

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Nick Jordan at 8:30 A.M. on February 16, 2007 in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Amy Deckard, Kansas Legislative Research Department  
Kathie Sparks, Kansas Legislative Research Department  
Mike Heim, Revisor of Statutes  
Jackie Lunn, Committee Assistant

Conferees appearing before the committee:

Others attending:

See attached list.

**SB 316-Codifying STAR bond financing separately from tax increment financing  
SB 242-Bioscience development projects; certain changes**

Chairperson Jordan referred the Committee to a list of requested amendments for **SB 316** (Attachment 1) which was prepared by Kathie Sparks, Legislative Services. Chairperson Jordan announced they would work from the list. The requested amendments are as follows:

- (1) Counties initiating STAR bond applications and projects.

Questions and discussion followed.

**Senator Emler made a motion to add amendment (1) counties initiating STAR Bond applications and projects. Senator Brownlee Seconded. Motion carried.**

- (2) Change in financing of STAR bond projects: City sales tax, the city share of county sales tax, and state sales tax generated within the redevelopment district would be pledged to repay STAR Bonds. The Secretary would have the discretion to require a city to pledge additional revenue streams, transient guest tax, and franchise fees. On county only projects, the county sales tax and the county share of the sales tax.

Questions and discussion followed.

**Senator Reitz made a motion to add amendment (2) to SB 316. Seconded by Senator Teichman. Motion carried.**

- (3) Allow cities and counties the flexibility to pledge 100 % of the "increment" rather than capture existing tax revenues with the baseline set as the tax year preceding commencement of work.

Discussion followed

**Senator Browlee made a motion to add amendment (3) to SB 316. Senator Reitz seconded. Motion carried.**

- (4) Limit all future project to 50% of the total cost to STAR Bond financing

Discussion followed

**Senator Brownlee made a motion to add amendment (4) to SB 316. Senator Barone seconded. Motion carried.**

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**After discussion it was determined that further discussion was needed and the motion was withdrawn.**

- (5) Add : Page 3, line 34, and multilevel parking structures and page 4, line 3, and multilevel parking structures and parking structures will be exclusively for parking.

Discussion followed.

**Senator Brownlee made a motion to add (5) amendment to SB 316. Senator Reitz seconded. Motion carried.**

- (6) All STAR Bond proceeds be used to finance any costs, including privately-owned buildings and structures and fees so long as at least 50 percent of the project is not being financed with STAR Bonds.

After a lengthy discussion, Chairperson Jordan announced they would move on to the other requested amendments and come back to this one.

- (7) Amend the definition of a River walk canal facility by removing “located adjacent to a river” page 4 line 20.

Discussion followed.

**Senator Barone made a motion to add (7) amendment to SB 316. Senator Teichman seconded. Motion carried.**

- (8) Seek clarification on Section 18, termination date for existing projects, page 20, lines 12-13. Exempting the Schlitterbaun and Manhattan projects from the deadline and extending STAR Bond to 2012.

Discussion followed.

**Senator Reitz made a motion to add (8) amendment to SB 316. Senator Brownlee seconded. Motion carried.**

- (9) Add **SB 242**, wet labs; and county and school district authority to stop project.

Discussion followed.

**Senator Brownlee made a motion to add (9) amendment to SB 316. Senator Kelly seconded. Motion carried.**

- (10) Procedure for failure to pass a city resolution for the project.

**Senator Kelly made a motion to conceptually add language to address amendment (10). Senator Teichman seconded.**

Discussion followed.

**Motion carried.**

Chairperson Jordan announced they would move to the TIF part of the **SB 316**. Again referring to “Requested Amendments”. ([Attachment 1](#))

- (1) To add multi-level parking facility, page 24, line 37.

**Senator Schodorf made a motion to add amendment (1) on the TIF part to SB 316 adding multilevel**

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**parking facilities. Senator Teichman seconded. Motion carried.**

- (2) Add intermodal Transportation Area.

**Senator Kelly made a motion to add amendment (2) on the TIF part to SB 316 adding intermodal transportation area. Seconded by Senator Brownlee . Motion carried.**

**Senator Barone made a motion to give the Revisor authority to make technical changes (clean up) to SB 316. Senator Schodorf seconded. Motion carried.**

Chairperson Jordan called on Kathie Sparks to discuss language changes regarding a balloon on (6) all STAR Bond proceeds be used to finance any costs, including privately-owned buildings and structures and fees so long as at least 50 percent of the project is not being financed with STAR Bonds.

Chairperson Jordan stated the Committee would be taking this action up again on Tuesday morning. At that time the Staff will have a written balloon for the Committee to look at.

Chairperson Jordan adjourned the meeting at 9:30 a.m. with the next scheduled meeting, February 19<sup>th</sup> at 8:30 a.m. in room 123S.



SB 316

Requested amendments:

**STAR Bonds**

1. Counties initiating STAR bond applications and project. (Department of Commerce)
2. Change in financing of STAR bond projects: City sales, tax, the city share of county sales tax, and state sales tax generated within the redevelopment district would be pledged to repay STAR bonds. The Secretary would have the discretion to require a city to pledge additional revenue streams, transient guest tax, local use, franchise fees, and similar taxes (Department of Commerce)
3. Allowing cities and counties the flexibility to pledge the "increment" rather than capture existing tax revenues (Department of Commerce)
4. Limit all future project to 50% of total cost to STAR Bond financing....(Department of Commerce)
5. Multilevel Parking Structures: Page 3, line 34 'and multilevel parking structures and page 4 line 3 and multilevel parking structures (City of Overland Park, Wichita and Lenexa)
6. All STAR bond proceeds be used to finance any costs, including privately-owned buildings and structures and fees so long as at least 50 percent of the project is not being financed with STAR bonds. (City of Olathe)
7. Amend the definition of a River walk canal facility by removing "located adjacent to a river" page 4 line 20. ( Schlitterbahn Project)
8. Seek clarification on Section 18, termination date for existing projects, page 20, lines 12-13. (Schlitterbahn Project)
9. SB 242, wet labs and county and school district authority to stop a project.
10. Procedure for failure to pass a city resolution for the project, not in the bill.

**TIF**

1. Multi-level parking facility, page 24, line 37 (City of Mission)
2. Add Intermodal Transportation Area. (City of Gardner)
1. Give the Revisor authority to make technical changes (clean up) to the bill.