

MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Senator Karin Brownlee at 8:30 a.m. on March 19, 2002 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Norman Furse, Revisor of Statutes
Sherman Parks, Revisor of Statutes
April Holman, Legislative Research
Lea Gerard, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list.

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

Norman Furse, Revisor of Statutes briefed the committee on the balloon amendments for **SB 611** (Attachment 1). Norman stated there were a number of changes in the bill due to some new information the Chairperson received from various officials of the United States government and other sources. There were recommendations and changes made to the language regarding covenant of transfer. The Federal Early Transfer Regulation does not allow a covenant of transfer until the clean-up is completed. If remediation is still in process, the United States can transfer the property and provide the covenant at a later date, but cannot provide the covenant prior to having the remediation done.

Chairperson Brownlee stated that Senator Steineger had an amendment which will be introduced as a separate bill. She explained that both bills have very significant issues. In answer to the question on the need for the bill now and how imminent is the transfer of the land, Chairperson Brownlee stated she had a conversation with Blaine Hastings, GSA, and he hoped to have the one lawsuit with TOTO resolved this fall and transfer of the property should begin by the end of this year.

During committee discussion regarding clean-up liability and the number of years pledged for TIF and STAR Bonds, Senator Jordan requested information from the KDFA on the impact of using 5-year bonds versus the 20-year bonds.

Senator Steineger moved, seconded by Senator Jordan to approve all the amendments on Page 1 of SB 611. Motion carried.

Senator Steineger moved, seconded by Senator Jordan to approve all the amendments on Page 2 of SB 611. Motion carried.

Senator Steineger moved, seconded by Senator Jordan, that SB 611 be amended on Page 6, Line 34, to insert after the word "thereto" "or by Johnson or Labette county in accordance with the provisions of this act". Motion carried.

Senator Jordan moved, seconded by Senator Steineger, that SB 611 be amended on Page 9, Line 37 and 38 to strike the words after "county", "in which the redevelopment district is located" and insert after the words "Johnson county" "the county in which the redevelopment district is located". Motion carried.

Senator Jordan moved, seconded by Senator Emler to approve all the amendments on Page 10 of SB 611 and to strike the word "army" everytime referenced; the second balloon, third line to strike the words "the state or" and should read "to any subdivision of the state". Motion carried.

Senator Jordan moved, seconded by Senator Steineger to approve all the amendments on Page 11 of SB 611. Motion carried.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON COMMERCE at on March 19, 2002 in Room 123-S of the Capitol.

Senator Steineger moved, seconded by Senator Jordan to approve all the amendments on Page 14 and 16 of SB 611. Motion carried.

Senator Jordan moved, seconded by Senator Steineger to make this a Senate Substitute bill for SB 611. Motion carried.

Meeting adjourned at 9:30 a.m.

The next meeting is scheduled for Wednesday, March 20, 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 *Be it enacted by the Legislature of the State of Kansas:*

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

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

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

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

concerning Johnson and Labette counties;

74-8902,

New Section 1. As used in sections 1 to
 6, inclusive, and section 16, and amendments
 thereto, "board" or "board of county
 commissioners" means the board of county
 commissioners of Johnson county or the board
 of county commissioners of Labette county.

Renumber sections accordingly

president

Senate Commerce Committee
 March 19, 2002
 Attachment 1-1

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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.

Johnson or Labette county

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.

and Johnson or Labette county

section

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:

to the state and its political subdivisions

- 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-

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
to provide financial assistance for the redevelopment project, then the
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. ~~70-8924~~ 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
to, simultaneously with or subsequent to the issuance of such bonds.

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

(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)

74-8924

, but if both property and sales taxes are
pledged to pay the principle and interest of
such bonds, the maximum number of years of
maturity of the bonds shall be five years

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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.

Insert K.S.A. 2001 Supp. 74-8902 as Sec. 6.
(attached) and renumber the remaining
sections accordingly.

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-

Sec. 6. 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

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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 \$1,000,000 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 1,750 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) (q) "State" means the state of Kansas.

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

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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
1 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

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[or by Johnson or Labette 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 act.

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

section

1 as well as local importance.

