2018

Substitute for SENATE BILL NO. 432

By Committee on Commerce

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

the fee, shall be paid to the secretary from the proceeds of such bonds. All such moneys received by the secretary shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the STAR bond administrative fee fund, which is hereby created in the state treasury. All expenditures from the STAR bond administrative fee fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary or a person or persons designated by the secretary.

Sec. 6.   K.S.A. 2017 Supp. 12-17,166 is hereby amended to read as follows: 12-17,166.

(a) One or more projects may be undertaken by a city or county within an established STAR *No more than three projects may be undertaken within or partially within the boundaries of a county at the same time.* bond project district. Any city or county proposing to undertake a STAR bond project, shall prepare a STAR bond project plan in consultation with the planning commission of the city, and in consultation with the planning commission of the county, if any, if such project is located wholly outside the boundaries of the city. Any such project plan may be implemented in separate development stages. *For purposes of this restriction, a project shall be considered completed when all STAR bonds issued for the project have been paid.*

(b)   Any city or county proposing to undertake a STAR bond project within a STAR bond project district established pursuant to K.S.A. 2017 Supp. 12-17,165, and amendments thereto, shall prepare a feasibility study. The feasibility study shall contain the following:

(1)   Whether a STAR bond project's revenue and tax increment revenue and other available revenues under K.S.A. 2017 Supp. 12-17,169, and amendments thereto, are expected to exceed or be sufficient to pay for the project costs;