

1 in which the city may develop one or more projects.

2 (x) "STAR bond project district plan" or "district plan" means the
3 preliminary plan that identifies all of the proposed STAR bond project
4 areas and identifies in a general manner all of the buildings, facilities and
5 improvements in each that are proposed to be constructed or improved
6 in each STAR bond project area.

7 (y) "STAR bond project plan" or "project plan" means the plan
8 adopted by a city for the development of a STAR bond project or projects
9 in a STAR bond project district.

10 (z) "Secretary" means the secretary of commerce.

11 (aa) "Substantial change" means, as applicable, a change wherein the
12 proposed plan or plans differ substantially from the intended purpose for
13 which the STAR bond project district plan was approved.

14 (cc)(bb) "Taxpayer" means a person, corporation, limited liability com-
15 pany, S corporation, partnership, registered limited liability partnership,
16 foundation, association, nonprofit entity, sole proprietorship, business
17 trust, group or other entity that is subject to the Kansas income tax act,
18 K.S.A. 79-3201 et seq., and amendments thereto.

19 New Sec. 3. The governing body of any municipality may designate
20 a building within such municipality to be a historic theater if the governing
21 body of the municipality and the secretary of commerce agree that the
22 building satisfies the requirements of subsection (f) of section 2, and
23 amendments thereto, and will contribute significantly to the economic
24 development of the city and surrounding area.

25 New Sec. 4. (a) The governing body of a city may establish one or
26 more STAR bond projects in any area within such city or wholly outside
27 the boundaries of such city. A STAR bond project wholly outside the
28 boundaries of such city must be approved by the board of county com-
29 missioners by the passage of a county resolution.

30 The STAR bond projects shall be eligible for financing by special ob-
31 ligation bonds payable from revenues described by subsection (a)(1)(C)
32 or (a)(1)(E) of section 9, and amendments thereto.

33 (b) Each STAR bond project shall first be approved by the secretary,
34 if the secretary determines that the proposed project or complex suffi-
35 ciently promotes, stimulates and develops the general and economic wel-
36 fare of the state as described in section 1, and amendments thereto.

37 (c) For a city proposing to finance a major motorsports complex pur-
38 suant to subsection (a)(1)(C) or (a)(1)(E) of section 9, and amendments
39 thereto, the secretary, upon approving the project, may approve such
40 financing in an amount not to exceed 50% of the STAR bond project
41 costs.

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

(B-2)
"Tax increment" means that portion of the revenue derived from state and local sales, use
and transient guest tax imposed pursuant to K.S.A. 12-187 et seq., 12-1692 et seq., 79-
3601 et seq., and 79-3701 et seq., and amendments thereto, collected from taxpayers
doing business within that portion of a STAR bond project district occupied by a STAR
bond project that is in excess of the amount of base year revenue. For purposes of this
subsection, the base year shall be the 12 month period immediately prior to the month in
which the STAR bond project district is established. The department of revenue shall
determine base year revenue by reference to the revenue collected during the base year
from taxpayers doing business within the specific area in which a STAR bond project
district is subsequently established. For purposes of this subsection, revenue collected
from taxpayers doing business within a STAR bond project district or within the specific
area in which a STAR bond project district is subsequently established shall not include
local sales and use tax revenue that is sourced to jurisdictions other than those in which
the STAR bond project is located.

2

1 New Sec. 8. (a) The secretary shall review the project plan, feasibility
2 study and market study, along with other supporting documentation and
3 determine whether to approve a request, and, if approved, issue an ap-
4 proval letter for a STAR bond project based upon the requirements within
5 this act and rules and regulations developed by the secretary.

6 (b) For major motorsports complex projects involving the use of state
7 sales tax financing pursuant to section 9, and amendments thereto, the
8 secretary shall set a limit on the total amount of such special obligation
9 bonds that may be issued to not exceed 50% of the major motorsports
10 complex costs.

11 (c) A special obligation bond issue must bear interest at a reasonable
12 rate as of the time of sale of the bonds, taking into account such factors
13 as current market conditions, the nature and degree of risk associated
14 with repayment of the bonds and other relevant factors.

