

HOUSE BILL No. 2410

By Committee on Appropriations

3-12

1 AN ACT concerning STAR bonds; relating to economic impact studies;
2 base year assessed valuation for additions of area to project districts;
3 financing an excess of approved amounts; amending K.S.A. 2014
4 Supp. 12-17,162, 12-17,164, 12-17,166, 12-17,168 and 12-17,171 and
5 repealing the existing sections.
6

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

8 Section 1. K.S.A. 2014 Supp. 12-17,162 is hereby amended to read as
9 follows: 12-17,162. As used in this act, and amendments thereto, the
10 following words and phrases shall have the following meanings unless a
11 different meaning clearly appears from the context:

12 (a) "Auto race track facility" means: (1) An auto race track facility
13 and facilities directly related and necessary to the operation of an auto race
14 track facility, including, but not limited to, grandstands, suites and viewing
15 areas, concessions, souvenir facilities, catering facilities, visitor and retail
16 centers, signage and temporary hospitality facilities; but excluding (2)
17 hotels, motels, restaurants and retail facilities, not directly related to or
18 necessary to the operation of such facility.

19 (b) "Commence work" means the manifest commencement of actual
20 operations on the development site, such as, erecting a building,
21 excavating the ground to lay a foundation or a basement or work of like
22 description which a person with reasonable diligence can see and
23 recognize as being done with the intention and purpose to continue work
24 until the project is completed.

25 (c) "De minimus" means an amount less than 15% of the land area
26 within a STAR bond project district.

27 (d) "Developer" means any person, firm, corporation, partnership or
28 limited liability company other than a city and other than an agency,
29 political subdivision or instrumentality of the state.

30 (e) "Economic impact study" means a study to project the financial
31 benefit of the project to the local, regional and state economies.

32 (f) "Eligible area" means a historic theater, major tourism area, major
33 motorsports complex, auto race track facility, river walk canal facility,
34 major multi-sport athletic complex, or a major commercial entertainment
35 and tourism area as determined by the secretary.

36 (g) "Feasibility study" means a feasibility study as defined in

1 ~~subsection (b)~~ of K.S.A. 2014 Supp. 12-17,166(b), and amendments
2 thereto.

3 (h) "Historic theater" means a building constructed prior to 1940
4 which was constructed for the purpose of staging entertainment, including
5 motion pictures, vaudeville shows or operas, that is operated by a
6 nonprofit corporation and is designated by the state historic preservation
7 officer as eligible to be on the Kansas register of historic places or is a
8 member of the Kansas historic theatre association.

9 (i) "Historic theater sales tax increment" means the amount of state
10 and local sales tax revenue imposed pursuant to K.S.A. 12-187 et seq., 79-
11 3601 et seq. and 79-3701 et seq., and amendments thereto, collected from
12 taxpayers doing business within the historic theater that is in excess of the
13 amount of such taxes collected prior to the designation of the building as a
14 historic theater for purposes of this act.

15 (j) "Major commercial entertainment and tourism area" means an area
16 that may include, but not be limited to, a major multi-sport athletic
17 complex.

18 (k) "Major motorsports complex" means a complex in Shawnee
19 county that is utilized for the hosting of competitions involving motor
20 vehicles, including, but not limited to, automobiles, motorcycles or other
21 self-propelled vehicles other than a motorized bicycle or motorized
22 wheelchair. Such project may include racetracks, all facilities directly
23 related and necessary to the operation of a motorsports complex,
24 including, but not limited to, parking lots, grandstands, suites and viewing
25 areas, concessions, souvenir facilities, catering facilities, visitor and retail
26 centers, signage and temporary hospitality facilities, but excluding hotels,
27 motels, restaurants and retail facilities not directly related to or necessary
28 to the operation of such facility.

29 (l) "Major tourism area" means an area for which the secretary has
30 made a finding the capital improvements costing not less than
31 \$100,000,000 will be built in the state to construct an auto race track
32 facility.

33 (m) "Major multi-sport athletic complex" means an athletic complex
34 that is utilized for the training of athletes, the practice of athletic teams, the
35 playing of athletic games or the hosting of events. Such project may
36 include playing fields, parking lots and other developments including
37 grandstands, suites and viewing areas, concessions, souvenir facilities,
38 catering facilities, visitor centers, signage and temporary hospitality
39 facilities, but excluding hotels, motels, restaurants and retail facilities, not
40 directly related to or necessary to the operation of such facility.

