

MINUTES OF THE HOUSE ECONOMIC DEVELOPMENT COMMITTEE

The meeting was called to order by Chairman Kenny Wilk at 1:30 p.m. on April 28, 2004 in Room 313-S of the Capitol.

All members were present.

Committee staff present:

Kathie Sparks, Legislative Research Department  
Renae Jefferies, Office of Revisor of Statutes  
Helen Pedigo, Office of Revisor of Statutes  
Fulva Seufert, Secretary

Conferees appearing before the committee:

Secretary Wagon, Department of Revenue  
Matt Jordan, Department of Commerce  
Steve Weatherford, KDFFA

Others attending:

See Attached List.

Chairman Wilk announced that this was a continuation of yesterday's meeting concerning **SB 395**. The Chair recognized Secretary Joan Wagon, Department of Revenue, who explained the amendments to **SB 395 - Payment Sources of Tax Revenue Bonds**.

Secretary Wagon stated that the bill should not include "fixtures" which refers to anything affixed to the building. She said the word "furnishings" is preferred because it is broader than furniture. She explained that the first six pages of the bill have been stricken because they are tax related. (Attachment 1)

The Chair recognized Mr. Matt Jordan, Department of Commerce, who explained the Statement of Policy and Legislative Intention Regarding K.S.A. 12-1770 et seq. (The "STAR Bonds Act"). Mr. Jordan said that this addressed the general issue of construction of buildings and reaffirms current law. In effect, he said, it simply clarifies that a developer would not be able to own and operate a facility constructed with STAR Bonds. (Attachment 2)

The Chairman instructed the secretary to include this entire statement in the minutes.

TO: Kansas House of Representatives Economic Development Committee

FROM: Kansas Department of Commerce

SUBJECT: Statement of Policy and Legislative Intention Regarding K.S.A. 12-1770 et seq (the "STAR Bonds Act")

STAR Bonds financing as outlined in K.S.A. 12-1770 et seq ("the STAR Bonds Act") is a powerful economic development tool that can significantly assist a city in revitalizing a blighted area within its boundaries or developing new attractions that will stimulate the economics of the city, the region in which the city is located and the state as a whole.

The STAR Bonds Act calls for a thorough analysis and potentially expensive application process on the part of any city that would seek to use this financing tool. It is also clear in requiring the opportunity for substantial public scrutiny and input during this process. This statement of policy and legislative intention will have the effect of providing needed direction to any city that would consider seeking STAR Bonds financing.

Through this statement of policy and legislative intention, the Committee affirms that the STAR Bonds Act

## CONTINUATION SHEET

MINUTES OF THE HOUSE ECONOMIC DEVELOPMENT COMMITTEE at 1:30 p.m. on April 28, 2004 in Room 313-S of the Capitol.

states STAR Bonds financing may be used to pay the costs of constructing a building or structure that is included in a redevelopment district provided the building or structure is not owned by a leased to a developer. The STAR Bonds Act goes on to define a developer as "any person, firm, corporation, partnership or limited liability company, other than a city." Consistent with this the use of STAR Bonds financing for the construction of a building or structure within the redevelopment district is allowed when the building or structure will be owned and operated by the city.

The Chair recognized Ms. Helen Pedigo, Revisor of Statutes, gave an explanation of **SB 395** balloon. The following amendments were proposed:

- The basic premise of **SB 395** to redirect sales tax revenue attributed to the redevelopment district when a special bond project was in place prior to January 1, 2003
- STAR Bonds shall not finance personal property including, but not limited to, fixtures, furniture or equipment
- Redevelopment districts may be established wholly outside the city boundaries with approval of the county commission
- Department of Revenue balloon regarding additional sales tax levied after a redevelopment district and project are established; and
- Authority to adopt rules and regulations would be granted to the Secretary of Commerce.

Stricken from the bill are provisions that allow the Department of Revenue to release sales, use and excise tax license certificate information, publish reports showing state or local tax revenue distributions by city, county or number and type of business, and provide cities and counties reports on their local sales and use tax collections and receive local retailers' sales tax collected and remitted by retailers located within such city or county.

Also stricken from the bill is a provision regarding local bonds repaid from local sales tax, allowing the bonding jurisdiction to continue to receive those sales taxes that they were receiving prior to January 1, 2003. (Attachment 3)

Chairman Wilk entertained a motion for the adoption of the balloon.

Representative Krehbiel made a motion to amend SB 395 by adopting the balloon, and Representative Gordon seconded. Motion passed.

The Chair announced the Committee was back on the amended bill.

The Chair recognized Representative Carlin who said she had an amendment relating to eminent domain. She said she wanted all references to eminent domain removed and to prohibit the use of eminent domain as it relates to STAR Bonds. (Attachment 4)

Representative Carlin made a motion to remove eminent domain from SB 395, and Representative Burroughs seconded. After much discussion, Representatives Boyer, O'Malley and Krehbiel all said they opposed the amendment. Representative Winn commented that she supported it. The vote was taken and the motion failed. Representative Carlin asked to be recorded as a "yes" vote.

The Chair recognized Mr. Steve Weatherford, KDFB, who explained that a comma needed to be inserted after tourism area on page 18, line 19.

Representative Kuether made a motion to insert the comma, and Representative Novascone seconded. Motion passed.

Mr. Weatherford also called the Committee's attention to several technical amendments.

Representative Novascone made a motion for the staff to make all necessary technical amendments, and Representative Burroughs seconded. Motion passed.

CONTINUATION SHEET

MINUTES OF THE HOUSE ECONOMIC DEVELOPMENT COMMITTEE at 1:30 p.m. on April 28, 2004 in Room 313-S of the Capitol.

The Chair directed the Committee's attention back to the amended bill, and asked if there was further discussion. The Committee directed its attention to the Resolution presented by Mr. Matt Jordan.

Representative Kuether made a motion to adopt the resolution and for it to be recorded in the minutes. Representative Gordon seconded. During discussion, Representative O'Malley said that he had concerns about doing this before the arena area is decided. Representatives Kuether and Gordon agreed to withdraw the motion and take up the resolution after the approval of the bill.

The Committee recessed to go to Session, and returned after Session adjourned.

Representative Novascone made a motion to make it statewide and to not single out Wichita for requiring approval of voters. Representative Brunk seconded. Motion passed. (Attachment 5)

The Chairman announced that the Committee was back on the amended bill. Representative Huntington inquired if all definitions are in the same area. The Chair said a substitute bill would probably be in order to shorten and clean up the bill. He said it was his intent to have staff take the adopted amendments and prepare a substitute bill. He also said he hoped the bill could be kicked out of Committee tomorrow.

The next meeting will be at 9:30 a.m. Thursday, April 29, 2004, in Room 241-N.

Meeting adjourned.

HOUSE ECONOMIC DEVELOPMENT COMMITTEE  
GUEST LIST

DATE: Wednesday, April 28, 2004

NAME	REPRESENTING
Stephanie Buchanan	DOB
Ron Seebur	Key Law Firm
Joan Wagon	K DOR

[As Amended by Senate Committee of the Whole]

z395h1.wpd

As Amended by Senate Committee

Proposed Committee Amendment  
April 28, 2004

House Economic Development  
4-28-04  
Attachment 1

Session of 2004

**SENATE BILL No. 395**

By Committee on Commerce

1-29

commerce; relating to special obligation bonds; redevelopment districts; payment sources; implementation by rules and regulations; amending K.S.A. 12-1771 and K.S.A. 2003 Supp. 12-1774, 12-1780b and 12-1780c and repealing the existing sections.

12 AN ACT concerning ~~[general and] special obligation bonds [redvel-~~  
13 ~~opment districts]; relating to sales tax revenue bonds; payment~~  
14 ~~sources; [confidentiality of information disclosures] amending~~  
15 ~~[K.S.A. 12-195 and] [K.S.A. 12-1771 and 12-1771a and] K.S.A.~~  
16 ~~2003 Supp. [12-180, 12-1771b,] 12-1774 [and 75-3133] and re-~~  
17 ~~pealing the existing section [sections].~~  
18

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

20 ~~[Section 1. K.S.A. 12-195 is hereby amended to read as follows:~~  
21 ~~12-195. (a) Except as otherwise provided in K.S.A. 12-195b, 12-~~  
22 ~~1774, 12-17.103 and K.S.A. 2001 Supp. 74-8924, and amendments~~  
23 ~~thereto, or subsection (b), no city or county shall commit any of the~~  
24 ~~funds or proceeds derived from a retailers' sales tax as a guarantee~~  
25 ~~for the payment of bonds issued by such city or county or the Kansas~~  
26 ~~development finance authority.~~

27 ~~(b) Any city or county which is the recipient of funds derived~~  
28 ~~from a local option sales tax pursuant to K.S.A. 12-187 et seq., and~~  
29 ~~amendments thereto, is hereby authorized to issue revenue bonds~~  
30 ~~to provide for the payment of all or any portion of the cost of public~~  
31 ~~facilities or improvements of such city or county for which such city~~  
32 ~~or county is authorized pursuant to the constitution or laws of this~~  
33 ~~state to issue general obligation bonds and to pledge revenues re-~~  
34 ~~ceived from countywide or city retailers' sales taxes for the payment~~  
35 ~~thereof. All revenues received from any city or county retailers' sales tax~~  
36 ~~which has been collected and remitted to the director of taxation by a~~  
37 ~~retailer from sales activity at or shipped or delivered from such retailer's~~  
38 ~~place of business which is located in the taxing jurisdiction of such city~~  
39 ~~or county which has pledged such revenues for the payment of general~~  
40 ~~obligation bonds issued prior to July 1, 2003, by the city or county as~~  
41 ~~provided pursuant to this section, shall be remitted by the director of~~  
42 ~~taxation to such city or county. Any such city or county shall notify the~~  
43 ~~director of taxation in writing of the date of issuance, amount of outstand-~~

House Economic Development

1 ~~ing indebtedness and the maturity date of such bonds and any further~~  
2 ~~information concerning the bond issuance required by the director of~~  
3 ~~taxation. The director of taxation shall commence such remittance of such~~  
4 ~~city and county sales tax revenues to such city or county not sooner than~~  
5 ~~60 days after receipt of such written notice. Such remittances shall only~~  
6 ~~include city and sales tax revenues received by the director of taxation~~  
7 ~~after receipt of such written notice. No such bonds shall be issued for~~  
8 ~~the payment of all or any portion of the cost of any facilities or~~  
9 ~~improvements to be used for commercial or retail purposes, except~~  
10 ~~that such prohibition shall not apply to revenue bonds issued for~~  
11 ~~the payment of the cost of constructing or improving a convention~~  
12 ~~or exposition hall or center or public auditorium. In the event the~~  
13 ~~governing body of a city or county proposes to issue such bonds,~~  
14 ~~and the question of pledging the revenues received from the coun-~~  
15 ~~tywide or city retailers' sales tax has not previously been submitted~~  
16 ~~to and approved by the voters of the city or county, such proposition~~  
17 ~~shall be published once each week for two consecutive weeks in the~~  
18 ~~official city or county newspaper, as the case requires. If, within 30~~  
19 ~~days after the last publication of the proposition, a petition is filed~~  
20 ~~with the county election officer signed by not less than 4% of the~~  
21 ~~electors of the city or county, as the case requires, who voted for~~  
22 ~~the office of secretary of state at the last preceding general election~~  
23 ~~for such office requesting an election thereon, no such bonds shall~~  
24 ~~be issued unless the proposition is submitted to and approved by a~~  
25 ~~majority of the voters of the city or county, as the case requires,~~  
26 ~~voting at an election held thereon. Any such election shall be called~~  
27 ~~and held in accordance with the provisions of K.S.A. 10-120, and~~  
28 ~~amendments thereto, or in accordance with the provisions of the~~  
29 ~~mail ballot election act.~~

30 ~~{(1) Such bonds shall be authorized by ordinance of the govern-~~  
31 ~~ing body of such city or resolution of the governing body of such~~  
32 ~~county. The bonds may be issued as registered bonds or coupon~~  
33 ~~bonds, payable to bearer, and, if coupon bonds, may be registrable~~  
34 ~~as to principal only or as to principal and interest, and may be made~~  
35 ~~exchangeable for bonds of another denomination or in another~~  
36 ~~form. The bonds may be in such form and denominations, may have~~  
37 ~~such date or dates, may be stated to mature at such time or times,~~  
38 ~~may bear interest payable at such times and at such rate or rates,~~  
39 ~~may be payable at such places within or without the state, may be~~  
40 ~~subject to such terms of redemption in advance of maturity at such~~  
41 ~~prices, and may contain such terms and conditions, all as the city~~  
42 ~~or county shall determine. The bonds shall have all the qualities of~~  
43 ~~and shall be deemed to be negotiable instruments under the laws of~~

