
 42 ~~ment district" within the state after the secretary of commerce and~~  
 43 ~~housing has certified that the district will contain a project of statewide~~

section

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1 as well as local importance.

2 ~~—(c) A project of statewide as well as local importance may be under-~~  
3 ~~taken by the authority or a developer on behalf of the authority, in one~~  
4 ~~or more phases, within a redevelopment district, after the redevelopment~~  
5 ~~district has been established by the authority. To establish a redevelop-~~  
6 ~~ment district, the authority shall adopt a resolution stating its intent to~~  
7 ~~establish the redevelopment district, describing the boundaries of the~~  
8 ~~proposed district, identifying any proposed projects to be considered as~~  
9 ~~a part of the redevelopment district, and stating the time, place, and~~  
10 ~~manner that the authority will receive public written comment on the~~  
11 ~~proposed redevelopment district. The resolution shall be published once~~  
12 ~~each week for two consecutive weeks in a newspaper of general circula-~~  
13 ~~tion within the county in which the redevelopment district may be estab-~~  
14 ~~lished. A copy of the resolution shall be mailed to the governing bodies~~  
15 ~~of the county and the school district in which the proposed redevelop-~~  
16 ~~ment district is located. Upon conclusion of a public comment period of~~  
17 ~~not less than 10 days following the second publication, the authority may~~  
18 ~~adopt a resolution establishing the redevelopment district. Any addition~~  
19 ~~of area to the redevelopment district shall be subject to the same pro-~~  
20 ~~cedure as the original resolution that established the redevelopment~~  
21 ~~district.~~

22 ~~(d)~~ (c) Any redevelopment plan undertaken within the redevelop-  
23 ment district may be in separate development stages. Each plan shall be  
24 adopted according to the provisions of K.S.A. 2001 Supp. 74-8922, and  
25 amendments thereto, and shall fix a date for completion. Any project  
26 constituting a part of an approved redevelopment plan shall be completed  
27 on or before the final scheduled maturity of the first series of bonds issued  
28 to finance the redevelopment project.

29 ~~(e)~~ (d) Subject to the provisions of K S A. 2001 Supp. 74-8925, and  
30 amendments thereto, any increment in ad valorem property taxes result-  
31 ing from a redevelopment district undertaken in accordance with the  
32 provisions of this act, shall be apportioned to the redevelopment bond  
33 fund created pursuant to K.S.A. 2001 Supp. 74-8927, and amendments  
34 thereto, for the payment of the costs of ~~the an approved redevelopment~~  
35 ~~project of statewide as well as local importance, including the payment~~  
36 ~~of principal and interest on any bonds issued to finance such project~~  
37 ~~pursuant to this act and may be pledged to the payment of principal and~~  
38 ~~interest on such bonds. The maximum maturity of bonds issued to finance~~  
39 ~~projects of statewide as well as local importance pursuant to this section~~  
40 ~~and subsection (e) of K.S.A. 74-8905, and amendments thereto, shall not~~  
41 ~~exceed 20 years from the date of the issuance approval of the first~~  
42 ~~series of bonds issued to finance the redevelopment project. For the~~  
43 purposes of this act, "increment" means that amount of ad valorem taxes

1 collected from real property located within the redevelopment district  
2 that is in excess of the amount which is produced from such property and  
3 attributable to the assessed valuation of such property prior to the date  
4 the redevelopment district was established, as determined under the pro-  
5 visions of K.S.A. 2001 Supp. 74-8925, and amendments thereto.

to the state and its political subdivisions

6 (f) (e) Before any redevelopment district is established pursuant to  
7 K.S.A. 2001 Supp. 74-8921, and amendments thereto, a comprehensive  
8 feasibility study, which shows the benefits derived from such project will  
9 exceed the costs and that the income therefrom will be sufficient to pay  
10 for the project, shall be prepared by the developer and submitted to the  
11 ~~secretary of commerce and housing and the authority and a redevel-~~  
12 ~~opment agreement between the authority and the developer with respect~~  
13 ~~to implementing the redevelopment plan shall have been executed. Such~~  
14 ~~feasibility study shall be an open public record and the redevelopment~~  
15 ~~agreement shall be approved by the board of county commissioners of~~  
16 ~~the county in which the redevelopment district is located.~~

plan implementation

17 Sec. 8. K.S.A. 2001 Supp. 74-8922 is hereby amended to read as  
18 follows: 74-8922. (a) If the developer proposes to undertake a *redevel-*  
19 *opment* project ~~of statewide as well as local importance~~ within a redevel-  
20 opment district established pursuant to K.S.A. 2001 Supp. 74-8921, and  
21 amendments thereto, *at the sunflower army ammunition plant* the de-  
22 veloper shall prepare a redevelopment plan. The redevelopment plan  
23 shall include:

24 (1) A summary of the feasibility study required by K.S.A. 2001 Supp.  
25 74-8921, and amendments thereto;

26 (2) a reference to the redevelopment district established under  
27 K.S.A. 2001 Supp. 74-8921 and amendments thereto;

28 (3) a comprehensive description of the project ~~of statewide as well as~~  
29 ~~local importance;~~

30 (4) a description and map of the area to be redeveloped;

31 (5) a detailed description of the buildings and facilities proposed to  
32 be constructed or improved in such area; ~~and~~

33 ~~(6)~~ any other information the authority deems necessary to advise the  
34 public of the intent of the plan.

(6) a plan for the financing of the redevelopment project; and

35 (b) A copy of the proposed redevelopment plan shall be delivered by  
36 the developer to the authority, ~~the secretary of commerce and housing~~  
37 ~~and to the board of county commissioners of the Johnson county in which~~  
38 ~~the redevelopment district is located, and the board of county commis-~~  
39 ~~sioners shall determine, within 30 days after receipt of the plan, whether~~  
40 ~~the plan as proposed is consistent with the comprehensive general de-~~  
41 ~~velopment plan for the development of the area property. If the proposed~~  
42 ~~redevelopment plan is not consistent with the comprehensive general~~  
~~development plan, the board of county commissioners shall provide its~~

(7)

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1 ~~comments and objections to the authority, which shall modify, approve~~  
 2 ~~or deny the plan. If the redevelopment plan is consistent with the com-~~  
 3 ~~prehensive general development plan of the county, then the authority~~  
 4 ~~may adopt the redevelopment plan by a resolution passed by a majority~~  
 5 ~~of the board of directors of the authority. Any substantial changes to the~~  
 6 ~~plan as adopted shall be made in the same manner, with notice and ap-~~  
 7 ~~proval of the board of county commissioners and adoption of a resolution~~  
 8 ~~by the authority. A redevelopment plan may be adopted by the authority,~~  
 9 ~~pursuant to these procedures, at the same time that the authority estab-~~  
 10 ~~lishes the redevelopment district under K.S.A. 2001 Supp. 74-8921, and~~  
 11 ~~amendments thereto. Any redevelopment plan which proposes to under-~~  
 12 ~~take a project of statewide as well as local importance in a county which~~  
 13 ~~according to the 1990 decennial census contained a population greater~~  
 14 ~~than 25,000 shall be adopted prior to July 1, 2001 or, if a developer has~~  
 15 ~~complied with the provisions of K.S.A. 74-8030 and amendments thereto,~~  
 16 ~~2002.~~