41 (n) "Market study" means a study to determine the ability of the
42 project to gain market share locally, regionally and nationally and the
43 ability of the project to gain sufficient market share to:

- 1 (1) Remain profitable past the term of repayment; and
- 2 (2) maintain status as a significant factor for travel decisions.
- 3 (o) "Market impact study" means a study to measure the impact of the
- 4 proposed project on similar businesses in the project's market area.
- 5 (p) "Museum facility" means a separate newly-constructed museum
- 6 building and facilities directly related and necessary to the operation
- 7 thereof, including gift shops and restaurant facilities, but excluding hotels,
- 8 motels, restaurants and retail facilities not directly related to or necessary
- 9 to the operation of such facility. The museum facility shall be owned by
- 10 the state, a city, county, other political subdivision of the state or a non-
- 11 profit corporation, shall be managed by the state, a city, county, other
- 12 political subdivision of the state or a non-profit corporation and may not
- 13 be leased to any developer and shall not be located within any retail or
- 14 commercial building.
- 15 (q) "Project" means a STAR bond project.
- 16 (r) "Project costs" means those costs necessary to implement a STAR
- 17 bond project plan, including costs incurred for:
 - 18 (1) Acquisition of real property within the STAR bond project area;
 - 19 (2) payment of relocation assistance pursuant to a relocation
 - 20 assistance plan as provided in K.S.A. 2014 Supp. 12-17,173, and
 - 21 amendments thereto;
 - 22 (3) site preparation including utility relocations;
 - 23 (4) sanitary and storm sewers and lift stations;
 - 24 (5) drainage conduits, channels, levees and river walk canal facilities;
 - 25 (6) street grading, paving, graveling, macadamizing, curbing,
 - 26 guttering and surfacing;
 - 27 (7) street light fixtures, connection and facilities;
 - 28 (8) underground gas, water, heating and electrical services and
 - 29 connections located within the public right-of-way;
 - 30 (9) sidewalks and pedestrian underpasses or overpasses;
 - 31 (10) drives and driveway approaches located within the public right-
 - 32 of-way;
 - 33 (11) water mains and extensions;
 - 34 (12) plazas and arcades;
 - 35 (13) parking facilities and multilevel parking structures devoted to
 - 36 parking only;
 - 37 (14) landscaping and plantings, fountains, shelters, benches,
 - 38 sculptures, lighting, decorations and similar amenities;
 - 39 (15) auto race track facility;
 - 40 (16) major multi-sport athletic complex;
 - 41 (17) museum facility;
 - 42 (18) major motorsports complex;
 - 43 (19) *an economic impact study*;

1 (20) related expenses to redevelop and finance the project, except that
 2 for a STAR bond project financed with special obligation bonds payable
 3 from the revenues described in ~~subsection (a)(1)~~ of K.S.A. 2014 Supp. 12-
 4 17,169(a)(1), and amendments thereto, such expenses shall require prior
 5 approval by the secretary of commerce; and
 6 ~~(20)~~(21) except as specified in subsections (1) through ~~(19)~~ (20)
 7 above, project costs shall not include:
 8 (A) Costs incurred in connection with the construction of buildings or
 9 other structures;
 10 (B) fees and commissions paid to developers, real estate agents,
 11 financial advisors or any other consultants who represent the developers or
 12 any other businesses considering locating in or located in a STAR bond
 13 project district;
 14 (C) salaries for local government employees;
 15 (D) moving expenses for employees of the businesses locating within
 16 the STAR bond project district;
 17 (E) property taxes for businesses that locate in the STAR bond project
 18 district;
 19 (F) lobbying costs;
 20 (G) any bond origination fee charged by the city or county;
 21 (H) any personal property as defined in K.S.A. 79-102, and
 22 amendments thereto; and
 23 (I) travel, entertainment and hospitality.
 24 (s) "Projected market area" means any area within the state in which
 25 the project is projected to have a substantial fiscal or market impact upon
 26 businesses in such area.
 27 (t) "River walk canal facilities" means a canal and related water
 28 features which flow through a major commercial entertainment and
 29 tourism area and facilities related or contiguous thereto, including, but not
 30 limited to, pedestrian walkways and promenades, landscaping and parking
 31 facilities.
 32 (u) "Sales tax and revenue" are those revenues available to finance
 33 the issuance of special obligation bonds as identified in K.S.A. 2014 Supp.
 34 12-17,168, and amendments thereto.
 35 (v) "STAR bond" means a sales tax and revenue bond.
 36 (w) "STAR bond project" means an approved project to implement a
 37 project plan for the development of the established STAR bond project
 38 district with:
 39 (1) At least a \$50,000,000 capital investment and \$50,000,000 in
 40 projected gross annual sales; or
 41 (2) for areas outside of metropolitan statistical areas, as defined by
 42 the federal office of management and budget, the secretary finds:
 43 (A) The project is an eligible area as defined in subsection (f), and