1 ~~The state of Kansas. The authorizing ordinance or resolution may~~  
2 ~~contain any other terms, covenants and conditions that the city or~~  
3 ~~county deems reasonable and desirable, including without limita-~~  
4 ~~tion those pertaining to the maintenance of various funds and re-~~  
5 ~~serves, the nature and extent of any security for payment of the~~  
6 ~~bonds, the custody and application of the proceeds of the bonds, the~~  
7 ~~collection, transfer and disposition of sales tax revenues, the in-~~  
8 ~~vesting of bond proceeds or any funds pledged to the repayment of~~  
9 ~~the bonds, and the rights, duties and obligations of the city or~~  
10 ~~county and the owners of the bonds.~~

11 ~~[(2) The authorizing ordinance or resolution may provide for~~  
12 ~~the execution of a trust indenture between the city or county and~~  
13 ~~any financial institution within or without the state of Kansas. The~~  
14 ~~trust indenture may contain any terms, covenants and conditions~~  
15 ~~that are deemed desirable by the city or county.~~

16 ~~[(3) Any authorizing ordinance or resolution and trust inden-~~  
17 ~~ture relating to the issuance of and security for the bonds shall~~  
18 ~~constitute a contract between the city or county and the owners of~~  
19 ~~the bonds, which contract, and all covenants, agreements and ob-~~  
20 ~~ligations therein, shall be promptly performed in strict compliance~~  
21 ~~with the terms and provisions of such contract, and the covenants,~~  
22 ~~agreements and obligations of the city or county may be enforced~~  
23 ~~by mandamus or other appropriate proceeding at law or in equity.~~  
24 ~~The pledge of revenues made by the city or county shall be valid~~  
25 ~~and binding from the time when such pledge is made and the reve-~~  
26  ~~nues so pledged and thereafter received by the city or county shall~~  
27 ~~immediately be subject to the lien of such pledge without such phys-~~  
28 ~~ical delivery thereof or further act on the part of the city or county,~~  
29 ~~and the lien of any such pledge shall be valid and binding as against~~  
30 ~~all parties having claims of any kind against the issuer, irrespective~~  
31 ~~of whether such parties have notice thereof. Neither the authorizing~~  
32 ~~ordinance or resolution nor any other instrument by which a pledge~~  
33 ~~is created need be filed or recorded except in the records of the city~~  
34 ~~or county.~~

35 ~~[(4) The revenue bonds may be sold in such manner, either at~~  
36 ~~public or private sale, and upon such terms as the city or county~~  
37 ~~shall determine to be reasonable, including sale at discount. It shall~~  
38 ~~be plainly stated on the face of each such bond that it has been~~  
39 ~~issued under this act, that the bonds shall be special obligations of~~  
40 ~~the city or county, payable solely and only from the revenues~~  
41 ~~pledged to the payment of the bonds and that in no event, shall the~~  
42 ~~bonds constitute an indebtedness of the state of Kansas or the city~~  
43 ~~or county for which the faith and credit of the state of Kansas or~~

1 ~~city or county is pledged.~~

2 ~~[(5) Any bonds issued under the provisions of this section and~~  
3 ~~the interest thereon, shall be exempt from all taxes levied by the~~  
4 ~~state of Kansas, or any political or taxing subdivision thereof, except~~  
5 ~~inheritance taxes.~~

6 ~~[(6) Bonds may be issued for the purpose of refunding, either~~  
7 ~~at maturity or in advance of maturity, any bonds issued under this~~  
8 ~~section. Such refunding bonds may either be sold or delivered in~~  
9 ~~exchange for the bonds being refunded. If sold, the proceeds may~~  
10 ~~either be applied to the payment of the bonds being refunded or~~  
11 ~~deposited in trust and there maintained in cash or investments for~~  
12 ~~the retirement of the bonds being refunded, as shall be specified by~~  
13 ~~the city or county and the authorizing ordinance or resolution or~~  
14 ~~trust indenture securing such refunding bonds. The authorizing or-~~  
15 ~~dinance or resolution or trust indenture securing the refunding~~  
16 ~~bonds may provide that the refunding bonds shall have the same~~  
17 ~~security for their payment as provided for the bonds being re-~~  
18 ~~funded. Refunding bonds shall be sold and secured in accordance~~  
19 ~~with the provisions of this act pertaining to the sale and security of~~  
20 ~~the bonds.~~

21 ~~[(7) Bonds issued under the provisions of this act shall be eli-~~  
22 ~~gible to secure the deposit of public funds under article 14 of chap-~~  
23 ~~ter 9 of the Kansas Statutes Annotated, and amendments thereto.~~

24 ~~[(8) Bonds issued under the provisions of this act shall be in~~  
25 ~~addition to and not subject to any statutory limitation of bonded~~  
26 ~~indebtedness imposed on such city or county.]~~

27 ~~[Section 2. K.S.A. 2003 Supp. 12-189 is hereby amended to~~  
28 ~~read as follows: 12-189. Except as otherwise provided by paragraph~~  
29 ~~(2) of subsection (a) of K.S.A. 12-187, and amendments thereto, the~~  
30 ~~rate of any class A, class B or class C city retailers' sales tax shall~~  
31 ~~be fixed in the amount of .25%, .5%, .75% or 1% which amount~~  
32 ~~shall be determined by the governing body of the city. Except as~~  
33 ~~otherwise provided by paragraph (2) of subsection (a) of K.S.A. 12-~~  
34 ~~187, and amendments thereto, the rate of any class D city retailers'~~  
35 ~~sales tax shall be fixed in the amount of .10%, .25%, .5%, .75%, 1%,~~  
36 ~~1.125%, 1.25%, 1.5% or 1.75%. The rate of any countywide retail-~~  
37 ~~ers' sales tax shall be fixed in an amount of either .25%, .5%, .75%~~  
38 ~~or 1% which amount shall be determined by the board of county~~  
39 ~~commissioners, except that:~~

40 ~~[(a) The board of county commissioners of Wabaunsee county,~~  
41 ~~for the purposes of paragraph (2) of subsection (b) of K.S.A. 12-187,~~  
42 ~~and amendments thereto, may fix such rate at 1.25%; the board of~~  
43 ~~county commissioners of Osage county, for the purposes of para-~~



1 ~~Paragraph (2) of subsection (b) of K.S.A. 12-187, and amendments~~  
2 ~~thereto, may fix such rate at 1.25% or 1.5%; the board of county~~  
3 ~~commissioners of Cherokee, Crawford, Ford, Saline, Seward or Wy-~~  
4 ~~andotte county, for the purposes of paragraph (2) of subsection (b)~~  
5 ~~of K.S.A. 12-187, and amendments thereto, may fix such rate at~~  
6 ~~1.5%, the board of county commissioners of Atchison county, for~~  
7 ~~the purposes of paragraph (2) of subsection (b) of K.S.A. 12-187,~~  
8 ~~and amendments thereto, may fix such rate at 1.5% or 1.75% and~~  
9 ~~the board of county commissioners of Anderson, Barton, Jefferson~~  
10 ~~or Ottawa county, for the purposes of paragraph (2) of subsection~~  
11 ~~(b) of K.S.A. 12-187, and amendments thereto, may fix such rate at~~  
12 ~~2%;~~

13 ~~[(b) the board of county commissioners of Jackson county, for~~  
14 ~~the purposes of paragraph (3) of subsection (b) of K.S.A. 12-187,~~  
15 ~~and amendments thereto, may fix such rate at 2%;~~

16 ~~[(c) the boards of county commissioners of Finney and Ford~~  
17 ~~counties, for the purposes of paragraph (4) of subsection (b) of~~  
18 ~~K.S.A. 12-187, and amendments thereto, may fix such rate at .25%;~~

19 ~~[(d) the board of county commissioners of any county for the~~  
20 ~~purposes of paragraph (5) of subsection (b) of K.S.A. 12-187, and~~  
21 ~~amendments thereto, may fix such rate at a percentage which is~~  
22 ~~equal to the sum of the rate allowed to be imposed by a board of~~  
23 ~~county commissioners on the effective date of this act plus .25%,~~  
24 ~~.5%, .75% or 1%, as the case requires;~~

25 ~~[(e) the board of county commissioners of Dickinson county, for~~  
26 ~~the purposes of paragraph (7) of subsection (b) of K.S.A. 12-187,~~  
27 ~~and amendments thereto, may fix such rate at 1.5%, and the board~~  
28 ~~of county commissioners of Miami county, for the purposes of par-~~  
29 ~~agraph (7) of subsection (b) of K.S.A. 12-187, and amendments~~  
30 ~~thereto, may fix such rate at 1.25%, 1.5%, 1.75% or 2%;~~

31 ~~[(f) the board of county commissioners of Sherman county, for~~  
32 ~~the purposes of paragraph (8) of subsection (b) of K.S.A. 12-187,~~  
33 ~~and amendments thereto, may fix such rate at 1.5%, 1.75% or 2%;~~

34 ~~[(g) the board of county commissioners of Russell county for the~~  
35 ~~purposes of paragraph (9) of subsection (b) of K.S.A. 12-187, and~~  
36 ~~amendments thereto, may fix such rate at 1.5%;~~

37 ~~[(h) the board of county commissioners of Franklin county, for~~  
38 ~~the purposes of paragraph (10) of subsection (b) of K.S.A. 12-187,~~  
39 ~~and amendments thereto, may fix such rate at 1.75%;~~

40 ~~[(i) the board of county commissioners of Douglas county, for~~  
41 ~~the purposes of paragraph (11) of subsection (b) of K.S.A. 12-187,~~  
42 ~~and amendments thereto, may fix such rate at 1.25%; or~~

43 ~~[(j) the board of county commissioners of Jackson county, for~~

1 ~~The purposes of subsection (b)(13) of K.S.A. 12-187 and amendments~~  
2 ~~thereto, may fix such rate at 1.4%.~~

3 ~~Any county or city levying a retailers' sales tax is hereby pro-~~  
4 ~~hibited from administering or collecting such tax locally, but shall~~  
5 ~~utilize the services of the state department of revenue to administer,~~  
6 ~~enforce and collect such tax. Except as otherwise specifically pro-~~  
7 ~~vided in K.S.A. 12-189a, and amendments thereto, such tax shall be~~  
8 ~~identical in its application, and exemptions therefrom, to the Kansas~~  
9 ~~retailers' sales tax act and all laws and administrative rules and~~  
10 ~~regulations of the state department of revenue relating to the Kansas~~  
11 ~~retailers' sales tax shall apply to such local sales tax insofar as such~~  
12 ~~laws and rules and regulations may be made applicable. The state~~  
13 ~~director of taxation is hereby authorized to administer, enforce and~~  
14 ~~collect such local sales taxes and to adopt such rules and regulations~~  
15 ~~as may be necessary for the efficient and effective administration~~  
16 ~~and enforcement thereof.~~

17 ~~Upon receipt of a certified copy of an ordinance or resolution~~  
18 ~~authorizing the levy of a local retailers' sales tax, the director of~~  
19 ~~taxation shall cause such taxes to be collected within or without the~~  
20 ~~boundaries of such taxing subdivision at the same time and in the~~  
21 ~~same manner provided for the collection of the state retailers' sales~~  
22 ~~tax. Such copy shall be submitted to the director of taxation within~~  
23 ~~30 days after adoption of any such ordinance or resolution. All mon-~~  
24 ~~ey collected by the director of taxation under the provisions of this~~  
25 ~~section shall be credited to a county and city retailers' sales tax~~  
26 ~~fund which fund is hereby established in the state treasury. Any~~  
27 ~~refund due on any county or city retailers' sales tax collected pur-~~  
28 ~~suant to this act shall be paid out of the sales tax refund fund and~~  
29 ~~reimbursed by the director of taxation from collections of local re-~~  
30 ~~tailers' sales tax revenue. Except for local retailers' sales tax revenue~~  
31 ~~required to be deposited in the redevelopment bond fund estab-~~  
32 ~~lished under K.S.A. 74-8927, and amendments thereto, all local re-~~  
33 ~~tailers' sales tax revenue collected within any county or city pur-~~  
34 ~~suant to this act shall be apportioned and remitted at least quarterly~~  
35 ~~by the state treasurer, on instruction from the director of taxation,~~  
36 ~~to the treasurer of such county or city.~~

37 ~~Revenue that is received from the imposition of a local retailers'~~  
38 ~~sales tax which exceeds the amount of revenue required to pay the~~  
39 ~~costs of a special project for which such revenue was pledged shall~~  
40 ~~be credited to the city or county general fund, as the case requires.~~

41 ~~The director of taxation shall provide, upon request by a city or~~  
42 ~~county clerk or treasurer of any city or county levying a local re-~~  
43 ~~tailers' sales tax, monthly reports identifying each retailer having~~

1 ~~place of doing business in such city or county or making taxable sales~~  
 2 ~~sourced to such city or county, setting forth the tax liability and the~~  
 3 ~~amount of such tax remitted by each retailer during the preceding~~  
 4 ~~month and identifying each business location maintained by the~~  
 5 ~~retailer within such city or county and such retailer's sales or use tax~~  
 6 ~~registration or account number. Such report shall be made available~~  
 7 ~~to the clerk or treasurer of such city or county within a reasonable~~  
 8 ~~time after it has been requested from the director of taxation. The~~  
 9 ~~director of taxation shall be allowed to assess a reasonable fee for~~  
 10 ~~the issuance of such report. Information received by any city or~~  
 11 ~~county pursuant to this section shall be confidential, and it shall be~~  
 12 ~~unlawful for any officer or employee of such city or county to di-~~  
 13 ~~scuss any such information in any manner. Any violation of this~~  
 14 ~~paragraph by a city or county officer or employee is a class B mis-~~  
 15 ~~demeanor, and such officer or employee shall be dismissed from~~  
 16 ~~office.~~

Section 1.