17 (c) (1) Under no circumstances shall the state of Kansas, any of its  
 18 political subdivisions, the Kansas development finance authority or any  
 19 unit of local government assume responsibility or otherwise be respon-  
 20 sible for any environmental remediation which may be required to be  
 21 performed within the redevelopment district designated through any re-  
 22 development plan. ~~Any person or entity, other than the state, an instru-~~  
 23 ~~mentality of the state, or a unit of local government, who proposes to take~~  
 24 ~~legal title to land which is located at a site designated as a federal enclave~~  
 25 ~~prior to January 1, 1998, for the purpose of developing a project of state-~~  
 26 ~~wide as well as local importance shall: (1) prior to taking such title, enter~~  
 27 ~~into a consent decree agreement with the Kansas department of health~~  
 28 ~~and environment or the United States environmental protection agency~~  
 29 ~~under which such person or entity expressly agrees to be responsible for~~  
 30 ~~and to complete the remediation of all environmental contamination of~~  
 31 ~~such land according to established standards and levels for appropriate~~  
 32 ~~property uses, except that part, if any, of the remediation which is, by~~  
 33 ~~agreement approved by the governor, to be retained by the federal gov-~~  
 34 ~~ernment or any agency thereof and (2) prior to taking title to any of the~~  
 35 ~~land, provide prepaid third party financial guarantees to the state or an~~  
 36 ~~instrumentality thereof sufficient in form and amount to insure full and~~  
 37 ~~complete remediation of all of the land within the federal enclave as~~  
 38 ~~required in the consent decree agreement. Nothing in this section is in-~~  
 39 ~~tended and shall not be construed to relieve the United States army, the~~  
 40 ~~federal government or any agency thereof from any duty, responsibility~~  
 41 ~~or liability for any contamination or remediation of the land as may be~~  
 42 ~~imposed or required under state or federal law, and~~

43 Prior to taking title, possession or otherwise exercising control over the

Requires only to ensure remediation.

Leave in

1 land within a former federal enclave the sunflower army ammunition  
 2 plant or in any other way exposing the state to potential liability for en-  
 3 vironmental remediation of such property, the state or any instrumentality  
 4 of the state shall obtain the written opinion of ~~a competent attorney,~~  
 5 ~~specializing in environmental law and maintaining professional liability~~  
 6 ~~insurance,~~ regarding the state's potential liability resulting from taking  
 7 title, possession or otherwise exercising control over the land.

8 Sec. 9. K.S.A. 2001 Supp. 74-8923 is hereby amended to read as  
 9 follows: 74-8923. The authority may use the proceeds of bonds issued  
 10 pursuant to subsection (e) of K.S.A. 74-8905, and amendments thereto,  
 11 or upon approval by the board of county commissioners or other taxing  
 12 subdivision in which the redevelopment district is located any uncom-  
 13 mitted funds derived from those sources set forth in K.S.A. 2001 Supp.  
 14 74-8924, and amendments thereto, or other funds pledged for the pay-  
 15 ment of such bonds to implement the redevelopment plan, including the  
 16 ~~payment or reimbursement of all costs of the project of statewide as well~~  
 17 ~~as local importance~~ to the extent authorized in the redevelopment plan  
 18 implementation agreement adopted pursuant to K.S.A. 74-8921, and  
 19 amendments thereto. Any excess revenue ~~not otherwise needed or com-~~  
 20 ~~mitted for the repayment of bonds or other project costs authorized in~~  
 21 the agreement shall upon approval by the authority be paid out by the  
 22 state treasurer proportionately to the appropriate taxing authorities.

23 Sec. 10. K.S.A. 2001 Supp. 74-8924 is hereby amended to read as  
 24 follows: 74-8924. (a) Any bonds issued by the authority under subsection  
 25 (e) of K.S.A. 74-8905, and amendments thereto, *or by Johnson county*  
 26 *under this act* to finance the undertaking of any *redevelopment* project  
 27 ~~of statewide as well as local importance~~ in accordance with the provisions  
 28 of this act, shall be made payable, both as to principal and interest:

- 29 (1) From property tax increments allocated to, and paid into a special
- 30 fund of the authority under the provisions of K.S.A. 2001 Supp. 74-8925,
- 31 and amendments thereto;
- 32 (2) from revenues of the authority or the developer derived from or
- 33 held in connection with the undertaking and carrying out of any rede-
- 34 velopment plan under this act;
- 35 (3) from any private sources, contributions or other financial assis-
- 36 tance from the state or federal government;
- 37 (4) from the revenue collected by the state under K.S.A. 2001 Supp.
- 38 74-8927, and amendments thereto;
- 39 (5) from a portion or all increased revenue received by any city *or*
- 40 *county* from franchise fees collected from utilities and other businesses
- 41 using public right-of-way within the redevelopment district;
- 42 (6) from a portion or all of the revenue received from sales taxes
- 43 collected within the redevelopment district pursuant to K.S.A. 12-187,

the Kansas attorney general

Also prior to taking title, possession or otherwise exercising control over the land, Johnson county shall obtain and purchase adequate environmental insurance.

*is obtained and insurance for the property purchased to insure the property.*

from sources set forth in K.S.A. 2001 Supp. 74-8927, and amendments thereto, other than any revenues pledged from private sources which the authority has agreed in the redevelopment implementation agreement to such sources



1 and amendments thereto; or

2 (7) by any combination of these methods.

3 (b) The authority may pledge such revenue to the repayment of such  
4 bonds prior to, simultaneously with, or subsequent to the issuance of such  
5 bonds.

6 Sec. 11. K.S.A. 2001 Supp. 74-8925 is hereby amended to read as  
7 follows: 74-8925. (a) For the purposes of this act, the term "taxing sub-  
8 division" shall include the county, the city, the unified school district and  
9 any other taxing subdivision levying real property taxes, the territory or  
10 jurisdiction of which includes any currently existing or subsequently cre-  
11 ated redevelopment district. The term "real property taxes" includes all  
12 taxes levied on an ad valorem basis upon land and improvements thereon,  
13 other than the property tax levied pursuant to the provisions of K.S.A.  
14 2001 Supp. 72-6431, and amendments thereto or any other property tax  
15 levied by or on behalf of a school district.