1 amendments thereto; and

2 (B) would be of regional or statewide importance; or

3 (3) is a major tourism area as defined in subsection (l), and
4 amendments thereto; or

5 (4) is a major motorsports complex, as defined in subsection (k), and
6 amendments thereto.

7 (x) "STAR bond project area" means the geographic area within the
8 STAR bond project district in which there may be one or more projects.

9 (y) "STAR bond project district" means the specific area declared to
10 be an eligible area as determined by the secretary in which the city or
11 county may develop one or more STAR bond projects. A STAR bond
12 project district includes a redevelopment district, as defined in K.S.A. 12-
13 1770a, and amendments thereto, created prior to the effective date of this
14 act for the Wichita Waterwalk project in Wichita, Kansas, provided, the
15 city creating such redevelopment district submits an application for
16 approval for STAR bond financing to the secretary on or before July 31,
17 2007, and receives a final letter of determination from the secretary
18 approving or disapproving the request for STAR bond financing on or
19 before November 1, 2007.

20 (z) "STAR bond project district plan" means the preliminary plan that
21 identifies all of the proposed STAR bond project areas and identifies in a
22 general manner all of the buildings, facilities and improvements in each
23 that are proposed to be constructed or improved in each STAR bond
24 project area.

25 (aa) "STAR bond project plan" means the plan adopted by a city or
26 county for the development of a STAR bond project or projects in a STAR
27 bond project district.

28 (bb) "Secretary" means the secretary of commerce.

29 (cc) "Substantial change" means, as applicable, a change wherein the
30 proposed plan or plans differ substantially from the intended purpose for
31 which the STAR bond project district plan was approved.

32 (dd) "Tax increment" means that portion of the revenue derived from
33 state and local sales, use and transient guest tax imposed pursuant to
34 K.S.A. 12-187 et seq., 12-1692 et seq., 79-3601 et seq. and 79-3701 et
35 seq., and amendments thereto, collected from taxpayers doing business
36 within that portion of a STAR bond project district occupied by a project
37 that is in excess of the amount of base year revenue. For purposes of this
38 subsection, the base year shall be the 12-month period immediately prior
39 to the month in which the STAR bond project district is established. The
40 department of revenue shall determine base year revenue by reference to
41 the revenue collected during the base year from taxpayers doing business
42 within the specific area in which a STAR bond project district is
43 subsequently established. *The base year of a STAR bond project district*

1 *following the addition of area to the STAR bond project district shall be*
2 *the base year of the original area.* For purposes of this subsection, revenue
3 collected from taxpayers doing business within a STAR bond project
4 district, or within a specific area in which a STAR bond project district is
5 subsequently established shall not include local sales and use tax revenue
6 that is sourced to jurisdictions other than those in which the project is
7 located.

8 (ee) "Taxpayer" means a person, corporation, limited liability
9 company, S corporation, partnership, registered limited liability
10 partnership, foundation, association, nonprofit entity, sole proprietorship,
11 business trust, group or other entity that is subject to the Kansas income
12 tax act, K.S.A. 79-3201 et seq., and amendments thereto.

13 Sec. 2. K.S.A. 2014 Supp. 12-17,164 is hereby amended to read as
14 follows: 12-17,164. (a) The governing body of a city may establish one or
15 more STAR bond projects in any area within such city or wholly outside
16 the boundaries of such city. A STAR bond project wholly outside the
17 boundaries of such city must be approved by the board of county
18 commissioners by the passage of a county resolution.

19 The governing body of a county may establish one or more STAR bond
20 projects in any unincorporated area of the county.