17 ~~[Sec. 3.] K.S.A. 12-1771 is hereby amended to read as follows:~~

18 ~~12-1771. (a) Resolution procedure for a redevelopment district. Any~~  
 19 ~~city proposing to establish a redevelopment district within an eli-~~  
 20 ~~gible area shall adopt a resolution stating that the city is consid-~~  
 21 ~~ering the establishment of a redevelopment district. Such resolution~~  
 22 ~~shall:~~

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

26 ~~[(2) describe the proposed boundaries of the redevelopment~~  
 27 ~~district;~~

28 ~~[(3) describe the district plan;~~

29 ~~[(4) state that a description and map of the proposed redevelop-~~  
 30 ~~ment district are available for inspection at a time and place~~  
 31 ~~designated;~~

32 ~~[(5) state that the governing body will consider findings neces-~~  
 33 ~~sary for the establishment of a redevelopment district.~~

34 ~~[Notice shall be given as provided in subsection (b) of K.S.A. 12-~~  
 35 ~~1772, and amendments thereto.~~

36 ~~[(b) Posthearing procedure. Upon the conclusion of the public~~  
 37 ~~hearing, the governing body may pass an ordinance. Such ordi-~~  
 38 ~~nance shall: (1) Make a finding that: (A) The redevelopment district~~  
 39 ~~proposed to be developed is an eligible area; and (B) the conser-~~  
 40 ~~vation, development or redevelopment of such area is necessary to~~  
 41 ~~promote the general and economic welfare of the city; (2) contain~~  
 42 ~~the district plan as approved; and (3) contain the legal description~~  
 43 ~~of the redevelopment district and may establish the redevelopment~~

1 *district. Such ordinance shall contain a district plan that identifies*  
 2 *all of the proposed redevelopment project areas and identifies in a*  
 3 *general manner all of the buildings and facilities that are proposed*  
 4 *to be constructed or improved in each redevelopment project area.*  
 5 *The boundaries of such district shall not include any area not des-*  
 6 *ignated in the notice required by subsection (a).*

7 *[(c) The governing body of a city may establish a redevelopment*  
 8 *district within that city. Such city may establish a district inclusive*  
 9 *of land outside the boundaries of the city/upon written consent of*  
 10 *the board of county commissioners. Prior to providing written con-*  
 11 *sent, the board of county commissioners shall be subject to the same*  
 12 *procedure for public notice and hearing as is required of a city*  
 13 *pursuant to subsection (a) for the establishment of a redevelopment*  
 14 *district. One or more redevelopment projects may be undertaken*  
 15 *by a city within a redevelopment district after such redevelopment*  
 16 *district has been established in the manner provided by this section.*

or wholly outside the boundaries of such city

17 *[(d) No privately owned property subject to ad valorem taxes*  
 18 *shall be acquired and redeveloped under the provisions of K.S.A.*  
 19 *12-1770 et seq., and amendments thereto, if the board of county*  
 20 *commissioners or the board of education levying taxes on such prop-*  
 21 *erty determines by resolution adopted within 30 days following the*  
 22 *conclusion of the hearing for the establishment of the redevelop-*  
 23 *ment district required by subsection (b) that the proposed redevelop-*  
 24 *ment district will have an adverse effect on such county or school*  
 25 *district. The board of county commissioners or board of education*  
 26 *shall deliver a copy of such resolution to the city. The city shall*  
 27 *within 30 days of receipt of such resolution pass an ordinance ter-*  
 28 *minating the redevelopment district.*

29 *[(e) Addition to area; substantial change. Any addition of area to*  
 30 *the redevelopment district or any substantial change as defined in*  
 31 *K.S.A. 12-1770a, and amendments thereto, to the district plan shall*  
 32 *be subject to the same procedure for public notice and hearing as*  
 33 *is required for the establishment of the district.*

34 *[(f) Any addition of any area to the redevelopment district shall*  
 35 *be subject to the same procedure for public notice and hearing as*  
 36 *is required for the establishment of the redevelopment district. The*  
 37 *base year assessed valuation of the redevelopment district following*  
 38 *the addition of area shall be revised to reflect the base year assessed*  
 39 *valuation of the original area and the added area as of the date of*  
 40 *the original establishment of the redevelopment district.*

41 *[(g) A city may remove real property from a redevelopment dis-*  
 42 *trict by an ordinance of the governing body. If more than a de min-*  
 43 *imus amount of real property is removed from a redevelopment dis-*

1 *trict, the base year assessed valuation of the redevelopment district*  
2 *shall be revised to reflect the base year assessed valuation of the*  
3 *remaining real property as of the date of the original establishment*  
4 *of the redevelopment district.*

5 *[(h) A city may divide the real property in a redevelopment dis-*  
6 *trict, including real property in different redevelopment project ar-*  
7 *reas within a redevelopment district, into separate redevelopment*  
8 *districts. The base year assessed valuation of each resulting rede-*  
9 *velopment district following such division of real property shall be*  
10 *revised to reflect the base year assessed valuation of the area of*  
11 *each resulting redevelopment district as of the date of the original*  
12 *establishment of the redevelopment district. Any division of real*  
13 *property within a redevelopment district into more than one rede-*  
14 *velopment district shall be subject to the same procedure or public*  
15 *notice and hearing as is required for the establishment of the re-*  
16 *development district.*

17 *[(i) If a city has undertaken a redevelopment project within a*  
18 *redevelopment district, and either the city wishes to subsequently*  
19 *remove more than a de minimus amount of real property from the*  
20 *redevelopment district or the city wishes to subsequently divide the*  
21 *real property in the redevelopment district into more than one re-*  
22 *development district, then prior to any such removal or division the*  
23 *city must provide a feasibility study which shows that the tax in-*  
24 *crement revenue from the resulting redevelopment district within*  
25 *which the redevelopment project is located is expected to be suffi-*  
26 *cient to pay the redevelopment project costs.*

27 *[(j) Removal of real property from one redevelopment district*  
28 *and addition of all or a portion of that real property to another*  
29 *redevelopment district may be accomplished by the adoption of an*  
30 *ordinance and in such event the determination of the existence or*  
31 *nonexistence of an adverse effect on the county or school district*  
32 *under subsection (d) shall apply to both such removal and such*  
33 *addition of real property to a redevelopment district.*

34 ~~*[(k) Any person, as defined at K.S.A. 79-3602, and amendments*~~  
35 ~~*thereto, is hereby prohibited from locating any office, plant, warehouse,*~~  
36 ~~*store or other facility within a redevelopment district or otherwise doing*~~  
37 ~~*business in a redevelopment district, being included in any redevelopment*~~  
38 ~~*project, or otherwise receiving any direct or indirect benefits from any*~~  
39 ~~*improvements financed by any special obligation bonds issued under the*~~  
40 ~~*provisions of this act, unless such person doing business in this state as*~~  
41 ~~*well as any other person doing business in this state, in a substantial own-*~~  
42 ~~*ership relationship with such person, as defined in K.S.A. 79-3702, and*~~  
43 ~~*amendments thereto, shall agree to register as a retailer under K.S.A. 79-*~~

1 ~~3608, and amendments thereto, as of the date any business is commenced~~  
2 ~~in this state and collect, report and remit all applicable state and local~~  
3 ~~retailer's sales and compensating use taxes on retail sales of tangible per-~~  
4 ~~sonal property or services made in this state or on retail sales of tangible~~  
5 ~~personal property or services shipped or delivered into this state directly~~  
6 ~~or by any agent, common carrier or otherwise, from any location outside~~  
7 ~~this state for use, storage or consumption in this state. If any person~~  
8 ~~located in a redevelopment district engaging in the business of selling~~  
9 ~~tangible personal property at retail or rendering or furnishing services~~  
10 ~~taxable under the provisions of the Kansas retailers' sales tax act, or any~~  
11 ~~other person in a substantial ownership relationship with such person,~~  
12 ~~has failed to register as a retailer and collect, report and remit all appli-~~  
13 ~~cable state and local retailer's sales and compensating use taxes on retail~~  
14 ~~sales of tangible personal property or services made in this state or on~~  
15 ~~retail sales of tangible personal property or services shipped or delivered~~  
16 ~~into this state directly or by any agent, common carrier or otherwise,~~  
17 ~~from any location outside this state, then such person located in a rede-~~  
18 ~~velopment district shall be liable to the state for the fair market value of~~  
19 ~~any direct or indirect benefits received from any improvements financed~~  
20 ~~by any special obligation bonds issued under the provisions of this act.~~

21 ~~{Sec. 4. K.S.A. 12-1771a is hereby amended to read as follows:~~

22 ~~12-1771a. (a) The governing body of a city may establish an incre-~~  
23 ~~ment in ad valorem taxes using the procedure set forth in subsection~~  
24 ~~(b) for projects that are initiated upon a finding that the area is a~~  
25 ~~blighted area as defined under K.S.A. 12-1770a, and amendments~~  
26 ~~thereto, when the following conditions exist:~~

27 ~~{(1) The proposed district has been identified by the Kansas de-~~  
28 ~~partment of health and environment or the United States environ-~~  
29 ~~mental protection agency to be an environmentally contaminated~~  
30 ~~area;~~

31 ~~{(2) the city has entered into a consent decree or settlement~~  
32 ~~agreement or has taken action expressing an intent to enter into a~~  
33 ~~consent decree or settlement agreement with the Kansas department~~  
34 ~~of health and environment or the United States environmental pro-~~  
35 ~~tection agency that addresses the investigation and remediation of~~  
36 ~~the environmental contamination;~~

37 ~~{(3) the consent decree or settlement agreement contains a pro-~~  
38 ~~vision that has the effect of releasing property owners who are not~~  
39 ~~responsible for the contamination from the responsibility of paying~~  
40 ~~the response costs of the investigation and remediation of the con-~~  
41 ~~tamination; and~~

42 ~~{(4) the city intends to establish a redevelopment district pur-~~  
43 ~~suant to K.S.A. 12-1771, and amendments thereto, to wholly finance~~

1 ~~or partially finance the investigation and remediation of contami-~~  
2 ~~nation within such district.~~

3 ~~(b) An environmental increment established after a city has~~  
4 ~~found that the conditions described in subsection (c) of K.S.A. 12-~~  
5 ~~1770a, and amendments thereto, exists shall be set on a yearly basis.~~  
6 ~~For purposes of this section, a yearly basis shall be a calendar year.~~  
7 ~~Each year's increment shall be an amount sufficient to pay the di-~~  
8 ~~rect costs of investigation and remediation of the contaminated con-~~  
9 ~~dition anticipated to be incurred that year including principal and~~  
10 ~~interest due on any special obligation bonds or full faith and credit~~  
11 ~~tax increment bonds issued to finance in whole or in part the re-~~  
12 ~~mediation and investigation, costs relating to remediation investi-~~  
13 ~~gation and feasibility studies, operation and maintenance expenses~~  
14 ~~and other expenses relating directly to the investigation and reme-~~  
15 ~~diation of contamination. Each year's environmental increment~~  
16 ~~shall not exceed 20% of the amount of taxes that are produced by~~  
17 ~~all taxing subdivisions within any currently existing or subse-~~  
18 ~~quently created redevelopment district area in the year the rede-~~  
19 ~~velopment district is first established, notwithstanding that such~~  
20 ~~subdivision was not required to receive notice of the establishment~~  
21 ~~of the district.~~

22 ~~[(c) The budget that establishes the yearly environmental in-~~  
23 ~~crement shall be certified by the city to the county clerk and county~~  
24 ~~treasurer no later than August 25th, preceding the calendar year~~  
25 ~~for which the budget is being set. Funds derived from an environ-~~  
26 ~~mental increment established by this section and interest on all~~  
27 ~~funds derived from an environmental increment established by this~~  
28 ~~section may be used only for projects involving the investigation~~  
29 ~~and remediation of contamination in the district.~~

30 ~~[(d) The real property taxes produced by the environmental in-~~  
31 ~~crement established under subsection (b) from a redevelopment dis-~~  
32 ~~trict established under the provisions of K.S.A. 12-1771, and amend-~~  
33 ~~ments thereto, and this section shall be allocated and paid by the~~  
34 ~~county treasurer to the treasurer of the city and deposited in a spe-~~  
35 ~~cial separate fund of the city to pay the direct cost of investigation~~  
36 ~~and remediation of contamination in the redevelopment district.~~  
37 ~~Any funds collected by the city from parties determined to be re-~~  
38 ~~sponsible in any manner for the contaminated condition shall be~~  
39 ~~either: (1) Deposited in the same separate special fund created here-~~  
40 ~~under, and with all interest earned thereon, may be used only for~~  
41 ~~projects involving the investigation and remediation of contami-~~  
42 ~~nation in the established redevelopment district; or (2) distributed~~  
43 ~~to parties who have entered into a contract with the city to pay a~~

