

SESSION OF 2004

**CONFERENCE COMMITTEE REPORT BRIEF
ON HOUSE SUBSTITUTE
FOR SENATE BILL NO. 395**

As Agreed to May 4, 2004

Brief*

SB 395 amends the tax increment financing law to allow any redevelopment district established prior to January 1, 2003, to continue to receive transient guest, sales and use taxes from taxpayers, whether or not revenues from such taxes are received by the city.

In addition, the bill includes the following components:

- ! STAR bonds could not be used to finance personal property as defined in the state's property tax laws.
- ! Redevelopment districts could be established wholly outside of a city's boundaries with the written approval of the county commission.
- ! The Department of Commerce would be given the authority to adopt rules and regulations.
- ! Tax increment financing bonds would be made payable from all of the revenues received by the city or county from any transient guest, local sales and use taxes which are collected from taxpayers doing business within that portion of the city's redevelopment district.
- ! A city that owns a building or structure that was financed in whole or in part by STAR bonds would be allowed to engage a manager to manage such building or structure and the contractual relationship would not be deemed as a lease to a developer as defined in the tax increment financing laws.
- ! A city that exercises eminent domain to acquire property must

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

compensate the property owner at least 125 percent of the highest appraised valuation based on the prior three years evaluation.

- ! The bill would become effective on publication in the *Kansas Register*.

Conference Committee Action

The Conference Committee concurred with the House Committee of the Whole amendments to the bill and provided that the bill would become effective upon publication in the register.