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Asst Revisor
Prepared for Senate
Committee on Commerce
3-16-2016

Session of 2016

SENATE BILL No. 493

LN-1

By Committee on Federal and State Affairs

3-8

1 AN ACT concerning the department of commerce; relating to
2 administrative cost recovery fees for department-administered
3 community finance, economic development and tax incentive
4 programs; amending K.S.A. 74-5060 and K.S.A. 2015 Supp. 12-
5 17,164, 74-50,150 and 76-7,141 and repealing the existing sections.
6

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

8 New Section 1. (a) For purposes of recovering application processing,
9 oversight, administrative and other costs, the secretary of commerce may
10 assess an application fee of up to \$750 upon applications for economic
11 development incentive programs administered wholly or in part by the
12 secretary, including, but not limited to, the Kansas industrial training and
13 retraining programs, K.S.A. 74-5065 et seq., and amendments thereto, the
14 high performance incentive program, K.S.A. 74-50,131 et seq., and
15 amendments thereto, the promoting employment across Kansas act, K.S.A.
16 2015 Supp. 74-50,210 et seq., and amendments thereto and the job
17 creation program fund, K.S.A. 2015 Supp. 74-50,224 et seq., and
18 amendments thereto. The secretary may adopt rules and regulations to
19 implement the provisions of this subsection.

20 (b) The secretary of commerce shall remit all moneys received by or
21 for the secretary from such application fees and collected under this
22 section to the state treasurer in accordance with the provisions of K.S.A.
23 75-4215, and amendments thereto. Upon receipt of each such remittance,
24 the state treasurer shall deposit the entire amount in the state treasury to
25 the credit of the economic development incentive program application fee
26 fund, which is hereby established in the state treasury and which may be
27 used for costs to the department of commerce arising from administering
28 such economic development incentive programs. All expenditures from the
29 economic development incentive program application fee fund shall be
30 made in accordance with appropriation acts upon warrants of the director
31 of accounts and reports issued pursuant to vouchers approved by the
32 secretary or by a person or persons designated by the secretary.

33 Sec. 2. K.S.A. 2015 Supp. 12-17,164 is hereby amended to read as
34 follows: 12-17,164. (a) The governing body of a city may establish one or
35 more STAR bond projects in any area within such city or wholly outside
36 the boundaries of such city. A STAR bond project wholly outside the

1 (j) On or after December 16 of each calendar year, the secretary may
2 approve a carryforward election with respect to an approved allocation or
3 any approved extension if the governmental issuer, in writing: (1)
4 Requests such action; and (2) indicates that the private activity bonds for
5 which the allocation was approved cannot be issued during the calendar
6 year in which the allocation was approved. Such approved carryforward
7 election shall be made by the governmental issuer by means of a
8 statement, signed by a duly authorized official of such issuer. Such
9 statement shall be filed with the secretary and with the internal revenue
10 service in accordance with section 146(f) of the code. A governmental
11 issuer may elect to carryforward such issuing authority only for qualified
12 mortgage bonds, mortgage credit certificates, qualified student loan bonds,
13 qualified redevelopment bonds, as defined in sections 142, 143 and 144 of
14 the code, or for bonds to finance a project described in section 141(e)(1)
15 (A) of the code. In no event shall such carryforward be effective for a
16 period longer than permitted by section 146(f) of the code.

17 (k) If an approved allocation expires, a governmental issuer may
18 submit another application for an allocation of the state ceiling for the
19 same purpose for which the expired allocation was approved. Any such
20 applications shall be reviewed in order of receipt with no preference or
21 priority being given as a result of the prior application and allocation.

22 (l) (1) *For purposes of recovery of program oversight and*
23 *administrative costs, the secretary may assess an administrative*
24 *application fee of up to ~~5%~~ of the private activity bond issuance amount*
25 *requested. At the secretary's discretion, the fee may be made payable by*
26 *the governmental issuer or out of the bond proceeds or both. If the fee is*
27 *assessed in whole or in part upon the governmental issuer, the*
28 *governmental issuer may require payment of such fee or a portion thereof*
29 *from the conduit borrower or borrowers if requiring such payment from*
30 *the conduit borrower or borrowers is approved by the secretary. In no*
31 *case shall the fee exceed applicable limitations imposed by the code. The*
32 *secretary may issue rules and regulations to implement the provisions of*
33 *this subsection.*

34 (2) *The secretary shall remit all moneys received by or for the*
35 *secretary from such administrative application fees and collected under*
36 *this subsection to the state treasurer in accordance with the provisions of*
37 *K.S.A. 75-4215, and amendments thereto. Upon receipt of each such*
38 *remittance, the state treasurer shall deposit the entire amount in the state*
39 *treasury to the credit of the private activity bond administration fee fund,*
40 *which is hereby established in the state treasury. All expenditures from the*
41 *private activity bond administration fee fund shall be made in accordance*
42 *with appropriation acts upon warrants of the director of accounts and*
43 *reports issued pursuant to vouchers approved by the secretary or by a*

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