16 (b) All tangible taxable property located within a redevelopment dis-  
17 trict shall be assessed and taxed for ad valorem tax purposes pursuant to  
18 law in the same manner that such property would be assessed and taxed  
19 if located outside such district, and all ad valorem taxes levied on such  
20 property shall be paid to and collected by the county treasurer in the  
21 same manner as other taxes are paid and collected. Except as otherwise  
22 provided in this section, the county treasurer shall distribute such taxes  
23 as may be collected in the same manner as if such property were located  
24 outside a redevelopment district. Each redevelopment district established  
25 under the provisions of this act shall constitute a separate taxing unit for  
26 the purpose of the computation and levy of taxes.

27 (c) Beginning with the first payment of taxes which are levied follow-  
28 ing the date of approval of any redevelopment district established pur-  
29 suant to K.S.A. 2001 Supp. 74-8921, and amendments thereto, real prop-  
30 erty taxes received by the county treasurer resulting from taxes which are  
31 levied subject to the provisions of this act by and for the benefit of a  
32 taxing subdivision, as herein defined, on property located within such  
33 redevelopment district constituting a separate taxing unit under the pro-  
34 visions of this section, shall be divided as follows:

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

21-1

1-13

1 (2) Any real property taxes produced from that portion of the current  
2 assessed valuation of real property within the redevelopment district con-  
3 stituting a separate taxing unit under the provisions of this section in  
4 excess of an amount equal to the total assessed value of such real property  
5 on the effective date of the establishment of the district shall be allocated  
6 and paid by the county treasurer according to specified percentages of  
7 the tax increment expressly agreed upon and consented to by the gov-  
8 erning bodies of the county and school district in which the redevelop-  
9 ment district is located. The amount of the real property taxes allocated  
10 and payable to the authority under the agreement shall be paid by the  
11 county treasurer to the treasurer of the state. The remaining amount of  
12 the real property taxes not payable to the authority shall be allocated and  
13 paid in the same manner as other ad valorem taxes. Any real property  
14 taxes paid to the state treasurer under this section shall be deposited in  
15 the redevelopment bond finance fund of the authority which is created  
16 pursuant to K.S.A. 2001 Supp. 74-8927, and amendments thereto, to pay  
17 the costs of ~~the any approved redevelopment project of statewide as well~~  
18 ~~as local importance~~, including the payment of principal of and interest on  
19 any bonds issued by the authority to finance, in whole or in part, such  
20 project. When such bonds and interest thereon have been paid, all mon-  
21 eys thereafter received from real property taxes within such redevelop-  
22 ment district shall be allocated and paid to the respective taxing subdivi-  
23 sions in the same manner as are other ad valorem taxes. If such bonds  
24 and interest thereon have been paid before the completion of a project,  
25 the authority may continue to use such moneys for any purpose author-  
26 ized by the redevelopment agreement until such time as the project costs  
27 are paid or reimbursed, but for a period not to exceed the final scheduled  
28 maturity of the bonds.

29 (d) In any redevelopment plan or in the proceedings for the issuing  
30 of any bonds by the authority to finance a project ~~of statewide as well as~~  
31 ~~local importance~~, the property tax increment portion of taxes provided  
32 for in paragraph (2) of subsection (c) may be irrevocably pledged for the  
33 payment of the principal of and interest on such bonds. The authority  
34 may adopt a redevelopment plan in which only a specified percentage of  
35 the tax increment realized from taxpayers in the redevelopment district  
36 is pledged to the payment of costs of the project of statewide as well as  
37 local importance.

38 Sec. 12. K.S.A. 2001 Supp. 74-8927 is hereby amended to read as  
39 follows: 74-8927. (a) Until the earlier of: (1) The date the bonds issued  
40 to finance or refinance the redevelopment undertaken in the redevelop-  
41 opment district have been paid in full; or (2) the final scheduled maturity  
42 date of the first series of bonds issued to finance the redevelopment  
43 project, all revenues collected or received from the state transient guest

J  
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1 tax established pursuant to K.S.A. 2001 Supp. 79-5301 through 79-5304,  
 2 and amendments thereto, any revenue from a county or countywide re-  
 3 tailers' sales tax levied or collected under K.S.A. 2001 Supp. 74-8929, and  
 4 amendments thereto, the state retailers' sales tax pursuant to K.S.A. 79-  
 5 3603, and amendments thereto, and the state compensating use tax, pur-  
 6 suant to K.S.A. 79-3703, and amendments thereto, which have been cer-  
 7 tified by the director of taxation to have been derived from taxpayers  
 8 located in a redevelopment district shall be remitted to the state treasurer  
 9 in accordance with the provisions of K.S.A. 75-4215, and amendments  
 10 thereto. Upon receipt of each such remittance, the state treasurer shall  
 11 deposit the entire amount in the state treasury.

12 (b) The state treasurer shall credit all such revenues to the redevel-  
 13 opment bond fund which is hereby established ~~in the state treasury~~. The  
 14 state treasurer shall make such ~~biannual~~ distributions on dates mutually  
 15 agreed upon by the treasurer and the authority. The authority shall use  
 16 all such moneys received pursuant to this section to pay the costs of a  
 17 ~~approved~~ redevelopment project of statewide as well as local importance  
 18 as described in K.S.A. 74-8902, and amendments thereto ~~projects [at the~~  
 19 ~~sunflower army ammunition plant]~~. Any revenues not needed or commit-  
 20 ted for the payment of bonds or other project costs as authorized by the  
 21 redevelopment plan implementation agreement shall upon approval by  
 22 the authority be remitted by the state treasurer proportionately to the  
 23 appropriate taxing authorities.

24 Sec. 13. K.S.A. 2001 Supp. 74-8929 is hereby amended to read as  
 25 follows: 74-8929. (a) Whenever a redevelopment district is proposed to  
 26 be established pursuant to section 1, and amendments thereto, by the  
 27 board of county commissioners or by the authority pursuant to K.S.A.  
 28 2001 Supp. 74-8921, and amendments thereto, the governing body of the  
 29 board of county commissioners of Johnson county ~~in which the redevel-~~  
 30 ~~opment district is proposed to be located may~~, in addition to any coun-  
 31 tywide retailers' sales tax authorized by K.S.A. 12-187, and amendments  
 32 thereto, or other specific statutory provisions, may adopt and impose a  
 33 county retailers' sales tax at a rate of .5% within the redevelopment dis-  
 34 trict, without submitting the question to an election and all revenue de-  
 35 rived from the county retailers' sales tax levied under this subsection shall  
 36 be pledged for the purposes of financing the redevelopment plan and  
 37 redevelopment projects.