21 The projects shall be eligible for financing by special obligation bonds
22 payable from revenues described by ~~subsection (a)(1) of~~ K.S.A. 2014
23 Supp. 12-17,169(a)(1), and amendments thereto.

24 (b) Each STAR bond project shall first be approved by the secretary,
25 if the secretary determines that the proposed project or complex
26 sufficiently promotes, stimulates and develops the general and economic
27 welfare of the state as described in K.S.A. 2014 Supp. 12-17,160, and
28 amendments thereto. The secretary, upon approving the project, may
29 approve such financing in an amount not to exceed 50% of the total costs
30 including all project costs and any other costs related to the project. The
31 proceeds of such STAR bond financing may only be used to pay for
32 incurred project costs.

33 (c) For a city proposing to finance a major motorsports complex
34 pursuant to ~~subsection (a)(1)(C) or (a)(1)(E) of~~ K.S.A. 2014 Supp. 12-
35 17,169(a)(1)(C) or (a)(1)(E), and amendments thereto, the secretary, upon
36 approving the project, may approve such financing in an amount not to
37 exceed 50% of the STAR bond project costs.

38 (d) The secretary may approve a STAR bond project located in a
39 STAR bond project district established by a city prior to May 1, 2003.

40 (e) A project shall not be granted to any business that proposes to
41 relocate its business from another area of the state into such city or county,
42 for the purpose of consideration for a STAR bond project provided by
43 K.S.A. 2014 Supp. 12-17,160 et seq., and amendments thereto.

1 (f) A project shall not be approved by the secretary if the market
2 study required by K.S.A. 2014 Supp. 12-17,166, and amendments thereto,
3 indicates a substantial negative impact upon businesses in the project or
4 complex market area or the granting of such project or complex would
5 cause a default in the payment of any outstanding special obligation bond
6 payable from revenues authorized pursuant to ~~subsection (a)(1) of~~ K.S.A.
7 2014 Supp. 12-17,169(a)(1), and amendments thereto.

8 (g) The maximum maturity of special obligation bonds payable
9 primarily from revenues described by ~~subsection (a)(1) of~~ K.S.A. 2014
10 Supp. 12-17,169(a)(1), and amendments thereto, to finance STAR bond
11 projects pursuant to this section shall not exceed 20 years.

12 (h) The secretary shall not approve any application for STAR bond
13 project financing which is submitted by a city or county more than one
14 year after the STAR bond project district in which the STAR bond project
15 is located has been established.

16 (i) *Any approval by the secretary of an application by a city or county*
17 *for STAR bond project financing pursuant to this section shall specify that*
18 *should the financing exceed 50% of the total costs including all project*
19 *costs and any other costs related to the project, or in the case of a major*
20 *motorsports complex pursuant to K.S.A. 2014 Supp. 12-17,169(a)(1)(C) or*
21 *(a)(1)(E), and amendments thereto, exceed 50% of the STAR bond project*
22 *costs, the city or county shall remit to the state treasurer in accordance*
23 *with the provisions of K.S.A. 75-4215, and amendments thereto, an*
24 *amount equal to the amount of financing that exceeded such limit. Upon*
25 *receipt of each such remittance, the state treasurer shall deposit the entire*
26 *amount in the state treasury to the credit of the state general fund.*

27 Sec. 3. K.S.A. 2014 Supp. 12-17,166 is hereby amended to read as
28 follows: 12-17,166. (a) One or more projects may be undertaken by a city
29 or county within an established STAR bond project district. Any city or
30 county proposing to undertake a STAR bond project, shall prepare a STAR
31 bond project plan in consultation with the planning commission of the city,
32 and in consultation with the planning commission of the county, if any, if
33 such project is located wholly outside the boundaries of the city. Any such
34 project plan may be implemented in separate development stages.