1 ~~portion of investigation and remediation of the contamination in~~  
2 ~~the redevelopment district and the terms of such contract provide~~  
3 ~~that such parties are entitled to reimbursement for a portion of~~  
4 ~~funds they have expended for such investigation and remediation of~~  
5 ~~contamination from the recovery of costs that are collected from~~  
6 ~~other third party responsible parties.~~

7 ~~[(e) A redevelopment district created under the provisions of~~  
8 ~~this section shall constitute a separate taxing district. If all costs for~~  
9 ~~such investigation and remediation of contamination in the rede-~~  
10 ~~velopment district have been paid and moneys remain in the special~~  
11 ~~fund, such moneys shall be remitted to each taxing subdivision~~  
12 ~~which paid moneys into the special fund on the basis of the propor-~~  
13 ~~tion which the total amount of moneys paid by such taxing subdivi-~~  
14 ~~sion into the special fund bears to the total amount of all moneys~~  
15 ~~paid by all taxing subdivisions into the fund.~~

16 ~~[(f) Nothing in this section shall prevent any city from estab-~~  
17 ~~lishing a redevelopment district for other purposes pursuant to~~  
18 ~~K.S.A. 12-1770 et seq., and amendments thereto, which may include~~  
19 ~~part or all of the real property included in the district established~~  
20 ~~under this section.~~

21 ~~[(g) Redevelopment projects relating to environmental investi-~~  
22 ~~gation and remediation under this section, and amendments thereto,~~  
23 ~~shall be completed within 20 years from the date a city enters into~~  
24 ~~a consent decree agreement with the Kansas department of health~~  
25 ~~and environment or the United States environmental protection~~  
26 ~~agency.~~

27 ~~[(h) Nothing in this section shall be construed to affect the ob-~~  
28 ~~ligations of the county to annually review the fair market value of~~  
29 ~~property in accordance with procedures set by law or to affect the~~  
30 ~~right of any taxpayer to protest and appeal the appraised or reap-~~  
31 ~~praised value of their property in accordance with procedures set~~  
32 ~~forth by law.~~

33 ~~[(i) Commencing with the regular session of the legislature in~~  
34 ~~1993, each city that establishes a redevelopment district under this~~  
35 ~~section shall make a status report on a biennial basis to the standing~~  
36 ~~committee on commerce of the senate and the standing committee~~  
37 ~~on economic development of the house of representatives during the~~  
38 ~~month of January. The status report shall contain information on~~  
39 ~~the status of the investigation and remediation of contamination in~~  
40 ~~the redevelopment district.~~

41 ~~[(j) For the purposes of this act, the governing body of a city,~~  
42 ~~in contracts entered into with the Kansas department of health and~~  
43 ~~environment or the United States environmental protection agency,~~



1 ~~may pledge increments receivable in future years to pay costs di-~~  
2 ~~rectly relating to the investigation and remediation of environmen-~~  
3 ~~tally contaminated areas. The provisions in such contracts pertain-~~  
4 ~~ing to pledging increments in future years shall not be subject to~~  
5 ~~K.S.A. 10-1101 et seq. or 79-2925 et seq., and amendments thereto.~~

6 ~~[(k) Any person, as defined at K.S.A. 79-3602, and amendments~~  
7 ~~thereto, is hereby prohibited from locating any office, plant, warehouse,~~  
8 ~~store or other facility within a redevelopment district or otherwise doing~~  
9 ~~business in a redevelopment district, being included in any redevelopment~~  
10 ~~project, or otherwise receiving any direct or indirect benefits from any~~  
11 ~~improvements financed by any special obligation bonds issued under the~~  
12 ~~provisions of this act, unless such person doing business in this state as~~  
13 ~~well as any other person doing business in this state in a substantial own-~~  
14 ~~ership relationship with such person, as defined in K.S.A. 79-3702, and~~  
15 ~~amendments thereto, shall agree to register as a retailer under K.S.A. 79-~~  
16 ~~3608, and amendments thereto, as of the date any business is commenced~~  
17 ~~in this state and collect, report and remit all applicable state and local~~  
18 ~~retailer's sales and compensating use taxes on retail sales of tangible per-~~  
19 ~~sonal property or services made in this state or on retail sales of tangible~~  
20 ~~personal property or services shipped or delivered into this state directly~~  
21 ~~or by any agent, common carrier or otherwise, from any location outside~~  
22 ~~this state for use, storage or consumption in this state. If any person~~  
23 ~~located in a redevelopment district engaging in the business of selling~~  
24 ~~tangible personal property at retail or rendering or furnishing services~~  
25 ~~taxable under the provisions of the Kansas retailers' sales tax act, or any~~  
26 ~~other person in a substantial ownership relationship with such person,~~  
27 ~~has failed to register as a retailer and collect, report and remit all appli-~~  
28 ~~cable state and local retailer's sales and compensating use taxes on retail~~  
29 ~~sales of tangible personal property or services made in this state or on~~  
30 ~~retail sales of tangible personal property or services shipped or delivered~~  
31 ~~into this state directly or by any agent, common carrier or otherwise,~~  
32 ~~from any location outside this state, then such person located in a rede-~~  
33 ~~velopment district shall be liable to the state for the fair market value of~~  
34 ~~any direct or indirect benefits received from any improvements financed~~  
35 ~~by any special obligation bonds issued under the provisions of this act.~~

36 ~~[Sec. 5. K.S.A. 2003 Supp. 12-1771b is hereby amended to read~~  
37 ~~as follows: 12-1771b. (a) The boundaries of any redevelopment dis-~~  
38 ~~trict in a major tourism area including an auto race track facility~~  
39 ~~located in Wyandotte county, shall, without regard to that portion~~  
40 ~~of the district pertaining to the auto race track facility, be as fol-~~  
41 ~~lows: Beginning at the intersection of Interstate 70 and Interstate~~  
42 ~~435; West along Interstate 70 to 118th Street; North along 118th~~  
43 ~~Street to State Avenue; Northeasterly along proposed relocated~~

1 ~~State Avenue to 110th Street; North along 110th Street to Parallel~~  
2 ~~Parkway; East along Parallel Parkway to Interstate 435; South~~  
3 ~~along Interstate 435 to Interstate 70.~~

4 ~~[(b) Any major tourism area may include an additional area not~~  
5 ~~exceeding 400 acres of additional property, excluding roads and~~  
6 ~~highways, in addition to the property necessary for the auto race~~  
7 ~~track facility upon a finding by the governor that the development~~  
8 ~~plan and each project within such additional area will enhance the~~  
9 ~~major tourism area. For the development of each project within~~  
10 ~~such additional area the city shall select qualified developers pur-~~  
11 ~~suant to a request for proposals in accordance with written official~~  
12 ~~procedures approved by the governing body of the city. Any project~~  
13 ~~within such additional area that is financed in whole or in part by~~  
14 ~~special obligation bonds payable from revenues derived from sub-~~  
15 ~~section (a)(1)(D) of K.S.A. 12-1774, and amendments thereto, shall~~  
16 ~~not be entitled to any real property tax abatements or the revenues~~  
17 ~~described in K.S.A. 12-1775, and amendments thereto. Any project~~  
18 ~~within such additional area must be approved by the governor and~~  
19 ~~construction must be commenced by July 1, 2002. The city shall~~  
20 ~~prepare and submit annually to the governor, the secretary of com-~~  
21 ~~merce and the legislature by each October 1, commencing October~~  
22 ~~1, 1999, and continuing until October 1, 2002, a report describing~~  
23 ~~the status of any projects within such additional area. Any business~~  
24 ~~located in Kansas within 50 miles of a major tourism area that re-~~  
25 ~~locates into a major tourism area shall not receive any of the ben-~~  
26 ~~efits of K.S.A. 12-1770 et seq., and amendments thereto.~~

27 ~~[(c) If a city determines that revenues from sources other than~~  
28 ~~property taxes will be sufficient to pay any special obligation bonds~~  
29 ~~issued to finance a redevelopment project for an auto race track~~  
30 ~~facility as described in subsection (a) of K.S.A. 12-1770a, and~~  
31 ~~amendments thereto, and the secretary of commerce makes a finding~~  
32 ~~that such project will create a major tourism area pursuant to sub-~~  
33 ~~section (n) of K.S.A. 12-1770a, and amendments thereto, all real and~~  
34 ~~personal property, constituting an auto race track facility described~~  
35 ~~in subsection (a) of K.S.A. 12-1770a, and amendments thereto, in~~  
36 ~~such redevelopment district shall be exempt from property taxation~~  
37 ~~for a period ending on the earlier of (1) the date which is 30 years~~  
38 ~~after the date of the finding by the secretary of commerce with re-~~  
39 ~~spect to such major tourism area; or (2) the date on which no such~~  
40 ~~special obligation bonds issued to finance such auto race track fa-~~  
41 ~~cility in a major tourism area remain outstanding.~~

42 ~~[(d) The city which is authorized to issue bonds pursuant to the~~  
43 ~~provisions of K.S.A. 12-1770 et seq. in order to finance a redevel~~

1 ~~Redevelopment project in a major tourism area as defined by K.S.A. 12-~~  
2 ~~1770a, and amendments thereto, shall obtain underwriting services~~  
3 ~~required by the city for the issuance of such bonds pursuant to~~  
4 ~~written proposals received in accordance with this section.~~

5 ~~[(e) Each city which is authorized to issue such bonds shall es-~~  
6 ~~tablish written official procedures for obtaining underwriting serv-~~  
7 ~~ices required for the issuance of such bonds, including specifica-~~  
8 ~~tions for requests for proposals and criteria for evaluation of~~  
9 ~~proposals on a competitive basis. The proposal evaluation criteria~~  
10 ~~shall include factors based on cost, capacity to provide the required~~  
11 ~~services, qualifications and experience.~~

12 ~~[(f) Prior to the issuance of any such bonds to finance a rede-~~  
13 ~~velopment project in a major tourism area after the effective date~~  
14 ~~of this act, the city shall publish notice of a request for proposals~~  
15 ~~to provide the underwriting services that are required by the city~~  
16 ~~with regard to the proposed bond issuance and shall mail requests~~  
17 ~~for proposals to qualified interested parties upon request for such~~  
18 ~~notice. The city shall award contracts for such underwriting serv-~~  
19 ~~ices from the proposals received in accordance with the procedures~~  
20 ~~and evaluation criteria adopted by the city for such purpose. A city~~  
21 ~~shall publish such notice in the official newspaper of the city.~~

22 ~~[(g) A redevelopment project in a major tourism area for an~~  
23 ~~auto race track facility, shall be completed within 30 years from~~  
24 ~~the date the secretary makes the finding that the redevelopment~~  
25 ~~project will create a major tourism area pursuant to subsection (n)~~  
26 ~~of K.S.A. 12-1770a, and amendments thereto.~~

27 ~~[(h) The maximum maturity on bonds issued to finance projects~~  
28 ~~pursuant to this act shall not exceed 20 years except that: (1) Such~~  
29 ~~maximum period of special obligation bonds not payable from rev-~~  
30 ~~enues described by subsection (a)(1)(D) of K.S.A. 12-1774, and~~  
31 ~~amendments thereto, issued to finance an auto race track facility~~  
32 ~~shall not exceed 30 years; and (2) such maximum period, if the gov-~~  
33 ~~ernor determines and makes and submits a finding to the speaker~~  
34 ~~of the house of representatives and the president of the senate that~~  
35 ~~a maturity greater than 20 years, but in no event exceeding 30~~  
36 ~~years, is necessary for the economic feasibility of the financing of~~  
37 ~~an auto race track facility with special obligation bonds payable~~  
38 ~~primarily from revenues described by subsection (a)(1)(D) of K.S.A.~~  
39 ~~12-1774, and amendments thereto, may be extended in accordance~~  
40 ~~with such determination and finding.~~

41 ~~[(i) Any person, as defined at K.S.A. 79-3602, and amendments~~  
42 ~~thereto, is hereby prohibited from locating any office, plant, warehouse,~~  
43 ~~store or other facility within a redevelopment district or otherwise doing]~~