2 ~~—(e) 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 ~~30~~ 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

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

to the state and its political subdivisions

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

plan implementation

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

,

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

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

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

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

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

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

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

(7)

(b) A copy of the proposed redevelopment plan shall be delivered by the developer to the authority, the secretary of commerce and housing and to the board of county commissioners of the Johnson county in which the redevelopment district is located, and the board of county commissioners shall determine, within 30 days after receipt of the plan, whether the plan as proposed is consistent with the comprehensive general development plan for the development of the area property. If the proposed redevelopment plan is not consistent with the comprehensive general development plan, the board of county commissioners shall provide its

the county in which the redevelopment district is located

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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 1000 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. 74-8930 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

, or any fees which may relate thereto,

, and any attorney fees incurred by the state of Kansas as a defendant in any litigation arising from any such environmental remediation or fees relating thereto shall be paid by the party or parties bringing the litigation or otherwise causing the state of Kansas to be a party to the litigation

At the time of transfer of any real property located within a federal enclave in Johnson and Labette counties from the United States army to the state or any subdivision of the state, including Johnson and Labette counties, if all remedial action necessary to protect human health and the environment has been taken, a covenant of transfer shall be made by the United States army to this effect in compliance with the provisions of 42 U.S.C. 9620 et seq. and amendments thereto. If at the time of transfer such property is still in the remediation process, the covenant of transfer may be deferred pending the completion of the remediation by the United States army with a separate covenant of transfer covering the property to be provided at a future date stating that the site has been fully remediated as provided in 42 U.S.C. 9620 and amendments thereto. 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.

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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.

the Kansas attorney general

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.

Also 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.

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:

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

or Labette county

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;

, other than an increment derived from ad valorem taxes levied by or on behalf of a school district,

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
 1 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,

and amendments thereto; or

(7) by any combination of these methods.

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

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

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

(c) Beginning with the first payment of taxes which are levied following the date of approval of any redevelopment district established pursuant to K.S.A. 2001 Supp. 74-8921, and amendments thereto, real property taxes received by the county treasurer resulting from taxes which are levied subject to the provisions of this act by and for the benefit of a taxing subdivision, as herein defined, on property located within such redevelopment district constituting a separate taxing unit under the provisions of this section, shall be divided as follows:

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

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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 ment 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

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tax established pursuant to K.S.A. 2001 Supp. 79-5301 through 79-5304, and amendments thereto, any revenue from a county or countywide retailers' sales tax levied or collected under K.S.A. 2001 Supp. 74-8929, and amendments thereto, the state retailers' sales tax pursuant to K.S.A. 79-3603, and amendments thereto, and the state compensating use tax, pursuant to K.S.A. 79-3703, and amendments thereto, which have been certified by the director of taxation to have been derived from taxpayers located in a redevelopment district shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury.

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

Sec. 13. K.S.A. 2001 Supp. 74-8929 is hereby amended to read as follows: 74-8929. (a) Whenever a redevelopment district is proposed to be established pursuant to section 1, and amendments thereto, by the board of county commissioners or by the authority pursuant to K.S.A. 2001 Supp. 74-8921, and amendments thereto, the governing body of the board of county commissioners of Johnson county in which the redevelopment district is proposed to be located ~~may~~ in addition to any countywide retailers' sales tax authorized by K.S.A. 12-187, and amendments thereto, or other specific statutory provisions, may adopt and impose a county retailers' sales tax at a rate of .5% within the redevelopment district, without submitting the question to an election and all revenue derived from the county retailers' sales tax levied under this subsection shall be pledged for the purposes of financing the redevelopment plan and redevelopment projects.

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

or 79-3603b

except that notwithstanding the provisions of K.S.A. 79-3603 or 79-3603b, and amendments thereto, to the contrary, the additional tax at the rate of 2% to be collected within a redevelopment district shall not apply to a redevelopment district created under K.S.A. 74-8921, and amendments thereto, for the purposes of sections 1 to 6, inclusive, and amendments thereto,

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,

(c) The tax levied pursuant to subsection (b) of K.S.A. 72-6431, and amendments thereto, shall not be used for the purpose of paying any portion of the principal and interest on bonds issued pursuant to sections 1 through 6 and amendments thereto

or the board of county commissioners of Labette county

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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~~ *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.

Renumber sections accordingly

74-8902,

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