35 (b) Any city or county proposing to undertake a STAR bond project
36 within a STAR bond project district established pursuant to K.S.A. 2014
37 Supp. 12-17,165, and amendments thereto, shall prepare a feasibility
38 study. The feasibility study shall contain the following:

39 (1) Whether a STAR bond project's revenue and tax increment
40 revenue and other available revenues under K.S.A. 2014 Supp. 12-17,169,
41 and amendments thereto, are expected to exceed or be sufficient to pay for
42 the project costs;

43 (2) the effect, if any, a STAR bond project will have on any

1 outstanding special obligation bonds payable from the revenues described
2 in K.S.A. 2014 Supp. 12-17,169, and amendments thereto;

3 (3) a statement of how the jobs and taxes obtained from the STAR
4 bond project will contribute significantly to the economic development of
5 the state and region;

6 (4) visitation expectations;

7 (5) the unique quality of the project;

8 (6) economic impact study *pursuant to the following requirements:*

9 (A) *The economic impact study shall be commissioned and directed*
10 *by the secretary and conducted by an independent economic consultant*
11 *selected by the secretary. Prior to the secretary initiating the process of*
12 *selecting and engaging an independent economic consultant for the*
13 *economic impact study, the secretary and the city or county proposing to*
14 *undertake the STAR bond project shall consult for the limited purpose of*
15 *determining an acceptable range of fees or costs for the economic impact*
16 *study; and*

17 (B) *the secretary shall solely procure, negotiate and execute an*
18 *agreement with an independent economic consultant for the purpose of*
19 *performing the economic impact study and shall solely make payment for*
20 *services rendered by the independent economic consultant in providing the*
21 *economic impact study in accordance with such agreement. The secretary*
22 *shall advise the city or county proposing to undertake the STAR bond*
23 *project of costs or fees and when such costs or fees are due under the*
24 *secretary's agreement with the independent economic consultant. At the*
25 *secretary's request, the city or county proposing to undertake the STAR*
26 *bond project shall timely pay over to the secretary the amount of such*
27 *costs or fees before such costs or fees are due. The secretary shall then*
28 *make payment to the independent consultant in accordance with the*
29 *secretary's agreement with the independent consultant. In the secretary's*
30 *discretion, any costs or fees, including, but not limited to, costs that are*
31 *not certain in time or amount, pursuant to the secretary's agreement with*
32 *the independent consultant may be paid to the independent economic*
33 *consultant by the secretary and shall be reimbursed to the secretary by the*
34 *city or county proposing to undertake the STAR bond project within 15*
35 *days of the secretary's payment thereof to the independent consultant.*
36 *Upon approval of the STAR bond project plan, the city or county*
37 *proposing to undertake the STAR bond project may recover the costs of the*
38 *economic impact study from the STAR bond proceeds;*

39 (7) market study;

40 (8) market impact study;

41 (9) integration and collaboration with other resources or businesses;

42 (10) the quality of service and experience provided, as measured
43 against national consumer standards for the specific target market;

1 (11) project accountability, measured according to best industry
2 practices;

3 (12) the expected return on state and local investment that the project
4 is anticipated to produce;

5 (13) a statement concerning whether a portion of the local sales and
6 use taxes are pledged to other uses and are unavailable as revenue for the
7 STAR bond project. If a portion of local sales and use taxes is so
8 committed, the applicant shall describe the following:

9 (A) The percentage of city and county sales and use taxes collected
10 that are so committed; and

11 (B) the date or dates on which the city and county sales and use taxes
12 pledged to other uses can be pledged for repayment of bonds; and

13 (14) an anticipated principal and interest payment schedule on the
14 bond issue.

15 The failure to include all information enumerated in this subsection in
16 the feasibility study for a STAR bond project shall not affect the validity of
17 bonds issued pursuant to this act.

18 (c) If the city or county determines the project is feasible, the project
19 plan shall include:

20 (1) A summary of the feasibility study done as defined in subsection
21 (b) of this section, and amendments thereto;

22 (2) a reference to the district plan established under K.S.A. 2014
23 Supp. 12-17,165, and amendments thereto, that identifies the project area
24 that is set forth in the project plan that is being considered;

25 (3) a description and map of the project area to be redeveloped;

26 (4) the relocation assistance plan as described in K.S.A. 2014 Supp.
27 12-17,172, and amendments thereto;

28 (5) a detailed description of the buildings and facilities proposed to be
29 constructed or improved in such area; and

30 (6) any other information the governing body of the city or county
31 deems necessary to advise the public of the intent of the project plan.

32 (d) A copy of the STAR bond project plan prepared by a city shall be
33 delivered to the board of county commissioners of the county and the
34 board of education of any school district levying taxes on property within
35 the STAR bond project area. A copy of the STAR bond project plan
36 prepared by a county shall be delivered to the board of education of any
37 school district levying taxes on property within the STAR bond project
38 area.