1 ~~Business in a redevelopment district, being included in any redevelopment~~  
 2 ~~project, or otherwise receiving any direct or indirect benefits from any~~  
 3 ~~improvements financed by any special obligation bonds issued under the~~  
 4 ~~provisions of this act, unless such person doing business in this state as~~  
 5 ~~well as any other person doing business in this state in a substantial own-~~  
 6 ~~ership relationship with such person, as defined in K.S.A. 79-3702, and~~  
 7 ~~amendments thereto, shall agree to register as a retailer under K.S.A. 79-~~  
 8 ~~3608, and amendments thereto, as of the date any business is commenced~~  
 9 ~~in this state and collect, report and remit all applicable state and local~~  
 10 ~~retailer's sales and compensating use taxes on retail sales of tangible per-~~  
 11 ~~sonal property or services made in this state or on retail sales of tangible~~  
 12 ~~personal property or services shipped or delivered into this state directly~~  
 13 ~~or by any agent, common carrier or otherwise, from any location outside~~  
 14 ~~this state for use, storage or consumption in this state. If any person~~  
 15 ~~located in a redevelopment district engaging in the business of selling~~  
 16 ~~tangible personal property at retail or rendering or furnishing services~~  
 17 ~~taxable under the provisions of the Kansas retailers' sales tax act, or any~~  
 18 ~~other person in a substantial ownership relationship with such person,~~  
 19 ~~has failed to register as a retailer and collect, report and remit all appli-~~  
 20 ~~cable state and local retailer's sales and compensating use taxes on retail~~  
 21 ~~sales of tangible personal property or services made in this state or on~~  
 22 ~~retail sales of tangible personal property or services shipped or delivered~~  
 23 ~~into this state directly or by any agent, common carrier or otherwise,~~  
 24 ~~from any location outside this state, then such person located in a rede-~~  
 25 ~~velopment district shall be liable to the state for the fair market value of~~  
 26 ~~any direct or indirect benefits received from any improvements financed~~  
 27 ~~by any special obligation bonds issued under the provisions of this act.~~

28 Section 4 [6.] /K.S.A. 2003 Supp. 12-1774 is hereby amended to  
 29 read as follows: 12-1774. (a) (1) Any city shall have the power to issue  
 30 special obligation bonds in one or more series to finance the undertaking  
 31 of any redevelopment project in accordance with the provisions of this  
 32 act. Such special obligation bonds shall be made payable, both as to prin-  
 33 cipal and interest:

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

36 (B) from revenues of the city derived from or held in connection with  
 37 the undertaking and carrying out of any redevelopment project or projects  
 38 under this act including historic theater sales tax increments and envi-  
 39 ronmental increments;

40 (C) from any private sources, contributions or other financial assis-  
 41 tance from the state or federal government;

42 (D) from a pledge of ~~a portion of~~ all of the revenue received by the  
 43 ~~city [received by the city]~~ from transient guests' sales and use taxes

Sec. 2

any

state and local

1 ~~collected pursuant to K.S.A. 12-1696 et seq., 79-3601 et seq., 79-3701 et~~  
 2 ~~seq. and 12-187 et seq. and amendments thereto, and~~ which are collected  
 3 from taxpayers doing business within that portion of the city's redevelop-  
 4 ment district established pursuant to K.S.A. 12-1771, and amendments  
 5 thereto, occupied by a redevelopment project if there first is a finding by  
 6 the secretary of commerce that based upon the feasibility study the re-  
 7 development project will create a major tourism area for the state or if  
 8 the project is the restoration of a historic theater as defined in subsection  
 9 (l) of K.S.A. 12-1770a, and amendments thereto, or the project has been  
 10 designated as a special bond project as defined in subsection (z) of K.S.A.  
 11 12-1770a, and amendments thereto, *except that, with respect to a re-*  
 12 *development district established prior to January 1, 2003, for*  
 13 *which, prior to January 1, 2003, the secretary of commerce made a*  
 14 *finding as provided in this subsection that a redevelopment project*  
 15 *would create a major tourism area for the state, such special obli-*  
 16 *gation bonds shall be payable both as to principal and interest, from*  
 17 *a pledge of ~~a portion of~~ all of the revenue from transient guest, sales*  
 18 *and use taxes collected pursuant to K.S.A. 12-1696 et seq., 79-3601*  
 19 *et seq., 79-3701 et seq. and 12-187 et seq. and amendments thereto*  
 20 *from taxpayers as provided in this subsection whether or not reve-*  
 21 *nuces from such taxes are received by the city.*

any  
state and local

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

(F) with the approval of the county, from a pledge of all of the revenues received by the county from any transient guest, local sales and use taxes which are collected from taxpayers doing business within that portion of the redevelopment district established pursuant to K.S.A. 12-1771, and amendments thereto; or

27 ~~(F)~~  
 28 ~~(G)~~ by any combination of these methods except that for a project  
 29 which has been designated as a special bond project as defined in subsec-  
 30 tion (z) of K.S.A. 12-1770a and amendments thereto, 100% of city and  
 31 county sales taxes ~~collected pursuant to K.S.A. 12-187, and amendments~~  
 32 ~~thereto~~ shall be pledged for such project except for amounts committed  
 33 to other use by election of voters prior to the effective date of this act.

(G)

34 The city may pledge such revenue to the repayment of such special  
 35 obligation bonds prior to, simultaneously with, or subsequent to the is-  
 36 suance of such special obligation bonds.

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

42 (3) Bonds issued under the provisions of paragraph (1) of this sub-  
 43 section shall be special obligations of the city and are declared to be

1 negotiable instruments. They shall be executed by the mayor and clerk  
 2 of the city and sealed with the corporate seal of the city. All details per-  
 3 taining to the issuance of such special obligation bonds and terms and  
 4 conditions thereof shall be determined by ordinance of the city. All special  
 5 obligation bonds issued pursuant to this act and all income or interest  
 6 therefrom shall be exempt from all state taxes except inheritance taxes.  
 7 Such special obligation bonds shall contain none of the recitals set forth  
 8 in K.S.A. 10-112, and amendments thereto. Such special obligation bonds  
 9 shall, however, contain the following recitals, viz., the authority under  
 10 which such special obligation bonds are issued, they are in conformity  
 11 with the provisions, restrictions and limitations thereof, and that such  
 12 special obligation bonds and the interest thereon are to be paid from the  
 13 money and revenue received as provided in paragraph (1) of this  
 14 subsection.

15 (b) (1) Subject to the provisions of paragraph (2) of this subsection,  
 16 any city shall have the power to issue full faith and credit tax increment  
 17 bonds to finance the undertaking of any redevelopment project in ac-  
 18 cordance with the provisions of K.S.A. 12-1770 *et seq.*, and amendments  
 19 thereto other than a project that will create a major tourism area or result  
 20 in the renovation of an historic theater. Such full faith and credit tax  
 21 increment bonds shall be made payable, both as to principal and interest:  
 22 (A) From the revenue sources identified in paragraph (1)(A), (B), (C),  
 23 (D) and (E) of subsection (a) or by any combination of these sources; and  
 24 (B) subject to the provisions of paragraph (2) of this subsection, from a  
 25 pledge of the city's full faith and credit to use its ad valorem taxing au-  
 26 thority for repayment thereof in the event all other authorized sources of  
 27 revenue are not sufficient.

28 (2) Except as provided in paragraph (3) of this subsection, before the  
 29 governing body of any city proposes to issue full faith and credit tax in-  
 30 crement bonds as authorized by this subsection, the feasibility study re-  
 31 quired by K.S.A. 12-1772, and amendments thereto, shall demonstrate  
 32 that the benefits derived from the project will exceed the cost and that  
 33 the income therefrom will be sufficient to pay the costs of the project.  
 34 No full faith and credit tax increment bonds shall be issued unless the  
 35 governing body states in the resolution required by K.S.A. 12-1772, and  
 36 amendments thereto, that it may issue such bonds to finance the proposed  
 37 redevelopment project. The governing body may issue the bonds unless  
 38 within 60 days following the date of the public hearing on the proposed  
 39 project plan a protest petition signed by 3% of the qualified voters of the  
 40 city is filed with the city clerk in accordance with the provisions of K.S.A.  
 41 25-3601 *et seq.*, and amendments thereto. If a sufficient petition is filed,  
 42 no full faith and credit tax increment bonds shall be issued until the  
 43 issuance of the bonds is approved by a majority of the voters voting at an

1 election thereon. Such election shall be called and held in the manner  
2 provided by the general bond law. The failure of the voters to approve  
3 the issuance of full faith and credit tax increment bonds shall not prevent  
4 the city from issuing special obligation bonds in accordance with K.S.A.  
5 12-1774, and amendments thereto. No such election shall be held in the  
6 event the board of county commissioners or the board of education de-  
7 termines, as provided in K.S.A. 12-1771, and amendments thereto, that  
8 the proposed redevelopment district will have an adverse effect on the  
9 county or school district.

10 (3) As an alternative to paragraph (2) of this subsection, any city which  
11 adopts a project plan but does not state its intent to issue full faith and  
12 credit tax increment bonds in the resolution required by K.S.A. 12-1772,  
13 and amendments thereto, and has not acquired property in the redevelop-  
14 ment project area may issue full faith and credit tax increment bonds  
15 if the governing body of the city adopts a resolution stating its intent to  
16 issue the bonds and the issuance of the bonds is approved by a majority  
17 of the voters voting at an election thereon. Such election shall be called  
18 and held in the manner provided by the general bond law. The failure of  
19 the voters to approve the issuance of full faith and credit tax increment  
20 bonds shall not prevent the city from issuing special obligation bonds  
21 pursuant to paragraph (1) of subsection (a). Any project plan adopted by  
22 a city prior to the effective date of this act in accordance with K.S.A. 12-  
23 1772, and amendments thereto, shall not be invalidated by any require-  
24 ments of this act.

25 (4) During the progress of any redevelopment project in which the  
26 redevelopment project costs will be financed, in whole or in part, with  
27 the proceeds of full faith and credit tax increment bonds, the city may  
28 issue temporary notes in the manner provided in K.S.A. 10-123, and  
29 amendments thereto, to pay the redevelopment project costs for the pro-  
30 ject. Such temporary notes shall not be issued and the city shall not ac-  
31 quire property in the redevelopment project area until the requirements  
32 of paragraph (2) or (3) of this subsection, whichever is applicable, have  
33 been met.

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

42 (6) Any city issuing special obligation bonds under the provisions of  
43 this act may refund all or part of such issue pursuant to the provisions of

1 K.S.A. 10-116a, and amendments thereto.

2 (c) Any increment in ad valorem property taxes resulting from a re-  
3 development project in the established redevelopment district under-  
4 taken in accordance with the provisions of this act, shall be apportioned  
5 to a special fund for the payment of the redevelopment project costs,  
6 including the payment of principal and interest on any special obligation  
7 bonds or full faith and credit tax increment bonds issued to finance such  
8 project pursuant to this act and may be pledged to the payment of prin-  
9 cipal and interest on such bonds.

10 ~~Sec. 7. K.S.A. 2003 Supp. 75-5133 is hereby amended to read~~  
11 ~~as follows: 75-5133. (a) Except as otherwise more specifically pro-~~  
12 ~~vided by law, all information received by the secretary of revenue,~~  
13 ~~the director of taxation or the director of alcoholic beverage control~~  
14 ~~from applications for licensure or registration made or returns or, re-~~  
15 ~~ports, license applications or registration documents made or filed under~~  
16 ~~the provisions of any law imposing any sales, use or other excise tax~~  
17 ~~administered by the secretary of revenue, the director of taxation, or~~  
18 ~~the director of alcoholic beverage control, or from any investigation~~  
19 ~~conducted under such provisions, shall be confidential, and it shall~~  
20 ~~be unlawful for any officer or employee of the department of reve-~~  
21  ~~nue to divulge any such information except in accordance with~~  
22 ~~other provisions of law respecting the enforcement and collection~~  
23 ~~of such tax, in accordance with proper judicial order and or as pro-~~  
24 ~~vided in K.S.A. 74-2424, and amendments thereto.~~

25 ~~[(b) Nothing in this section shall be construed to prohibit the pub-~~  
26 ~~lication of The secretary of revenue or the secretary's designee may:~~

27 ~~[(1) Release information which appears on a sales, use or other excise~~  
28 ~~tax license certificate issued by the department, except that the department~~  
29 ~~shall not publicly disclose the license number issued by the department.~~  
30 ~~The department may release the status of a license but shall not disclose~~  
31 ~~any further details concerning the status;~~

32 ~~[(2) publish statistical reports showing state or local tax revenues or~~  
33 ~~distributions by city, county or number and types of businesses. The sec-~~  
34 ~~retary of revenue or the secretary's designee may release other statistics,~~  
35 ~~so classified as to prevent identification of particular reports or~~  
36 ~~returns and the items thereof.];~~

37 ~~[(3) allow the inspection of returns by the attorney general-~~  
38 ~~Nothing in this section shall prohibit or the attorney general's designee;~~

39 ~~[(4) provide the post auditor from access to all such excise tax~~  
40 ~~reports or returns in accordance with and subject to the provisions~~  
41 ~~of subsection (g) of K.S.A. 46-1106, and amendments thereto. Noth-~~  
42 ~~ing in this section shall be construed to prohibit the disclosure of~~

