

2018

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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

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

(a) "Auto race track facility" means: ~~(+)~~An auto race track facility and facilities directly related and necessary to the operation of an auto race track facility, including, but not limited to, grandstands, suites and viewing areas, concessions, souvenir facilities, catering facilities, visitor and retail centers, signage and temporary hospitality facilities, but excluding ~~(2)~~ hotels, motels, restaurants and retail facilities, not directly related to or necessary to the operation of such facility and that was approved as a STAR bond project by the secretary prior to March 12, 2018.

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

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

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

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