38 (b) Notwithstanding any other statutory provision to the contrary,  
 39 whenever the governing body of a board of county commissioners of John-  
 40 son county adopts and imposes the county retailers' sales tax authorized  
 41 under subsection (a), then all revenue that is derived from a countywide  
 42 retailers' sales tax imposed by such the county pursuant to K.S.A. 12-187,  
 43 and amendments thereto, from taxpayers within the redevelopment dis-

and shall be held by the state treasurer as  
 custodian for the authority. Distributions  
 from the redevelopment bond fund shall not  
 require an appropriation by the legislature

to the extent authorized pursuant to a  
 redevelopment plan implementation agreement  
 approved pursuant to K.S.A. 2001 Supp.

74-8921, and amendments thereto,

1 trict, except those portions of such taxes which have otherwise been ex-  
2 pressly dedicated for other purposes by a prior pledge of ~~such~~ *the* county  
3 or by authorizing statute or voter approval, shall be considered to be  
4 dedicated for purposes of the redevelopment district and upon collection  
5 by the director of taxation, such revenues shall be remitted to the state  
6 treasurer in accordance with the provisions of K.S.A. 75-4215, and  
7 amendments thereto. Upon receipt of each such remittance, the state  
8 treasurer shall deposit the entire amount in the state treasury to the credit  
9 of the redevelopment bond fund established pursuant to K.S.A. 2001  
10 Supp. 74-8927, and amendments thereto, *if applicable, or to the rede-*  
11 *velopment bond fund established by the board of county commissioners.*

12 (c) All revenue derived from a county retailers' sales tax imposed  
13 under subsection (a) and collected under subsection (b) shall upon col-  
14 lection, be remitted to the state treasurer, as provided by K.S.A. 2001  
15 Supp. 74-8927, and amendments thereto, and may be pledged and used  
16 by the authority *or board* in like manner as other revenues collected or  
17 received under K.S.A. 2001 Supp. 74-8927, and amendments thereto.  
18 Whenever the authority has proposed to issue bonds pursuant to subsec-  
19 tion (e) of K.S.A. 74-8905, and amendments thereto, the county retailers'  
20 sales tax imposed under subsection (a) and the revenue collected under  
21 subsection (b) shall remain in effect and may not be reduced or rescinded  
22 by the governing body of the county until such time as the bonds have  
23 been fully paid. When such bonds have been fully paid, then (1) the  
24 county retailers' sales tax imposed under subsection (a) shall expire, unless  
25 otherwise renewed by action of the governing body of the county for  
26 purposes of implementing additional projects authorized ~~under the re-~~  
27 ~~development plan~~ for the redevelopment district; and (2) the revenues to  
28 be collected under subsection (b) may be rededicated for other purposes  
29 by resolution of the governing body of ~~such~~ *the* county and if not so  
30 rededicated then the revenues thereafter collected shall be used only for  
31 approved and authorized costs in the redevelopment district in accord-  
32 ance with ~~the approved~~ *redevelopment plan plans*. Upon rededication of  
33 the revenues under subsection (b), or in the event that no future rede-  
34 velopment projects or authorized costs remain for the redevelopment  
35 district, the revenues derived from the countywide retailers' sales tax cov-  
36 ered under subsection (b) shall thereafter be distributed to the county  
37 treasurer as required under K.S.A. 12-192, and amendments thereto.

38 New Sec. 14. Whenever a redevelopment district is established un-  
39 der this act and bonds are issued by the board of county commissioners  
40 or by the Kansas development finance authority for any redevelopment  
41 project in the district, such redevelopment project shall be regarded as a  
42 redevelopment project that was determined by the secretary of commerce  
43 and housing to be of statewide as well as local importance for the purposes

1 of K.S.A. 2001 Supp. 79-3620, 79-3620b and 79-3710, and amendments  
2 thereto.

3 Sec. 15. K.S.A. 2001 Supp. 74-8905, 74-8921, 74-8922, 74-8923, 74-  
4 8924, 74-8925, 74-8927 and 74-8929 are hereby repealed.

5 Sec. 16. This act shall take effect and be in force from and after its  
6 publication in the Kansas register.

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Sec. . K.S.A. 2001 Supp. 79-3603 is hereby amended to read as follows: 79-3603.

For the privilege of engaging in the business of selling tangible personal property at retail in this state or rendering or furnishing any of the services taxable under this act, there is hereby levied and there shall be collected and paid a tax at the rate of 4.9% and, within a redevelopment district established pursuant to K.S.A. 74-8921, and amendments thereto, ~~there is hereby levied and there shall be collected and paid an additional tax at the rate of 2% until the earlier of the date the bonds issued to finance or refinance the redevelopment project have been paid in full or the final scheduled maturity of the first series of bonds issued to finance any part of the project~~ upon:

(a) The gross receipts received from the sale of tangible personal property at retail within this state;

(b) (1) the gross receipts from intrastate telephone or telegraph services; (2) the gross receipts received from the sale of interstate telephone or telegraph services, which (A) originate within this state and terminate outside the state and are billed to a customer's telephone number or account in this state; or (B) originate outside this state and terminate within this state and are billed to a customer's telephone number or account in this state except that the sale of interstate telephone or telegraph service does not include: (A) Any interstate incoming or outgoing wide area telephone service or wide area transmission type service which entitles the subscriber to make or receive an unlimited number of communications to or from persons having telephone service in a specified area which is outside the state in which the station provided this service is located; (B) any interstate private communications service to the persons contracting for the receipt of

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March 14, 2002  
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that service that entitles the purchaser to exclusive or priority use of a communications channel or group of channels between exchanges; (C) any value-added nonvoice service in which computer processing applications are used to act on the form, content, code or protocol of the information to be transmitted; (D) any telecommunication service to a provider of telecommunication services which will be used to render telecommunications services, including carrier access services; or (E) any service or transaction defined in this section among entities classified as members of an affiliated group as provided by section 1504 of the federal internal revenue code of 1986, as in effect on January 1, 2001. For the purposes of this subsection the term gross receipts does not include purchases of telephone, telegraph or telecommunications using a prepaid telephone calling card or prepaid authorization number. As used in this subsection, a prepaid telephone calling card or prepaid authorization number means the right to exclusively make telephone calls, paid for in advance, with the prepaid value measured in minutes or other time units, that enables the origination of calls using an access number or authorization code or both, whether manually or electronically dialed; and (3) the gross receipts from the provision of services taxable under this subsection which are billed on a combined basis with nontaxable services, shall be accounted for and the tax remitted as follows: The taxable portion of the selling price of those combined services shall include only those charges for taxable services if the selling price for the taxable services can be readily distinguishable in the retailer's books and records from the selling price for the nontaxable services. Otherwise, the gross receipts from the sale of both taxable and nontaxable services billed on a combined basis shall be deemed attributable to the