43 ~~[(5) disclose taxpayer information from excise tax returns to per-~~



~~Persons or entities contracting with the secretary of revenue where the secretary has determined disclosure of such information is essential for completion of the contract and has taken appropriate steps to preserve confidentiality.~~

~~(1c) Notwithstanding the foregoing provisions of this section, the director of taxation may provide: (1) Such~~

~~[(6) provide information from returns and reports filed under article 42 of chapter 79 of the Kansas Statutes Annotated to county appraisers as is necessary to insure proper valuations of property. Information from such returns and reports may also be exchanged with any other state agency administering and collecting conservation or other taxes and fees imposed on or measured by mineral production; and (2) such~~

~~[(7) provide, upon request by a city or county clerk or treasurer of any city or county receiving distributions from a local excise tax, monthly reports identifying each retailer doing business in such city or county or making taxable sales sourced to such city or county, setting forth the tax liability and the amount of such tax remitted by each retailer during the preceding month, and identifying each business location maintained by the retailer and such retailer's sales or use tax registration or account number. City or county clerks or treasurers may release this information to staff members within their respective offices for the sole purpose of verifying distributions or preparing revenue projections;~~

~~[(8) provide information from returns and applications for registration filed pursuant to K.S.A. 12-187, and amendments thereto, and K.S.A. 79-3601, and amendments thereto, to a city or county treasurer or clerk to explain the basis of statistics contained in reports required provided by K.S.A. 12-189, and amendments thereto, 12-4604, and amendments thereto, and 12-4608, and amendments thereto.~~

~~(1d) Nothing in this section shall prohibit the disclosure of subsection (b)(7);~~

~~[(9) disclose the following oil and gas production statistics received by the department of revenue in accordance with K.S.A. 79-4216 et seq. and amendments thereto: Volumes of production by well name, well number, operator's name and identification number assigned by the state corporation commission, lease name, leasehold property description, county of production or zone of production, name of purchaser and purchaser's tax identification number assigned by the department of revenue, name of transporter, field code number or lease code, tax period, exempt production volumes by well name or lease, or any combination of this information-~~

~~(1e);~~

~~[(10) release or publish liquor brand registration information pro-~~

1 ~~provided by suppliers, farm wineries and microbreweries in accordance with~~  
 2 ~~the liquor control act. The information to be released is limited to: Item~~  
 3 ~~number, universal numeric code assigned by the distilled spirits council~~  
 4 ~~of the United States (UNIMERC), type status, product description, alco-~~  
 5 ~~hol percentage, selling units, unit size, unit of measurement, supplier num-~~  
 6 ~~ber, supplier name, distributor number and distributor name.~~

7 ~~[(11) release or publish liquor license information provided by liquor~~  
 8 ~~licensees, distributors, suppliers, farm wineries and microbreweries in ac-~~  
 9 ~~cordance with the liquor control act. The information to be released is~~  
 10 ~~limited to: County name, owner, business name, address, license type,~~  
 11 ~~license number, license expiration date and the process agent contact~~  
 12 ~~information;~~

13 ~~[(12) release or publish cigarette and tobacco license information ob-~~  
 14 ~~tained from cigarette and tobacco licensees in accordance with the Kansas~~  
 15 ~~cigarette and tobacco products act. The information to be released is lim-~~  
 16 ~~ited to: County name, owner, business name, address, license type and~~  
 17 ~~license number;~~

18 ~~[(13) provide environmental surcharge or solvent fee, or both, infor-~~  
 19 ~~mation from returns and applications for registration filed pursuant to~~  
 20 ~~K.S.A. 65-34.150 and 65-34.151, and amendments thereto, to the secre-~~  
 21 ~~tary of health and environment or the secretary's designee for the sole~~  
 22 ~~purpose of ensuring that retailers collect the environmental surcharge tax~~  
 23 ~~or solvent fee, or both;~~

24 ~~[(14) provide water protection fee information from returns and ap-~~  
 25 ~~plications for registration filed pursuant to K.S.A. 82a-954, and amend-~~  
 26 ~~ments thereto, to the secretary of the state board of agriculture or the~~  
 27 ~~secretary's designee and the secretary of the Kansas water office or the~~  
 28 ~~secretary's designee for the sole purpose of verifying revenues deposited~~  
 29 ~~to the state water plan fund;~~

30 ~~[(15) provide to the secretary of commerce specific taxpayer infor-~~  
 31 ~~mation relevant to any enterprise zone sales tax exemption pursuant to~~  
 32 ~~subsection (cc) of K.S.A. 79-3606, and amendments thereto, sought by~~  
 33 ~~such taxpayer; and~~

34 ~~[(16) disclose specific taxpayer information to the governor, secretary~~  
 35 ~~of commerce or any state senator or representative if the secretary deter-~~  
 36 ~~mines that such information would be relevant to determining the fiscal~~  
 37 ~~impact of any introduced legislative proposal. The confidentiality of such~~  
 38 ~~information shall be protected and any discussion involving such specific~~  
 39 ~~taxpayer information by a legislative body shall be prohibited.~~

40 ~~(f) Any person receiving any information under the provisions of~~  
 41 ~~subsection (b) ~~(c) or (d)~~ shall be subject to the confidentiality pro-~~  
 42 ~~visions of subsection (a) and to the penalty provisions of subsection~~  
 43 ~~(d).~~

43 ~~(d).~~

1 ~~[(D) (d) Any violation of this section shall be a class B nonperson~~  
2 ~~misdeemeanor, and if the offender is an officer or employee of this~~  
3 ~~state, such officer or employee shall be dismissed from office.]~~

4 ~~Sec. 2 [S.] [K.S.A. 12-195 and] K.S.A. [12-1771 and 12-1771a~~  
5 ~~and K.S.A.] 2003 Supp. [12-189, 12-1771b,] 12-1774 is [and 75-5133~~  
6 ~~are] hereby repealed.~~

7 ~~[Sec. 2 [9.]]~~ This act shall take effect and be in force from and after  
8 its publication in the ~~[Kansas register].~~

Insert Sec. 3. K.S.A. 2003 Supp. 12-1780b and Sec. 4. K.S.A. 2003 Supp. 12-1780c - See attachment and New Sec. 5. - see below

New Sec. 5. The secretary of commerce is hereby authorized to adopt, amend or repeal rules and regulations as necessary to administer or implement any statutory provision under the department's jurisdiction. Such rules and regulations shall be promulgated in accordance with the rules and regulations filing act, K.S.A. 77-415 et seq., and amendments thereto. Such rules and regulations shall not be inconsistent with or exceed the authority granted to the secretary under the statutory provision to be administered or implemented.

Sec. 6. K.S.A. 12-1771 and K.S.A. 2003 Supp. 12-1774, 12-1780b and 12-1780c are hereby repealed.

Sec. 7.

statute book

Sec. 3. K.S.A. 2003 Supp. 12-1780b is hereby amended to read as follows: 12-1780b. (a) The governing body of a city may establish one or more special bond projects in any area within such city or wholly outside the boundaries of such city upon written consent of the board of county commissioners. The special bond projects shall be eligible for financing by special obligation bonds payable from revenues described by subsection (a)(1)(D) of K.S.A. 12-1774, and amendments thereto. Such special obligation bonds shall not be used to finance personal property including, but not limited to, furnishings or equipment. Each special bond project shall first be approved by the secretary, if the secretary determines that the proposed project sufficiently promotes, stimulates and develops the general and economic welfare of the state as described in K.S.A. 12-1770. The secretary may approve a special bond project located in a redevelopment district established by a city prior to the effective date of this act. A special bond project shall not be granted to any business that proposes to relocate its business from another area of the state into such city, for the purpose of consideration for a special bond project and shall not receive any of the benefits provided by K.S.A. 12-1770 et seq., and amendments thereto. A special bond project shall not be approved by the secretary if the marketing study required by K.S.A. 2003 Supp. 12-1780c, and amendments thereto, indicates a substantial negative impact upon businesses in the project market area or the granting of such project would cause a default in the payment of

any outstanding special obligation bonds as authorized pursuant to subsection (a)(1)(D) of K.S.A. 12-1774, and amendments thereto.

(b) The maximum maturity of special obligation bonds payable primarily from revenues described by subsection (a)(1)(D) of K.S.A. 12-1774, and amendments thereto, to finance special bond projects pursuant to this section shall not exceed 20 years.

(c) Any redevelopment project plan in a redevelopment district located in the city of Wichita that is eligible for benefits provided by K.S.A. 12-1774 et seq., and amendments thereto, and includes an arena or arena-like structure shall be subject to approval by a vote by the citizens of Wichita at an election held for this purpose prior to approval by the secretary of commerce.

Sec. 4. K.S.A. 2003 Supp. 12-1780c is hereby amended to read as follows: 12-1780c. (a) Any city proposing to undertake a special bond project established pursuant to K.S.A. 2003 Supp. 12-1780b, and amendments thereto, shall prepare a project plan in consultation with the planning commission of the city. Such project plan shall also be prepared in consultation with the planning commission of the county, if any, if a special bond project is located wholly outside the boundaries of the city. The project plan shall include:

(1) A summary of the feasibility study done as defined in K.S.A. 12-1770a, and amendments thereto, which will be an open record;

(2) a summary of the marketing study done as defined in K.S.A. 12-1770a, and amendments thereto, which will be an open record;

(3) a reference to the district plan established under K.S.A. 12-1771, and amendments thereto, that identifies the project area that is set forth in the project plan that is being considered;

(4) a description and map of the location of the facility that is the subject of the special bond project;

(5) the relocation assistance plan required by K.S.A. 12-1777, and amendments thereto;

(6) a detailed description of the buildings and facilities proposed to be constructed or improved; and

(7) any other information the governing body deems necessary to advise the public of the intent of the special bond project plan.

(b) Resolution requirements. A copy of the project plan shall be delivered to the board of county commissioners of the county and the board of education of any school district levying taxes on property subject to the special bond project. Upon a finding by the planning commission of the city that the project plan is consistent with the intent of the comprehensive plan for the development of the city, and a finding by the planning commission of the county, if any, with respect to a special bond project located wholly outside the boundaries of the city, that the project plan is consistent with the intent of the

comprehensive plan for the development of the county, the governing body of the city shall adopt a resolution stating that the city is considering the adoption of the project plan. Such resolution shall:

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

(2) describe the boundaries of the area subject to the special bond project; and

(3) state that the project plan, including a summary of the feasibility study, relocation assistance plan and financial guarantees of the prospective developer and a description and map of the area to be developed are available for inspection during regular office hours in the office of the city clerk.

(c) (1) Hearing. The date fixed for the public hearing shall be not less than 30 nor more than 70 days following the date of the adoption of the resolution fixing the date of the hearing.

(2) A copy of the resolution providing for the public hearing shall be by certified mail, return receipt requested sent to the board of county commissioners of the county and the board of education of any school district levying taxes on property subject to the special bond project. The resolution shall be published once in the official city newspaper not less than one week nor more than two weeks preceding the date fixed for the public hearing. A description in sufficient detail to advise the reader of the particular proposed special bond project shall be

published with the resolution.

(3) At the public hearing, a representative of the city shall present the city's proposed project plan. Following the presentation of the project plan, all interested persons shall be given an opportunity to be heard. The governing body for good cause shown may recess such hearing to a time and date certain, which shall be fixed in the presence of persons in attendance at the hearing.

(d) The public hearing records and feasibility study shall be subject to the open records act, K.S.A. 45-215, and amendments thereto.

(e) Posthearing procedure. Following the public hearing, the governing body may adopt the project plan by ordinance passed upon a 2/3 vote.

(f) Any substantial changes as defined in K.S.A. 12-1770a, and amendments thereto, to the project plan as adopted shall be subject to a public hearing following publication of notice thereof at least twice in the official city newspaper.

(g) Any project shall be completed within 20 years from the date of the approval of the project plan. Kansas resident employees shall be given priority consideration for employment in construction projects located in a special bond project area.

(h) Any developer of a special bond project shall commence work on such project within two years from the date of adoption of the project plan. Should the developer fail to commence work on the special bond project within the two-year period, funding



for such project shall cease and the developer of such project shall have one year to appeal to the secretary for reapproval of such project and the funding for it. Should the project be reapproved, the two-year period for commencement shall apply.

(i) The provisions of this act regarding special bond projects shall expire on and after July 1, 2007.

TO: Kansas House of Representatives Economic Development Committee

FROM: Kansas Department of Commerce

SUBJECT: Statement of Policy and Legislative Intention Regarding K.S.A. 12-1770 et seq (the "STAR Bonds Act")

STAR Bonds financing as outlined in K.S.A. 12-1770 et seq ("the STAR Bonds Act") is a powerful economic development tool that can significantly assist a city in revitalizing a blighted area within its boundaries or developing new attractions that will stimulate the economies of the city, the region in which the city is located and the state as a whole.

The STAR Bonds Act calls for a thorough analysis and potentially expensive application process on the part of any city that would seek to use this financing tool. It is also clear in requiring the opportunity for substantial public scrutiny and input during this process. This statement of policy and legislative intention will have the effect of providing needed direction to any city that would consider seeking STAR Bonds financing.