39 (e) Upon a finding by the planning commission that the STAR bond
40 project plan is consistent with the intent of the comprehensive plan for the
41 development of the city, and a finding by the planning commission of the
42 county, if any, with respect to a STAR bond project located wholly outside
43 the boundaries of the city, that the STAR bond project plan is consistent

1 with the intent of the comprehensive plan for the development of the
2 county, the governing body of the city or county shall adopt a resolution
3 stating that the city or county is considering the adoption of the STAR
4 bond project plan. Such resolution shall:

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

8 (2) describe the boundaries of the STAR bond project district within
9 which the STAR bond project will be located and the date of establishment
10 of such district;

11 (3) describe the boundaries of the area proposed to be included within
12 the STAR bond project area; and

13 (4) state that the STAR bond project plan, including a summary of the
14 feasibility study, market study, relocation assistance plan and financial
15 guarantees of the prospective developer and a description and map of the
16 area to be redeveloped or developed are available for inspection during
17 regular office hours in the office of the city clerk or county clerk,
18 respectively.

19 (f) (1) The date fixed for the public hearing to consider the adoption
20 of the STAR bond project plan shall be not less than 30 nor more than 70
21 days following the date of the adoption of the resolution fixing the date of
22 the hearing.

23 (2) A copy of the city or county resolution providing for the public
24 hearing shall be by certified mail, return receipt requested, sent by the city
25 to the board of county commissioners of the county and by the city or
26 county to the board of education of any school district levying taxes on
27 property within the proposed STAR bond project area. Copies also shall be
28 sent by certified mail, return receipt requested to each owner and occupant
29 of land within the proposed STAR bond project area not more than 10 days
30 following the date of the adoption of the resolution. The resolution shall be
31 published once in the official city or county newspaper not less than one
32 week nor more than two weeks preceding the date fixed for the public
33 hearing. A sketch clearly delineating the area in sufficient detail to advise
34 the reader of the particular land proposed to be included within the STAR
35 bond project area shall be published with the resolution.

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

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

1 (h) Upon conclusion of the public hearing, the governing body may
2 adopt the STAR bond project plan by ordinance or resolution passed upon
3 a two-thirds vote of the members.

4 (i) After the adoption by the city or county governing body of a
5 STAR bond project plan, the clerk of the city or county shall transmit a
6 copy of the description of the land within the STAR bond project district, a
7 copy of the ordinance or resolution adopting the plan and a map or plat
8 indicating the boundaries of the district to the clerk, appraiser and treasurer
9 of the county in which the district is located and to the governing bodies of
10 the county and school district which levy taxes upon any property in the
11 district. Such documents shall be transmitted following the adoption or
12 modification of the plan or a revision of the plan on or before January 1 of
13 the year in which the increment is first allocated to the taxing subdivision.

14 (j) If the STAR bond project plan is approved, the feasibility study
15 shall be supplemented to include a copy of the minutes of the governing
16 body meetings of any city or county whose bonding authority will be
17 utilized in the STAR bond project, evidencing that a STAR bond project
18 plan has been created, discussed and adopted by the city or county in a
19 regularly scheduled open public meeting.

20 (k) Any substantial changes as defined in K.S.A. 2014 Supp. 12-
21 17,162, and amendments thereto, to the STAR bond project plan as
22 adopted shall be subject to a public hearing following publication of notice
23 thereof at least twice in the official city or county newspaper.

24 (l) Any STAR bond project shall be completed within 20 years from
25 the date of the approval of the STAR bond project plan. The maximum
26 maturity on bonds issued to finance projects pursuant to this act shall not
27 exceed 20 years.

28 (m) Kansas resident employees shall be given priority consideration
29 for employment in construction projects located in a STAR bond project
30 area.

31 (n) Any developer of a STAR bond project shall commence work on
32 the project within two years from the date of adoption of the STAR bond
33 project plan. Should the developer fail to commence work on the STAR
34 bond project within the two-year period, funding for such project shall
35 cease and the developer of such project or complex shall have one year to
36 appeal to the secretary for reapproval of such project and the funding for
37 it. Should the project be reapproved, the two-year period for
38 commencement shall apply.

