

2018

18rs3833

Substitute for SENATE BILL NO. 432

By Committee on Commerce

Prepared by Charles Reina
Office of Revision of Statutes
for Senate Committee on Commerce
3-21-2018

AN ACT concerning STAR bonds; relating to establishment of an underwriting commission; project information on department of commerce website; project costs; STAR bond project financial viability determination; requirements for project approval; audit report; reports to legislature; amending K.S.A. 2017 Supp. 12-17,162, 12-17,164, 12-17,166, 12-17,169, 12-17,171 and 12-17,176 and repealing the existing sections.

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

New Section 1. (a) There is hereby established the STAR bond underwriting commission. The commission shall consist of three members. One member shall be appointed by the senate president, one member shall be appointed by the speaker of the house and one member shall be appointed by the secretary of commerce. Each member of the commission shall have at least 10 years of experience in commercial banking, investment banking or real estate capital markets. Members may not be employed by or have any ownership or financial interest in a developer that has participated or is participating in a STAR bond project. A member shall not participate in a decision on an application submitted by the city or county in which the member resides or if the member has an ownership or financial interest in a business located in that city or county or locating or relocating into that city or county.

(b) The members first appointed to the commission shall be appointed within 60 days after the effective date of this act. Of the members first appointed to the commission, as determined by the senate president, speaker of the house and the secretary of commerce by agreement or by selection by chance, one member shall be appointed to serve for one year, one member shall be appointed to serve for two years, and one member shall be appointed to serve for three years. Thereafter, members shall be appointed for terms of three years and until their successors are appointed and qualified. A member may not serve more than two consecutive

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

(g) "Feasibility study" means a feasibility study as defined in K.S.A. 2017 Supp. 12-17,166(b), and amendments thereto.

(h) "Historic sport stadium" means a facility/originally constructed prior to 1940, which was constructed for the purpose of the playing of athletic games. A "historic sports stadium" shall be considered a "tourist attraction." *in Sedgewick county*

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

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

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

~~(k)~~(l) "Major motorsports complex" means a complex in Shawnee county that is

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K.S.A. 2017 Supp. 12-17,169(a)(1), and amendments thereto, such expenses shall require prior approval by the secretary of commerce; ~~and~~ *or reconstruction*

(19) costs incurred in connection with the renovation/of a historical sports stadium, as designated by and as allowed by the secretary of commerce; and

~~(19)(20)~~ except as specified in paragraphs (1) through ~~(18)~~ (19) above, project costs shall not include:

(A) Costs incurred in connection with the construction of buildings or other structures;

(B) fees and commissions paid to developers, real estate agents, financial advisors or any other consultants who represent the developers or any other businesses considering locating in or located in a STAR bond project district;

(C) salaries for local government employees;

(D) moving expenses for employees of the businesses locating within the STAR bond project district;

(E) property taxes for businesses that locate in the STAR bond project district;

(F) lobbying costs;

(G) any bond origination fee charged by the city or county;

(H) any personal property as defined in K.S.A. 79-102, and amendments thereto; ~~and~~

(I) travel, entertainment and hospitality; and

(J) the costs of constructing an ingress or egress access road for the tourist attraction component of the project and any costs otherwise permitted by subsections (r)(1) through (19) directly associated with the construction of an ingress or egress access road for the tourist