Through this statement of policy and legislative intention, the Committee affirms that the STAR Bonds Act states STAR Bonds financing may be used to pay the costs of constructing a building or structure that is included in a redevelopment district provided the building or structure is not owned by or leased to a developer. The STAR Bonds Act goes on to define a developer as "any person, firm, corporation, partnership or limited liability company, other than a city." Consistent with this the use of STAR Bonds financing for the construction of a building or structure within the redevelopment district is allowed when the building or structure will be owned and operated by the city.

House Economic Development  
4-28-04  
Attachment 2

NORMAN J. FURSE, ATTORNEY  
REVISOR OF STATUTES

JAMES A. WILSON III, ATTORNEY  
FIRST ASSISTANT REVISOR



LEGAL CONSULTATION—LEGISLATIVE  
COMMITTEES AND LEGISLATORS  
LEGISLATIVE BILL DRAFTING  
SECRETARY—LEGISLATIVE  
COORDINATING COUNCIL  
SECRETARY—KANSAS COMMISSION  
ON INTERSTATE COOPERATION  
KANSAS STATUTES ANNOTATED  
EDITING AND PUBLICATION  
LEGISLATIVE INFORMATION SYSTEM

## OFFICE OF REVISOR OF STATUTES

300 SW TENTH AVE - STE 322, Statehouse—TOPEKA, KANSAS 66612-1592

PHONE (785) 296-2321 FAX (785) 296-6668

E-mail: Revisor'sOffice@rs.state.ks.us

To: House Economic Development Committee

From: Helen Pedigo, Assistant Revisor

Date: April 28, 2004

Re: SB 395 Balloon Explanation

Attached is a copy of the requested amendments. With the proposed amendments, SB 395 would include following components:

- 1) the basic premise of 395, to redirect sales tax revenue attributed to the redevelopment district when a special bond project was place prior to January 1, 2003;
- 2) STAR bonds shall not finance personal property including, but not limited to, fixtures, furniture or equipment;
- 3) redevelopment districts may be established wholly outside the city boundaries with approval of the county commission;
- 4) Department of Revenue balloon regarding additional sales tax levied after a redevelopment district and project are established; and
- 5) authority to adopt rules and regulations would be granted to the Secretary of Commerce.

Stricken from the bill are provisions that allow the Department of Revenue to release sales, use and excise tax license certificate information, publish reports showing state or local tax revenue distributions by city, county or number and type of business, and provide cities and counties reports on their local sales and use tax collections and receive local retailers' sales tax collected and remitted by retailers located within such city or county.

Also stricken from the bill is a provision regarding local bonds repaid from local sales tax, allowing the bonding jurisdiction to continue to receive those sales taxes that they were receiving prior to January 1, 2003.

Finally, language was stricken that indicated that any new business located in an existing or new development district that has an affiliate out-of-state entity making retail sales into Kansas, such as via the internet or catalog, would be required to agree that the affiliate register as a Kansas retailer and collect and remit any applicable Kansas sales and use taxes and allow the Department of Revenue to share the tax information.

As Amended by Senate Committee

Session of 2004

Proposed Amendment  
Representative Carlin  
April 28, 2004

SENATE BILL No. 395

By Committee on Commerce

1-29

special obligation bonds; relating to

eminent domain;

, 12-1770,

, 12-1773 and 12-1777

12 AN ACT concerning ~~[general and]~~ special obligation bonds ~~[redevelop-~~  
13 ~~ment districts];~~ ~~relating to~~ sales tax revenue bonds; ~~payment~~  
14 ~~sources;~~ ~~confidentiality of information; disclosure;~~ ~~amending~~  
15 ~~[K.S.A. 12-195 and] [K.S.A.] 12-1771 and 12-1771a and] K.S.A.~~  
16 2003 Supp. ~~[12-189, 12-1771b,] 12-1774 [and 75-5133]~~ and re-  
17 pealing the existing ~~section [sections].~~

18  
19 *Be it enacted by the Legislature of the State of Kansas:*

20 *[Section 1. K.S.A. 12-195 is hereby amended to read as follows:*  
21 *12-195. (a) Except as otherwise provided in K.S.A. 12-195b, 12-*  
22 *1774, 12-17.103 and K.S.A. 2001 Supp. 74-8924, and amendments*  
23 *thereto, or subsection (b), no city or county shall commit any of the*  
24 *funds or proceeds derived from a retailers' sales tax as a guarantee*  
25 *for the payment of bonds issued by such city or county or the Kansas*  
26 *development finance authority.*

27 *[(b) Any city or county which is the recipient of funds derived*  
28 *from a local option sales tax pursuant to K.S.A. 12-187 et seq., and*  
29 *amendments thereto, is hereby authorized to issue revenue bonds*  
30 *to provide for the payment of all or any portion of the cost of public*  
31 *facilities or improvements of such city or county for which such city*  
32 *or county is authorized pursuant to the constitution or laws of this*  
33 *state to issue general obligation bonds and to pledge revenues re-*  
34 *ceived from countywide or city retailers' sales taxes for the payment*  
35 *thereof. All revenues received from any city or county retailers' sales tax*  
36 *which has been collected and remitted to the director of taxation by a*  
37 *retailer from sales activity at or shipped or delivered from such retailer's*  
38 *place of business which is located in the taxing jurisdiction of such city*  
39 *or county which has pledged such revenues for the payment of general*  
40 *obligation bonds issued prior to July 1, 2003, by the city or county as*  
41 *provided pursuant to this section, shall be remitted by the director of*  
42 *taxation to such city or county. Any such city or county shall notify the*  
43 *director of taxation in writing of the date of issuance, amount of outstand-*

House Economic Development  
4-28-04  
Attachment 4

1 place of doing business in such city or county or making taxable sales  
 2 sourced to such city or county, setting forth the tax liability and the  
 3 amount of such tax remitted by each retailer during the preceding  
 4 month and identifying each business location maintained by the  
 5 retailer within such city or county and such retailer's sales or use tax  
 6 registration or account number. Such report shall be made available  
 7 to the clerk or treasurer of such city or county within a reasonable  
 8 time after it has been requested from the director of taxation. The  
 9 director of taxation shall be allowed to assess a reasonable fee for  
 10 the issuance of such report. Information received by any city or  
 11 county pursuant to this section shall be confidential, and it shall be  
 12 unlawful for any officer or employee of such city or county to di-  
 13 culge any such information in any manner. Any violation of this  
 14 paragraph by a city or county officer or employee is a class B mis-  
 15 demeanor, and such officer or employee shall be dismissed from  
 16 office.

Insert Sec. 3. K.S.A. 12-1770 (see attachment)

17 ~~Sec. 3~~ K.S.A. 12-1771 is hereby amended to read as follows:

Sec. 4.

18 12-1771. (a) Resolution procedure for a redevelopment district. Any  
 19 city proposing to establish a redevelopment district within an eli-  
 20 gible area shall adopt a resolution stating that the city is consid-  
 21 ering the establishment of a redevelopment district. Such resolution  
 22 shall:

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

26 [(2) describe the proposed boundaries of the redevelopment  
 27 district;

28 [(3) describe the district plan;

29 [(4) state that a description and map of the proposed redevelop-  
 30 ment district are available for inspection at a time and place  
 31 designated;

32 [(5) state that the governing body will consider findings neces-  
 33 sary for the establishment of a redevelopment district.

34 [Notice shall be given as provided in subsection (b) of K.S.A. 12-  
 35 1772, and amendments thereto.

36 [(b) Posthearing procedure. Upon the conclusion of the public  
 37 hearing, the governing body may pass an ordinance. Such ordi-  
 38 nance shall: (1) Make a finding that: (A) The redevelopment district  
 39 proposed to be developed is an eligible area; and (B) the conser-  
 40 vation, development or redevelopment of such area is necessary to  
 41 promote the general and economic welfare of the city; (2) contain  
 42 the district plan as approved; and (3) contain the legal description  
 43 of the redevelopment district and may establish the redevelopment

1 360S. and amendments thereto, as of the date any business is commenced  
 2 in this state and collect, report and remit all applicable state and local  
 3 retailer's sales and compensating use taxes on retail sales of tangible per-  
 4 sonal property or services made in this state or on retail sales of tangible  
 5 personal property or services shipped or delivered into this state directly  
 6 or by any agent, common carrier or otherwise, from any location outside  
 7 this state for use, storage or consumption in this state. If any person  
 8 located in a redevelopment district engaging in the business of selling  
 9 tangible personal property at retail or rendering or furnishing services  
 10 taxable under the provisions of the Kansas retailers' sales tax act, or any  
 11 other person in a substantial ownership relationship with such person,  
 12 has failed to register as a retailer and collect, report and remit all appli-  
 13 cable state and local retailer's sales and compensating use taxes on retail  
 14 sales of tangible personal property or services made in this state or on  
 15 retail sales of tangible personal property or services shipped or delivered  
 16 into this state directly or by any agent, common carrier or otherwise,  
 17 from any location outside this state, then such person located in a rede-  
 18 velopment district shall be liable to the state for the fair market value of  
 19 any direct or indirect benefits received from any improvements financed  
 20 by any special obligation bonds issued under the provisions of this act.

Sec. 5.

21 ~~Sec. 4~~ K.S.A. 12-1771a is hereby amended to read as follows:  
 22 12-1771a. (a) The governing body of a city may establish an incre-  
 23 ment in ad valorem taxes using the procedure set forth in subsection  
 24 (b) for projects that are initiated upon a finding that the area is a  
 25 blighted area as defined under K.S.A. 12-1770a, and amendments  
 26 thereto, when the following conditions exist:  
 27 [(1) The proposed district has been identified by the Kansas de-  
 28 partment of health and environment or the United States environ-  
 29 mental protection agency to be an environmentally contaminated  
 30 area;  
 31 [(2) the city has entered into a consent decree or settlement  
 32 agreement or has taken action expressing an intent to enter into a  
 33 consent decree or settlement agreement with the Kansas department  
 34 of health and environment or the United States environmental pro-  
 35 tection agency that addresses the investigation and remediation of  
 36 the environmental contamination;  
 37 [(3) the consent decree or settlement agreement contains a pro-  
 38 vision that has the effect of releasing property owners who are not  
 39 responsible for the contamination from the responsibility of paying  
 40 the response costs of the investigation and remediation of the con-  
 41 tamination; and  
 42 [(4) the city intends to establish a redevelopment district pur-  
 43 suant to K.S.A. 12-1771, and amendments thereto, to wholly finance

1 *may pledge increments receivable in future years to pay costs di-*  
 2 *rectly relating to the investigation and remediation of environmen-*  
 3 *tally contaminated areas. The provisions in such contracts pertain-*  
 4 *ing to pledging increments in future years shall not be subject to*  
 5 *K.S.A. 10-1101 et seq. or 79-2925 et seq., and amendments thereto.*

6 *[(k) Any person, as defined at K.S.A. 79-3602, and amendments*  
 7 *thereto, is hereby prohibited from locating any office, plant, warehouse,*  
 8 *store or other facility within a redevelopment district or otherwise doing*  
 9 *business in a redevelopment district, being included in any redevelopment*  
 10 *project, or otherwise receiving any direct or indirect benefits from any*  
 11 *improvements financed by any special obligation bonds issued under the*  
 12 *provisions of this act, unless such person doing business in this state as*  
 13 *well as any other person doing business in this state in a substantial own-*  
 14 *ership relationship with such person, as defined in K.S.A. 79-3702, and*  
 15 *amendments thereto, shall agree to register as a retailer under K.S.A. 79-*  
 16 *3608, and amendments thereto, as of the date any business is commenced*  
 17 *in this state and collect, report and remit all applicable state and local*  
 18 *retailer's sales and compensating use taxes on retail sales of tangible per-*  
 19 *sonal property or services made in this state or on retail sales of tangible*  
 20 *personal property or services shipped or delivered into this state directly*  
 21 *or by any agent, common carrier or otherwise, from any location outside*  
 22 *this state for use, storage or consumption in this state. If any person*  
 23 *located in a redevelopment district engaging in the business of selling*  
 24 *tangible personal property at retail or rendering or furnishing services*  
 25 *taxable under the provisions of the Kansas retailers' sales tax act, or any*  
 26 *other person in a substantial ownership relationship with such person,*  
 27 *has failed to register as a retailer and collect, report and remit all appli-*  
 28 *cable state and local retailer's sales and compensating use taxes on retail*  
 29 *sales of tangible personal property or services made in this state or on*  
 30 *retail sales of tangible personal property or services shipped or delivered*  
 31 *into this state directly or by any agent, common carrier or otherwise,*  
 32 *from any location outside this state, then such person located in a rede-*  
 33 *velopment district shall be liable to the state for the fair market value of*  
 34 *any direct or indirect benefits received from any improvements financed*  
 35 *by any special obligation bonds issued under the provisions of this act.*

36 ~~Sec. 5~~ */K.S.A. 2003 Supp. 12-1771b is hereby amended to read*  
 37 *as follows: 12-1771b. (a) The boundaries of any redevelopment dis-*  
 38 *trict in a major tourism area including an auto race track facility*  
 39 *located in Wyandotte county, shall, without regard to that portion*  
 40 *of the district pertaining to the auto race track facility, be as fol-*  
 41 *lows: Beginning at the intersection of Interstate 70 and Interstate*  
 42 *435; West along Interstate 70 to 118th Street; North along 118th*  
 43 *Street to State Avenue; Northeasterly along proposed relocated*

Sec. 6.