39 Sec. 4. K.S.A. 2014 Supp. 12-17,168 is hereby amended to read as
40 follows: 12-17,168. (a) Any city or county which has received approval for
41 a STAR bond project may request STAR bond issuance authority to issue
42 additional STAR bonds in an amount in excess of the amount previously
43 approved by the secretary. Any city or county requesting such additional

1 STAR bond issuance authority shall make application for approval to the
2 secretary. Such application shall include all information required to be
3 submitted to the secretary for initial approval of a STAR bond project,
4 including, but not limited to, a feasibility study as required by K.S.A. 2014
5 Supp. 12-17,166, and amendments thereto.

6 (b) The secretary shall review all of the information submitted by the
7 city or county in the request for additional STAR bond issuance authority
8 and determine whether to approve a request, and, if approved, issue an
9 approval letter for additional STAR bond issuance authority based upon
10 the requirements within this act and rules and regulations developed by the
11 secretary.

12 (c) The secretary may approve such additional STAR bond issuance
13 authority in an amount not to exceed 50% of the total costs of the addition
14 or expansion to the STAR bond project for which the additional STAR
15 bond issuance authority is sought, including all project costs and any other
16 costs related to the project addition or expansion. The proceeds of such
17 additional STAR bond financing may only be used to pay for incurred
18 project costs of such addition or expansion.

19 (d) *Any approval by the secretary of an application by a city or*
20 *county for additional STAR bond project financing pursuant to this section*
21 *shall specify that should the financing exceed 50% of the total costs of the*
22 *addition or expansion to the STAR bond project for which the additional*
23 *STAR bond issuance authority is sought, including all project costs and*
24 *any other costs related to the project addition or expansion, the city or*
25 *county shall remit to the state treasurer in accordance with the provisions*
26 *of K.S.A. 75-4215, and amendments thereto, an amount equal to the*
27 *amount of financing that exceeded such limit. Upon receipt of each such*
28 *remittance, the state treasurer shall deposit the entire amount in the state*
29 *treasury to the credit of the state general fund.*

30 Sec. 5. K.S.A. 2014 Supp. 12-17,171 is hereby amended to read as
31 follows: 12-17,171. (a) Any addition of area to the STAR bond project
32 district, or any substantial change as defined in K.S.A. 2014 Supp. 12-
33 17,162, and amendments thereto, to the STAR bond project district plan
34 shall be subject to the same procedure for public notice and hearing as is
35 required for the establishment of the STAR bond project district. *The base*
36 *year of a STAR bond project district following the addition of area to the*
37 *STAR bond project district shall be revised to reflect the base year of the*
38 *original area.*

39 (b) A city or county may remove real property from a STAR bond
40 project district by an ordinance or resolution of the governing body
41 respectively.

42 (c) A city or county may divide the real property in a STAR bond
43 project district, including real property in different project areas within a

1 STAR bond project district, into separate STAR bond project districts. Any
2 division of real property within a STAR bond project district into more
3 than one STAR bond project district shall be subject to the same procedure
4 of public notice and hearing as is required for the establishment of the
5 STAR bond project district.

6 (d) If a city or county has undertaken a STAR bond project within a
7 STAR bond project district, and either the city or county wishes to
8 subsequently remove more than a de minimus amount of real property
9 from the STAR bond project district, or the city or county wishes to
10 subsequently divide the real property in the STAR bond project district
11 into more than one STAR bond project district, then prior to any such
12 removal or division the city or county must provide a feasibility study
13 which shows that the tax revenue from the resulting STAR bond project
14 district within which the STAR bond project is located is expected to be
15 sufficient to pay the project costs.

16 (e) Removal of real property from one STAR bond project district
17 and addition of all or a portion of that real property to another STAR bond
18 project district may be accomplished by the adoption of an ordinance or
19 resolution, and in such event the determination of the existence or
20 nonexistence of an adverse effect on the county or school district under
21 ~~subsection (f) of~~ K.S.A. 2014 Supp. 12-17,165(f), and amendments
22 thereto, shall apply to both such removal and such addition of real property
23 to a STAR bond project district.

24 Sec. 6. K.S.A. 2014 Supp. 12-17,162, 12-17,164, 12-17,166, 12-
25 17,168 and 12-17,171 are hereby repealed.

26 Sec. 7. This act shall take effect and be in force from and after its
27 publication in the statute book.