

SENATE BILL No. 432

By Committee on Assessment and Taxation

2-22

1 AN ACT concerning STAR bonds; relating to establishment of an
2 underwriting commission; project information on department of
3 commerce website; project costs; STAR bond project financial viability
4 determination; requirements for project approval; audit report; reports
5 to legislature; amending K.S.A. 2017 Supp. 12-17,162, 12-17,164, 12-
6 17,166, 12-17,169 and 12-17,176 and repealing the existing sections.
7

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

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

22 (b) The members first appointed to the commission shall be appointed
23 within 60 days after the effective date of this act. Of the members first
24 appointed to the commission, as determined by the senate president,
25 speaker of the house and the secretary of commerce by agreement or by
26 selection by chance, one member shall be appointed to serve for one year,
27 one member shall be appointed to serve for two years, and one member
28 shall be appointed to serve for three years. Thereafter, members shall be
29 appointed for terms of three years and until their successors are appointed
30 and qualified. A member may not serve more than two consecutive terms.
31 Whenever a vacancy occurs in the commission, a successor shall be
32 appointed by the person holding the office that originally appointed the
33 membership that is vacant.

34 (c) The commission shall evaluate and approve or deny applications
35 for STAR bond projects and shall provide the secretary of commerce and
36 the applying city or county with a written decision including the reasons

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1 information required by subsection (b) in any agreements executed after
2 July 1, 2018.

3 (2) Information specific to a developer or a business shall not be
4 disclosed by the secretary prior to the developer or business locating or
5 relocating in the STAR bond project district if, in the discretion of the
6 secretary, the disclosure would be detrimental to the development of the
7 STAR bond project.

8 (e) The secretary's costs arising from compliance with this section
9 shall be recovered by the secretary pursuant to the provisions of K.S.A.
10 2017 Supp. 12-17,164(f), and amendments thereto.

11 (f) This section shall be a part of and supplemental to the STAR
12 bonds financing act.

13 Sec. 4. K.S.A. 2017 Supp. 12-17,162 is hereby amended to read as
14 follows: 12-17,162. As used in the STAR bond financing act, the following
15 words and phrases shall have the following meanings unless a different
16 meaning clearly appears from the context:

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

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

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

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

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

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

41 (g) "Feasibility study" means a feasibility study as defined in K.S.A.
42 2017 Supp. 12-17,166(b), and amendments thereto.

43 (h) "Historic theater" means a building constructed prior to 1940

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New Sec. 4. (a) No Kansas state or local government official shall benefit financially, either directly or indirectly, from any STAR bond project.
(b) For purposes of this section, "Kansas state or local governing official" means members of the legislature, appointed or elected officials or officers of any state agency, office, board, commission, authority or institution and appointed or elected officials, officers or members of the government authority of any governmental subdivision, including any city, county, township, school district, special district, board or commission.
(c) This section shall be a part of and supplemental to the STAR bonds financing act.

And by renumbering remaining sections accordingly