1 *business in a redevelopment district, being included in any redevelopment*  
 2 *project, or otherwise receiving any direct or indirect benefits from any*  
 3 *improvements financed by any special obligation bonds issued under the*  
 4 *provisions of this act, unless such person doing business in this state as*  
 5 *well as any other person doing business in this state in a substantial own-*  
 6 *ership relationship with such person, as defined in K.S.A. 79-3702, and*  
 7 *amendments thereto, shall agree to register as a retailer under K.S.A. 79-*  
 8 *3608, and amendments thereto, as of the date any business is commenced*  
 9 *in this state and collect, report and remit all applicable state and local*  
 10 *retailer's sales and compensating use taxes on retail sales of tangible per-*  
 11 *sonal property or services made in this state or on retail sales of tangible*  
 12 *personal property or services shipped or delivered into this state directly*  
 13 *or by any agent, common carrier or otherwise, from any location outside*  
 14 *this state for use, storage or consumption in this state. If any person*  
 15 *located in a redevelopment district engaging in the business of selling*  
 16 *tangible personal property at retail or rendering or furnishing services*  
 17 *taxable under the provisions of the Kansas retailers' sales tax act, or any*  
 18 *other person in a substantial ownership relationship with such person,*  
 19 *has failed to register as a retailer and collect, report and remit all appli-*  
 20 *cable state and local retailer's sales and compensating use taxes on retail*  
 21 *sales of tangible personal property or services made in this state or on*  
 22 *retail sales of tangible personal property or services shipped or delivered*  
 23 *into this state directly or by any agent, common carrier or otherwise,*  
 24 *from any location outside this state, then such person located in a rede-*  
 25 *velopment district shall be liable to the state for the fair market value of*  
 26 *any direct or indirect benefits received from any improvements financed*  
 27 *by any special obligation bonds issued under the provisions of this act.*

Insert Sec. 7. K.S.A. 12-1773 (see attachment)

Sec. 8.

28 ~~Section 1167~~ K.S.A. 2003 Supp. 12-1774 is hereby amended to  
 29 read as follows: 12-1774. (a) (1) Any city shall have the power to issue  
 30 special obligation bonds in one or more series to finance the undertaking  
 31 of any redevelopment project in accordance with the provisions of this  
 32 act. Such special obligation bonds shall be made payable, both as to prin-  
 33 cipal and interest:  
 34 (A) From tax increments allocated to, and paid into a special fund of  
 35 the city under the provisions of K.S.A. 12-1775, and amendments thereto;  
 36 (B) from revenues of the city derived from or held in connection with  
 37 the undertaking and carrying out of any redevelopment project or projects  
 38 under this act including historic theater sales tax increments and envi-  
 39 ronmental increments;  
 40 (C) from any private sources, contributions or other financial assis-  
 41 tance from the state or federal government;  
 42 (D) from a pledge of a portion or all of the revenue ~~received by the~~  
 43 ~~city~~ *[received by the city]* from transient guest, sales and use taxes

1 K.S.A. 10-116a, and amendments thereto.

2 (c) Any increment in ad valorem property taxes resulting from a re-  
3 development project in the established redevelopment district under-  
4 taken in accordance with the provisions of this act, shall be apportioned  
5 to a special fund for the payment of the redevelopment project costs,  
6 including the payment of principal and interest on any special obligation  
7 bonds or full faith and credit tax increment bonds issued to finance such  
8 project pursuant to this act and may be pledged to the payment of princi-  
9 pal and interest on such bonds.

Insert Sec. 9. K.S.A. 12-1777 (see attachment)

10 ~~Sec. 75-5133~~ **K.S.A. 2003 Supp. 75-5133 is hereby amended to read**

Sec. 10.

11 **as follows: 75-5133. (a) Except as otherwise more specifically pro-**  
12 **vided by law, all information received by the secretary of revenue,**  
13 **the director of taxation or the director of alcoholic beverage control**  
14 **from applications for licensure or registration made or returns or, re-**  
15 **ports, license applications or registration documents made or filed under**  
16 **the provisions of any law imposing any sales, use or other excise tax**  
17 **administered by the secretary of revenue, the director of taxation, or**  
18 **the director of alcoholic beverage control, or from any investigation**  
19 **conducted under such provisions, shall be confidential, and it shall**  
20 **be unlawful for any officer or employee of the department of reve-**  
21 **nuce to divulge any such information except in accordance with**  
22 **other provisions of law respecting the enforcement and collection**  
23 **of such tax, in accordance with proper judicial order and or as pro-**  
24 **vided in K.S.A. 74-2424, and amendments thereto.**

25 ~~[(b) Nothing in this section shall be construed to prohibit the pub-~~  
26 ~~lication of The secretary of revenue or the secretary's designee may:~~

27 ~~[(1) Release information which appears on a sales, use or other excise~~  
28 ~~tax license certificate issued by the department, except that the department~~  
29 ~~shall not publicly disclose the license number issued by the department.~~  
30 ~~The department may release the status of a license but shall not disclose~~  
31 ~~any further details concerning the status;~~

32 ~~[(2) publish statistical reports showing state or local tax revenues or~~  
33 ~~distributions by city, county or number and types of businesses. The sec-~~  
34 ~~retary of revenue or the secretary's designee may release other statistics,~~  
35 ~~so classified as to prevent identification of particular reports or~~  
36 ~~returns and the items thereof;~~

37 ~~[(3) allow the inspection of returns by the attorney general-~~  
38 ~~Nothing in this section shall prohibit or the attorney general's designee;~~

39 ~~[(4) provide the post auditor from access to all such excise tax~~  
40 ~~reports or returns in accordance with and subject to the provisions~~  
41 ~~of subsection (g) of K.S.A. 46-1106, and amendments thereto. Noth-~~  
42 ~~ing in this section shall be construed to prohibit the disclosure of:~~

43 ~~[(5) disclose taxpayer information from excise tax returns to per-~~

1 ~~[(d)]~~ Any violation of this section shall be a class B, nonperson  
2 misdemeanor, and if the offender is an officer or employee of this  
3 state, such officer or employee shall be dismissed from office.]

, 12-1770,

4 Sec. ~~2~~ [S.] [K.S.A. 12-195 ~~and~~ K.S.A. ~~12-1771~~ ~~and~~ ~~12-1771a~~  
5 and K.S.A.] 2003 Supp. [12-189, 12-1771b.] 12-1774 ~~is~~ [and 75-5133  
6 are] hereby repealed.

,

7 Sec. ~~2~~ [9.] This act shall take effect and be in force from and after  
8 its publication in the Kansas register.

, 12-1773 and 12-1777

Sec. 3. K.S.A. 12-1770 is hereby amended to read as follows: 12-1770. It is hereby declared to be the purpose of this act to promote, stimulate and develop the general and economic welfare of the state of Kansas and its communities and to assist in the development and redevelopment of eligible areas within and without a city thereby promoting the general welfare of the citizens of this state, by authorizing cities to acquire by purchase certain property and to issue special obligation bonds and full faith and credit tax increment bonds for the financing of redevelopment projects. It is further found and declared that the powers conferred by this act are for public uses and purposes for which public money may be expended ~~and the power of eminent domain exercised~~. The necessity in the public interest for the provisions of this act is hereby declared as a matter of legislative determination.

Sec. 7. K.S.A. 12-1773 is hereby amended to read as follows: 12-1773. (a) Any city which has adopted a project plan in accordance with the provisions of this act may purchase ~~or otherwise acquire~~ through reasonable negotiations and agreement with the property owner real property in connection with such project plan. ~~Upon a 2/3 vote of the members of the governing body thereof a city may acquire by condemnation any interest in real property, including a fee simple title thereto, which it deems necessary for or in connection with any project plan of an~~

area located within the redevelopment district. Prior to the exercise of such eminent domain power, the city shall offer to the owner of any property which will be subject to condemnation with respect to any redevelopment project, other than one which includes an auto race track facility, compensation in an amount equal to the highest appraised valuation amount determined for property tax purposes by the county appraiser for any of the three most recent years next preceding the year of condemnation, except that, if in the year next preceding the year of condemnation any such property had been damaged or destroyed by fire, flood, tornado, lightning, explosion or other catastrophic event, the amount offered should be equal to the appraised valuation of the property which would have been determined taking into account such damage or destruction unless such property has been restored, renovated or otherwise improved. However no city shall exercise such eminent domain power to acquire real property in a conservation area. Any such city may exercise the power of eminent domain in the manner provided by K.S.A. 26-501 et seq. and amendments thereto. In addition to the compensation or damage amount finally awarded thereunder with respect to any property subject to proceedings thereunder as a result of the construction of an auto race track facility, such city shall provide for the payment of an amount equal to 25% of such compensation or damage amount. In addition to any compensation or damages allowed under the eminent domain procedure act, such city shall also provide for the payment of relocation assistance as provided in K.S.A.

~~12-1777, and amendments thereto.~~ No city shall exercise its power of eminent domain to acquire property as a site for any improvements to be financed by any bonds issued pursuant to K.S.A. 12-1770 et seq., and amendments thereto.

(b) Any property acquired by a city under the provisions of this act may be sold, transferred or leased to a developer, in accordance with the project plan and under such other conditions as may be agreed upon. Such city may use the proceeds of special obligation bonds issued under K.S.A. 12-1774, and amendments thereto, or full faith and credit tax increment bonds issued under K.S.A. 12-1774, and amendments thereto, or any uncommitted funds derived from those sources set forth in paragraph (1) of subsection (a) of K.S.A. 12-1774, and amendments thereto, to pay the redevelopment project costs as defined in K.S.A. 12-1770a, and amendments thereto, to implement the project plan.

Sec. 9. K.S.A. 12-1777 is hereby amended to read as follows:  
12-1777. Before any redevelopment project shall be initiated under this act a relocation assistance plan shall be approved by the governing body proposing to undertake the project. Such relocation assistance plan shall:

(a) Provide for relocation payments to be made to persons, families and businesses who move from real property or who move personal property from real property as a result of the acquisition purchase of the real property by the city in carrying

out the provisions of this act. With respect to any redevelopment project other than one which includes an auto race track facility, such payments shall not be less than \$500;

(b) provide that no persons or families residing in the redevelopment district shall be displaced unless a purchase price for the real property has been agreed to through reasonable negotiations with the property owner and until there is a suitable housing unit available and ready for occupancy by such displaced person or family at rents within their ability to pay. Such housing units shall be suitable to the needs of such displaced persons or families and must be a decent, safe, sanitary and otherwise standard dwelling; and

(c) provide for the payment of any damages sustained by a retailer, as defined by K.S.A. 79-3702, and amendments thereto, by reason of the liquidation of inventories necessitated by relocation.

Proposed Amendment #1  
Representative Novascone  
April 28, 2004

Sec. \_\_\_\_ K.S.A. 2003 Supp. 12-1780b is hereby amended to read as follows: 12-1780b. (a) The governing body of a city may establish one or more special bond projects in any area within such city. The special bond projects shall be eligible for financing by special obligation bonds payable from revenues described by subsection (a)(1)(D) of K.S.A. 12-1774, and amendments thereto. Each special bond project shall first be approved by the secretary. The secretary may approve a special bond project located in a redevelopment district established by a city prior to the effective date of this act. A special bond project shall not be granted to any business that proposes to relocate its business from another area of the state into such city, for the purpose of consideration for a special bond project and shall not receive any of the benefits provided by K.S.A. 12-1770 et seq., and amendments thereto. A special bond project shall not be approved by the secretary if the marketing study required by K.S.A. 2003 Supp. 12-1780c, and amendments thereto, indicates a substantial negative impact upon businesses in the project market area or the granting of such project would cause a default in the payment of any outstanding special obligation bonds as authorized pursuant to subsection (a)(1)(D) of K.S.A. 12-1774, and amendments thereto.

(b) The maximum maturity of special obligation bonds payable primarily from revenues described by subsection (a)(1)(D) of

House Economic Development  
4-28-04  
Attachment 5



K.S.A. 12-1774, and amendments thereto, to finance special bond projects pursuant to this section shall not exceed 20 years.

~~(c) Any redevelopment project plan in a redevelopment district located in the city of Wichita that is eligible for benefits provided by K.S.A. 12-1774 et seq., and amendments thereto, and includes an arena or arena-like structure shall be subject to approval by a vote by the citizens of Wichita at an election held for this purpose prior to approval by the secretary of commerce.~~