2.2

taxable services included therein. Within 90 days of billing taxable services on a combined basis with nontaxable services, the retailer shall enter into a written agreement with the secretary identifying the methodology to be used in determining the taxable portion of the selling price of those combined services. The burden of proving that any receipt or charge is not taxable shall be upon the retailer. Upon request from the customer, the retailer shall disclose to the customer the selling price for the taxable services included in the selling price for the taxable and nontaxable services billed on a combined basis;

(c) the gross receipts from the sale or furnishing of gas, water, electricity and heat, which sale is not otherwise exempt from taxation under the provisions of this act, and whether furnished by municipally or privately owned utilities but such tax shall not be levied and collected upon the gross receipts from: (1) The sale of a rural water district benefit unit; (2) a water system impact fee, system enhancement fee or similar fee collected by a water supplier as a condition for establishing service; or (3) connection or reconnection fees collected by a water supplier;

(d) the gross receipts from the sale of meals or drinks furnished at any private club, drinking establishment, catered event, restaurant, eating house, dining car, hotel, drugstore or other place where meals or drinks are regularly sold to the public;

(e) the gross receipts from the sale of admissions to any place providing amusement, entertainment or recreation services including admissions to state, county, district and local fairs, but such tax shall not be levied and collected upon the gross receipts received from sales of admissions to any cultural and historical event which occurs triennially;

(f) the gross receipts from the

h.c

operation of any coin-operated device dispensing or providing tangible personal property, amusement or other services except laundry services, whether automatic or manually operated;

(g) the gross receipts from the service of renting of rooms by hotels, as defined by K.S.A. 36-501 and amendments thereto, or by accommodation brokers, as defined by K.S.A. 12-1692, and amendments thereto;

(h) the gross receipts from the service of renting or leasing of tangible personal property except such tax shall not apply to the renting or leasing of machinery, equipment or other personal property owned by a city and purchased from the proceeds of industrial revenue bonds issued prior to July 1, 1973, in accordance with the provisions of K.S.A. 12-1740 through 12-1749, and amendments thereto, and any city or lessee renting or leasing such machinery, equipment or other personal property purchased with the proceeds of such bonds who shall have paid a tax under the provisions of this section upon sales made prior to July 1, 1973, shall be entitled to a refund from the sales tax refund fund of all taxes paid thereon;

(i) the gross receipts from the rendering of dry cleaning, pressing, dyeing and laundry services except laundry services rendered through a coin-operated device whether automatic or manually operated;

(j) the gross receipts from the rendering of the services of washing and washing and waxing of vehicles;

(k) the gross receipts from cable, community antennae and other subscriber radio and television services;

(1) (1) except as otherwise provided by paragraph (2), the gross receipts received from the sales of tangible personal property to all contractors, subcontractors or repairmen for use by them in erecting structures, or building on, or otherwise improving, altering, or repairing real or

personal property.

(2) Any such contractor, subcontractor or repairman who maintains an inventory of such property both for sale at retail and for use by them for the purposes described by paragraph (1) shall be deemed a retailer with respect to purchases for and sales from such inventory, except that the gross receipts received from any such sale, other than a sale at retail, shall be equal to the total purchase price paid for such property and the tax imposed thereon shall be paid by the deemed retailer;

(m) the gross receipts received from fees and charges by public and private clubs, drinking establishments, organizations and businesses for participation in sports, games and other recreational activities, but such tax shall not be levied and collected upon the gross receipts received from: (1) Fees and charges by any political subdivision, by any organization exempt from property taxation pursuant to paragraph Ninth of K.S.A. 79-201, and amendments thereto, or by any youth recreation organization exclusively providing services to persons 18 years of age or younger which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, for participation in sports, games and other recreational activities; and (2) entry fees and charges for participation in a special event or tournament sanctioned by a national sporting association to which spectators are charged an admission which is taxable pursuant to subsection (e);

(n) the gross receipts received from dues charged by public and private clubs, drinking establishments, organizations and businesses, payment of which entitles a member to the use of facilities for recreation or entertainment, but such tax shall not be levied and collected upon the gross receipts received from: (1) Dues charged by any organization exempt from

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property taxation pursuant to paragraphs Eighth and Ninth of K.S.A. 79-201, and amendments thereto; and (2) sales of memberships in a nonprofit organization which is exempt from federal income taxation pursuant to section 501 (c)(3) of the federal internal revenue code of 1986, and whose purpose is to support the operation of a nonprofit zoo;

(o) the gross receipts received from the isolated or occasional sale of motor vehicles or trailers but not including: (1) The transfer of motor vehicles or trailers by a person to a corporation or limited liability company solely in exchange for stock securities or membership interest in such corporation or limited liability company; or (2) the transfer of motor vehicles or trailers by one corporation or limited liability company to another when all of the assets of such corporation or limited liability company are transferred to such other corporation or limited liability company; or (3) the sale of motor vehicles or trailers which are subject to taxation pursuant to the provisions of K.S.A. 79-5101 et seq., and amendments thereto, by an immediate family member to another immediate family member. For the purposes of clause (3), immediate family member means lineal ascendants or descendants, and their spouses. In determining the base for computing the tax on such isolated or occasional sale, the fair market value of any motor vehicle or trailer traded in by the purchaser to the seller may be deducted from the selling price;

(p) the gross receipts received for the service of installing or applying tangible personal property which when installed or applied is not being held for sale in the regular course of business, and whether or not such tangible personal property when installed or applied remains tangible personal property or becomes a part of real estate, except that no tax shall be imposed

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upon the service of installing or applying tangible personal property in connection with the original construction of a building or facility, the original construction, reconstruction, restoration, remodeling, renovation, repair or replacement of a residence or the construction, reconstruction, restoration, replacement or repair of a bridge or highway.

