

CHAPTER 98
HOUSE BILL No. 2551*

AN ACT concerning recovery zone bonds; granting authority to the department of commerce to recapture unissued bonds.

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

Section 1. (a) As used in this section:

(1) "Department" means the department of commerce.

(2) "Recovery zone bonds" means any recovery zone economic development bonds or recovery zone facility bonds that are allocated pursuant to Section 1400U-1 of the Internal Revenue Code of 1986, as amended.

(b) (1) The department shall allocate recovery zone bonds to counties and large municipalities in accordance with Section 1400U-1 of the Internal Revenue Code of 1986, as amended, and shall provide notice of such allocation to each county and large municipality. A county or large municipality may, at any time, waive any allocation of recovery zone bonds by providing written notice to the department. Each allocation shall be deemed waived by the county or large municipality on the sixtieth day following notice of allocation, except to the extent the county or large municipality provided the department with written notice of intent to issue recovery zone bonds stating the amount and type to be issued. Each county or large municipality shall notify the department in writing of the issuance of recovery zone bonds. Any recovery zone bonds allocated to a county or large municipality which remain unissued as of June 30, 2010, shall be recaptured by the department for reallocation.

(2) Any county or municipality may apply to the department for the allocation of additional recovery zone bonds to the extent such bonds are available due to the waiver of recovery zone bond allocations by other counties or large municipalities or the recapture of recovery zone bonds by the department as provided under paragraph (1) of this subsection. The department may reallocate such recovery zone bonds to any county or municipality as provided by rule.

(c) The department may adopt such rules and regulations as may be required for the implementation and administration of this section.

Sec. 2. (a) As used in this section:

(1) "Department" means the department of commerce.

(2) "Qualified energy conservation bonds" means any qualified energy conservation bonds that are allocated pursuant to Section 54D(e)(1) of the Internal Revenue Code of 1986, as amended.

(b) (1) The department shall allocate qualified energy conservation bonds to large local governments in accordance with Section 54D(e)(1) of the Internal Revenue Code of 1986, as amended, and shall provide notice of such allocation to each large local government. A large local government may, at any time, waive any allocation of qualified energy conservation bonds by providing written notice to the department. Each allocation shall be deemed waived by the large local government on the sixtieth day following notice of allocation, except to the extent the large local government provided the department with written notice of intent to issue qualified energy conservation bonds stating the amount and type to be issued. Each large local government shall notify the department in writing of the issuance of qualified energy conservation bonds. Any qualified energy conservation bonds allocated to a large local government which remain unissued as of June 30 of each year, shall be recaptured by the department for reallocation.

(2) Any local government may apply to the department for the allocation of additional qualified energy conservation bonds to the extent such bonds are available due to the waiver of qualified energy conservation bond allocations by other large local governments or the recapture of qualified energy conservation bonds by the department as provided under paragraph (1) of this subsection. The department may reallocate such qualified energy conservation bonds to any local government as provided by rule.

(c) The department may adopt such rules and regulations as may be required for the implementation and administration of this section.

Sec. 3. This act shall take effect and be in force from and after its publication in the Kansas register.

Approved April 12, 2010.

Published in the *Kansas Register* April 22, 2010.