For the purposes of this subsection:

(1) "Original construction" shall mean the first or initial construction of a new building or facility. The term "original construction" shall include the addition of an entire room or floor to any existing building or facility, the completion of any unfinished portion of any existing building or facility and the restoration, reconstruction or replacement of a building or facility damaged or destroyed by fire, flood, tornado, lightning, explosion or earthquake, but such term, except with regard to a residence, shall not include replacement, remodeling, restoration, renovation or reconstruction under any other circumstances;

(2) "building" shall mean only those enclosures within which individuals customarily are employed, or which are customarily used to house machinery, equipment or other property, and including the land improvements immediately surrounding such building;

(3) "facility" shall mean a mill, plant, refinery, oil or gas well, water well, feedlot or any conveyance, transmission or distribution line of any cooperative, nonprofit, membership corporation organized under or subject to the provisions of K.S.A. 17-4601 et seq., and amendments thereto, or of any municipal or quasi-municipal corporation, including the land improvements immediately surrounding such facility; and

(4) "residence" shall mean only those enclosures within which individuals

customarily live;

(q) the gross receipts received for the service of repairing, servicing, altering or maintaining tangible personal property, except computer software described in subsection (s), which when such services are rendered is not being held for sale in the regular course of business, and whether or not any tangible personal property is transferred in connection therewith. The tax imposed by this subsection shall be applicable to the services of repairing, servicing, altering or maintaining an item of tangible personal property which has been and is fastened to, connected with or built into real property;

(r) the gross receipts from fees or charges made under service or maintenance agreement contracts for services, charges for the providing of which are taxable under the provisions of subsection (p) or (q);

(s) the gross receipts received from the sale of computer software, and the sale of the services of modifying, altering, updating or maintaining computer software. As used in this subsection, "computer software" means information and directions loaded into a computer which dictate different functions to be performed by the computer. Computer software includes any canned or prewritten program which is held or existing for general or repeated sale, even if the program was originally developed for a single end user as custom computer software. The sale of computer software or services does not include: (1) The initial sale of any custom computer program which is originally developed for the exclusive use of a single end user; or (2) those services rendered in the modification of computer software when the modification is developed exclusively for a single end user only to the extent of the modification and only to the extent that the actual amount charged for the modification is separately stated on invoices, statements and

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other billing documents provided to the end user. The services of modification, alteration, updating and maintenance of computer software shall only include the modification, alteration, updating and maintenance of computer software taxable under this subsection whether or not the services are actually provided;

(t) the gross receipts received for telephone answering services, including mobile phone services, beeper services and other similar services;

(u) the gross receipts received from the sale of prepaid telephone calling cards or prepaid authorization numbers and the recharge of such cards or numbers. A prepaid telephone calling card or prepaid authorization number means the right to exclusively make telephone calls, paid for in advance, with the prepaid value measured in minutes or other time units, that enables the origination of calls using an access number or authorization code or both, whether manually or electronically dialed. If the sale or recharge of such card or number does not take place at the vendor's place of business, it shall be conclusively determined to take place at the customer's shipping address; if there is no item shipped then it shall be the customer's billing address; and

(v) the gross receipts received from the sales of bingo cards, bingo faces and instant bingo tickets by licensees under K.S.A. 79-4701, et seq., and amendments thereto, shall be taxed at a rate of: (1) 4.9% on July 1, 2000, and before July 1, 2001; and (2) 2.5% on July 1, 2001, and before July 1, 2002. From and after July 1, 2002, all sales of bingo cards, bingo faces and instant bingo tickets by licensees under K.S.A. 79-4701 et seq., and amendments thereto, shall be exempt from taxes imposed pursuant to this section.

5.  
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Sec. . K.S.A. 2001 Supp. 79-3603b is hereby amended to read as follows: 79-3603b. For the privilege of engaging in the business of selling tangible personal property at retail in this state or rendering or furnishing any of the services taxable under this act, there is hereby levied and there shall be collected and paid a tax at the rate of 4.9% unless otherwise specifically provided by law. Within a redevelopment district established pursuant to K.S.A. 74-8921, and amendments thereto, ~~there is hereby levied and there shall be collected and paid an additional tax at the rate of 2% until the earlier of the date the bonds issued to finance or refinance the redevelopment project have been paid in full or the final scheduled maturity of the first series of bonds issued to finance any part of the project~~ upon:

(a) The gross receipts received from the sale of tangible personal property at retail within this state;

(b) (1) the gross receipts from intrastate telephone or telegraph services and (2) the gross receipts received from the sale of interstate telephone or telegraph services, which (A) originate within this state and terminate outside the state and are billed to a customer's telephone number or account in this state; or (B) originate outside this state and terminate within this state and are billed to a customer's telephone number or account in this state except that the sale of interstate telephone or telegraph service does not include: (A) Any interstate incoming or outgoing wide area telephone service or wide area transmission type service which entitles the subscriber to make or receive an unlimited number of communications to or from persons having telephone service in a specified area which is outside the state in which the station provided this service is located; (B) any interstate private communications service to

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the persons contracting for the receipt of that service that entitles the purchaser to exclusive or priority use of a communications channel or group of channels between exchanges; (C) any value-added nonvoice service in which computer processing applications are used to act on the form, content, code or protocol of the information to be transmitted; (D) any telecommunication service to a provider of telecommunication services which will be used to render telecommunications services, including carrier access services; or (E) any service or transaction defined in this section among entities classified as members of an affiliated group as provided by federal law ([26] U.S.C. Section 1504). For the purposes of this subsection the term gross receipts does not include purchases of telephone, telegraph or telecommunications using a repaid telephone calling card or prepaid authorization number. As used in this subsection, a prepaid telephone calling card or prepaid authorization number means the right to exclusively make telephone calls, paid for in advance, with the prepaid value measured in minutes or other time units, that enables the origination of calls using an access number or authorization code or both, whether manually or electronically dialed;

(c) the gross receipts from the sale or furnishing of gas, water, electricity and heat, which sale is not otherwise exempt from taxation under the provisions of this act, and whether furnished by municipally or privately owned utilities;

(d) the gross receipts from the sale of meals or drinks furnished at any private club, drinking establishment, catered event, restaurant, eating house, dining car, hotel, drugstore or other place where meals or drinks are regularly sold to the public;

(e) the gross receipts from the sale of admissions to any place providing amusement, entertainment or recreation services

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including admissions to state, county, district and local fairs, but such tax shall not be levied and collected upon the gross receipts received from sales of admissions to any cultural and historical event which occurs triennially;

(f) the gross receipts from the operation of any coin-operated device dispensing or providing tangible personal property, amusement or other services except laundry services, whether automatic or manually operated;

(g) the gross receipts from the service of renting of rooms by hotels, as defined by K.S.A. 36-501 and amendments thereto, or by accommodation brokers, as defined by K.S.A. 12-1692, and amendments thereto;

(h) the gross receipts from the service of renting or leasing of tangible personal property except such tax shall not apply to the renting or leasing of machinery,

equipment or other personal property owned by a city and purchased from the proceeds of industrial revenue bonds issued prior to July 1, 1973, in accordance with the provisions of K.S.A. 12-1740 through 12-1749, and amendments thereto, and any city or lessee renting or leasing such machinery, equipment or other personal property purchased with the proceeds of such bonds who shall have paid a tax under the provisions of this section upon sales made prior to July 1, 1973, shall be entitled to a refund from the sales tax refund fund of all taxes paid thereon;

(i) the gross receipts from the rendering of dry cleaning, pressing, dyeing and laundry services except laundry services rendered through a coin-operated device whether automatic or manually operated;

(j) the gross receipts from the rendering of the services of washing and washing and waxing of vehicles;

(k) the gross receipts from cable, community antennae and other subscriber radio and television services;

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(l) the gross receipts received from the sales of tangible personal property to all contractors, subcontractors or repairmen of materials and supplies for use by them in erecting structures for others, or building on, or otherwise improving, altering, or repairing real or personal property of others;

(m) the gross receipts received from fees and charges by public and private clubs, drinking establishments, organizations and businesses for participation in sports, games and other recreational activities, but such tax shall not be levied and collected upon the gross receipts received from: (1) Fees and charges by any political subdivision, by any organization exempt from property taxation pursuant to paragraph Ninth of K.S.A. 79-201, and amendments thereto, or by any youth recreation organization exclusively providing services to persons 18 years of age or younger which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, for participation in sports, games and other recreational activities; and (2) entry fees and charges for participation in a special event or tournament sanctioned by a national sporting association to which spectators are charged an admission which is taxable pursuant to subsection (e);

(n) the gross receipts received from dues charged by public and private clubs, drinking establishments, organizations and businesses, payment of which entitles a member to the use of facilities for recreation or entertainment, but such tax shall not be levied and collected upon the gross receipts received from: (1) Dues charged by any organization exempt from property taxation pursuant to paragraphs Eighth and Ninth of K.S.A. 79-201, and amendments thereto; and (2) sales of memberships in a nonprofit organization which is exempt from federal income taxation

pursuant to section 501 (c)(3) of the federal internal revenue code of 1986, and whose purpose is to support the operation of a nonprofit zoo;

(o) the gross receipts received from the isolated or occasional sale of motor vehicles or trailers but not including: (1) The transfer of motor vehicles or trailers by a person to a corporation solely in exchange for stock securities in such corporation; or (2) the transfer of motor vehicles or trailers by one corporation to another when all of the assets of such corporation are transferred to such other corporation; or (3) the sale of motor vehicles or trailers which are subject to taxation pursuant to the provisions of K.S.A. 79-5101 et seq., and amendments thereto, by an immediate family member to another immediate family member. For the purposes of clause (3), immediate family member means lineal ascendants or descendants, and their spouses. In determining the base for computing the tax on such isolated or occasional sale, the fair market value of any motor vehicle or trailer traded in by the purchaser to the seller may be deducted from the selling price;

(p) the gross receipts received for the service of installing or applying tangible personal property which when installed or applied is not being held for sale in the regular course of business, and whether or not such tangible personal property when installed or applied remains tangible personal property or becomes a part of real estate, except that no tax shall be imposed upon the service of installing or applying tangible personal property in connection with the original construction of a building or facility, the original construction, reconstruction, restoration, remodeling, renovation, repair or replacement of a residence or the construction, reconstruction, restoration, replacement or repair of a bridge or highway.

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For the purposes of this subsection:

(1) "Original construction" shall mean the first or initial construction of a new building or facility. The term "original construction" shall include the addition of an entire room or floor to any existing building or facility, the completion of any unfinished portion of any existing building or facility and the restoration, reconstruction or replacement of a building or facility damaged or destroyed by fire, flood, tornado, lightning, explosion or earthquake, but such term, except with regard to a residence, shall not include replacement, remodeling, restoration, renovation or reconstruction under any other circumstances;

(2) "building" shall mean only those enclosures within which individuals customarily are employed, or which are customarily used to house machinery, equipment or other property, and including the land improvements immediately surrounding such building;

(3) "facility" shall mean a mill, plant, refinery, oil or gas well, water well, feedlot or any conveyance, transmission or distribution line of any cooperative, nonprofit, membership corporation organized under or subject to the provisions of K.S.A. 17-4601 et seq., and amendments thereto, or of any municipal or quasi-municipal corporation, including the land improvements immediately surrounding such facility; and

(4) "residence" shall mean only those enclosures within which individuals customarily live;

(q) the gross receipts received for the service of repairing, servicing, altering or maintaining tangible personal property, except computer software described in subsection (s), which when such services are rendered is not being held for sale in the regular course of business, and whether or not any tangible personal property is

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transferred in connection therewith. The tax imposed by this subsection shall be applicable to the services of repairing, servicing, altering or maintaining an item of tangible personal property which has been and is fastened to, connected with or built into real property;

(r) the gross receipts from fees or charges made under service or maintenance agreement contracts for services, charges for the providing of which are taxable under the provisions of subsection (p) or (q);

(s) the gross receipts received from the sale of computer software, and the sale of the services of modifying, altering, updating or maintaining computer software. As used in this subsection, "computer software" means information and directions loaded into a computer which dictate different functions to be performed by the computer. Computer software includes any canned or prewritten program which is held or existing for general or repeated sale, even if the program was originally developed for a single end user as custom computer software. The sale of computer software or services does not include: (1) The initial sale of any custom computer program which is originally developed for the exclusive use of a single end user; or (2) those services rendered in the modification of computer software when the modification is developed exclusively for a single end user only to the extent of the modification and only to the extent that the actual amount charged for the modification is separately stated on invoices, statements and other billing documents provided to the end user. The services of modification, alteration, updating and maintenance of computer software shall only include the modification, alteration, updating and maintenance of computer software taxable under this subsection whether or not the services are actually provided; and

(t) the gross receipts received for

telephone answering services, including mobile phone services, beeper services and other similar services;

(u) the gross receipts received from the sale of prepaid telephone calling cards or prepaid authorization numbers and the recharge of such cards or numbers. A prepaid telephone calling card or prepaid authorization number means the right to exclusively make telephone calls, paid for in advance, with the prepaid value measured in minutes or other time units, that enables the origination of calls using an access number or authorization code or both, whether manually or electronically dialed. If the sale or recharge of such card or number does not take place at the vendor's place of business, it shall be conclusively determined to take place at the customer's shipping address; if there is no item shipped then it shall be the customer's billing address; and

(v) the gross receipts received from the sales of bingo cards, bingo faces and instant bingo tickets by licensees under K.S.A. 79-4701, et seq., and amendments thereto, shall be taxed at a rate of: (1) 4.9% on July 1, 2000, and before July 1, 2001; and (2) 2.5% on July 1, 2001, and before July 1, 2002. From and after July 1, 2002, all sales of bingo cards, bingo faces and instant bingo tickets by licensees under K.S.A. 79-4701 et seq., and amendments thereto, shall be exempt from taxes imposed pursuant to this section.

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Sec. . K.S.A. 2001 Supp. 74-8902 is hereby amended to read as follows: 74-8902. The following words or terms used in this act shall have the following meanings unless a different meaning clearly appears from the context:

(a) "Act" means the Kansas development finance authority act.

(b) "Authority" means the Kansas development finance authority created by K.S.A. 74-8903, and amendments thereto.

(c) "Agricultural business enterprises" means facilities supporting or utilized in the operation of farms, ranches and other agricultural, aquacultural or silvicultural commodity producers and services provided in conjunction with the foregoing.

"Agricultural business enterprise" shall not include a swine production facility on agricultural land which is owned, acquired, obtained or leased by a corporation, limited liability company, limited partnership, corporate partnership or trust.

(d) "Agricultural land," "corporation," "corporate partnership," "limited liability company," "limited partnership," "swine production facility" and "trust" have the meanings ascribed pursuant to K.S.A. 17-5903, and amendments thereto.

(e) "Board of directors" means the board of directors of the authority created by K.S.A. 74-8903, and amendments thereto.

(f) "Bonds" means any bonds, notes, debentures, interim certificates, grant and revenue anticipation notes, interest in a lease, lease certificate of participation or other evidences of indebtedness, whether or not the interest on which is subject to federal income taxation, issued by the authority pursuant to this act.

(g) "Capital improvements" means any physical public betterment or improvement or any preliminary plans, studies or surveys relative thereto; land or rights in land, including, without limitations, leases, air

rights, easements, rights-of-way or licenses; and any furnishings, machinery, vehicles, apparatus or equipment for any public betterment or improvement.

(h) "Construct" means to acquire or build, in whole or in part, in such manner and by such method as the authority shall determine to be in the public interest and necessary to accomplish the purposes of and authority set forth in this act.

(i) "Loans" means loans made for the purposes of financing any of the activities authorized within this act, including loans made to financial institutions for funding or as security for loans made for accomplishing any of the purposes of this act and reserves and expenses appropriate or incidental thereto.

(j) "Educational facilities" means real, personal and mixed property of any and every kind intended by an educational institution in furtherance of its educational program.

(k) "Facilities" means any real property, personal property or mixed property of any and every kind.

(l) "Health care facilities" means facilities for furnishing physical or mental health care.

(m) "Housing development" means any work or undertaking, whether new construction or rehabilitation, which is designed and financed pursuant to the provisions of this act for the primary purpose of providing dwelling accommodations for elderly persons and families of low income in need of housing.

(n) "Industrial enterprise" means facilities for manufacturing, producing, processing, assembling, repairing, extracting, warehousing, distributing, communications, computer services, transportation, corporate and management offices and services provided in connection with any of the foregoing, in isolation or in any combination, that involve the creation of

new or additional employment or the retention of existing employment.

(o) "Political subdivision" means political or taxing subdivisions of the state, including municipal and quasi-municipal corporations, boards, commissions, authorities, councils, committees, subcommittees and other subordinate groups or administrative units thereof, receiving or expending and supported, in whole or in part, by public funds.

(p) "Pooled bonds" means bonds of the authority, the interest on which is subject to federal income taxation, which are issued for the purpose of acquiring bonds issued by two or more political subdivisions.

~~(q) "Project of statewide as well as local importance" means a project as to which the secretary of commerce and housing has made a finding that at least: (i) Capital improvements costing not less than \$300,000,000 or, if constructed in a county which according to the 1990 decennial census contained a population of 25,000 or less, costing not less than \$5,000,000 will be built in the state for such project; (ii) not less than 1,500 or, if created in a county which according to the 1990 decennial census contained a population of 25,000 or less, not less than 150 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 project; (iii) is located outside of the city limits of any city at the time of such finding; and (iv) is to be located at a site designated as a federal enclave as of January 1, 1998.~~

(r) "State" means the state of Kansas.

(s) "State agency" means any office, department, board, commission, bureau, division, public corporation, agency or instrumentality of this state.



# Gaches, Braden, Barbee & Associates

## Governmental Affairs & Association Management

300 SW EIGHTH • THIRD FLOOR • TOPEKA, KANSAS 66603-3912 • 785-233-4512 • FAX 785-233-2206

**Senate Commerce Committee**  
**Testimony submitted on behalf of Intrust Bank**  
**Regarding HB 2676: Relating to Credit Card Receipts**  
**Submitted by Ron Gaches**  
**March 14, 2002**

Intrust Bank is one of the few banks located in Kansas issuing credit cards. Intrust services just fewer than 4000 retail credit card accounts, including retailers large and small across the state. Retailers must purchase or lease the credit card receipt machines used in their businesses. Approximately 1,600 retailers lease machines from Intrust. The remaining 2,400 have purchased machines from various credit card machine vendors.

The financial burden for upgrading machines to comply with the requirements of HB 2676 will fall on retailers, not banks.

Currently, terminal software applications are available for major industries that will comply with the requirements of HB 2676. But for many smaller businesses, terminal software needed to comply with HB 2676 has not yet been developed.

Intrust Bank has made the requirements of HB 2676 known to their terminal supplier, who has decline to commit to dates when they could have software available for updating all Intrust retail accounts. Larger industries, and larger credit card accounts, will find it possible to spend the resources needed to find alternative suppliers in the marketplace. Smaller industries, and smaller credit card accounts, will find it financial burdensome to update or replace their machines in compliance with the bill.

Accordingly, Intrust urges the Committee to consider a one-year deferral in the deadlines contain in Section 1 (c) of the bill.

Senate Commerce Committee  
March 14, 2002  
Attachment 4-1

3  
4 HOUSE BILL No. 2676

5  
6 By Representative Huff

7  
8 1-23  
9

10 AN ACT relating to credit cards [and debit cards]; providing certain  
11 restrictions on electronically printed receipts.  
12

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

14 Section 1. (a) No person, firm, partnership, association or corpora-  
15 tion which accepts credit cards [or debit cards] shall print more than  
16 the last five digits of the credit card [or debit card] account number or  
17 print the credit card [or debit card] expiration date on a credit card [or  
18 debit card] receipt issued to the cardholder.

19 (b) This section shall apply only to receipts that are electronically  
20 printed and shall not apply to transactions in which the sole means of  
21 recording the credit card number is by handwriting or by an imprint or  
22 copy of the credit card.

23 (c) This section applies on July 1, 2003, to any cash register or other  
24 machine or device that electronically prints receipts for credit card [or  
25 debit card] transactions and is placed into service on or after July 1,  
26 2003, and on July 2004, to any cash register or other machine or device  
27 that electronically prints receipts for credit card [or debit card] trans-  
28 actions and is placed into service prior to July 1, 2003.

29 (d) Violation of this section shall be deemed an unconscionable act  
30 as defined by K.S.A. 50-627, and amendments thereto.

31 (e) This section shall be part of and supplemental to the Kansas con-  
32 sumer protection act.

33 Sec. 2. This act shall take effect and be in force from and after its  
34 publication in the statute book.  
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