15 New Sec. 9. (a) (1) Any city shall have the power to issue special
16 obligation bonds in one or more series to finance the undertaking of any
17 STAR bond project in accordance with the provisions of this act. Such
18 special obligation bonds shall be made payable, both as to principal and
19 interest:

20 (A) From revenues of the city derived from or held in connection
21 with the undertaking and carrying out of any STAR bond project or pro-
22 jects under this act including historic theater sales tax increments;

23 (B) from any private sources, contributions or other financial assis-
24 tance from the state or federal government;

25 (C) from a pledge of all of the revenue received by the city from any
26 transient guest and local sales and use taxes which are collected from
27 taxpayers doing business within that portion of the city's STAR bond
28 district established pursuant to section 5, and amendments thereto, oc-
29 cupied by a STAR bond project if there first is a finding by the secretary
30 that based upon the feasibility study the STAR bond project will create
31 a major tourism area for the state; is the restoration of a historic theater
32 as defined in section 2, and amendments thereto; or has been designated
33 as a STAR bond project as defined in section 2, and amendments thereto.
34 The proceeds of special obligation bonds issued pursuant to this para-
35 graph after June 3, 2004, shall not be used to finance personal property
36 as defined in K.S.A. 79-102, and amendments thereto. A city proposing
37 to finance a STAR bond project pursuant to this paragraph shall prepare
38 a project plan as required in sections 6 and 7, and amendments thereto;
39 (D) with the approval of the county, from a pledge of all of the rev-
40 enues received by the county from any transient guest, local sales and use
41 taxes, or both, which are collected from taxpayers doing business within
42 that portion of the STAR bond district established pursuant to section 6,
43 and amendments thereto;

), if approved by the city and by the secretary,

1 (E) from a pledge of all of the revenue received from any state sales
 2 taxes which are collected from taxpayers doing business within that por-
 3 tion of the city's STAR bond district occupied by a STAR bond project if
 4 the secretary finds that, based upon the feasibility study, the STAR bond
 5 project:

6 (i) Will create a major tourism area for the state;

7 (ii) is the restoration of a historic theater as defined in section 2, and
 8 amendments thereto; or

9 (iii) has been designated a STAR bond project as defined in section
 10 2, and amendments thereto. The proceeds of special obligation bonds
 11 issued pursuant to this paragraph after June 3, 2004, shall not be used to
 12 finance personal property as defined in K.S.A. 79-102, and amendments
 13 thereto; or

14 ~~(F)~~ by any combination of these methods, except that for a project
 15 which has been designated as a STAR bond project as defined in section
 16 2, and amendments thereto, 100% of city and county sales taxes shall be
 17 pledged for such project except for amounts committed to other use by
 18 election of voters or pledged to bond repayment prior to the approval of
 19 a project using special obligation bonds payable from the revenues de-
 20 scribed in subsections (a)(1)(C) and (a)(1)(E), and amendments thereto.

21 The city may pledge such revenue to the repayment of the special
 22 obligation bonds prior to, simultaneously with or subsequent to the is-
 23 suance of such special obligation bonds.

24 (2) Bonds issued under paragraph (1) of subsection (a) shall not be
 25 general obligations of the city, nor in any event shall they give rise to a
 26 charge against its general credit or taxing powers, or be payable out of
 27 any funds or properties other than any of those set forth in paragraph (1)
 28 of this subsection and such bonds shall so state on their face.

29 (3) Bonds issued under the provisions of paragraph (1) of this sub-
 30 section shall be special obligations of the city and are declared to be
 31 negotiable instruments. Such bonds shall be executed by the mayor and
 32 clerk of the city and sealed with the corporate seal of the city. All details
 33 pertaining to the issuance of such special obligation bonds and terms and
 34 conditions thereof shall be determined by ordinance of the city.

35 All special obligation bonds issued pursuant to this act and all income
 36 or interest therefrom shall be exempt from all state taxes except inheri-
 37 tance taxes. Such special obligation bonds shall contain none of the re-
 38 citals set forth in K.S.A. 10-112, and amendments thereto. Such special
 39 obligation bonds shall, however, contain the following recitals: (i) The
 40 authority under which such special obligation bonds are issued; (ii) such
 41 bonds are in conformity with the provisions, restrictions and limitations
 42 thereof; and (iii) that such special obligation bonds and the interest
 43 thereon are to be paid from the money and revenue received as provided

3
 (F) from a pledge of all revenue received by a city or county,
 if approved by the city or county and the secretary,
 from franchise fees collected from utilities and other
 businesses using the public right-of-way within the
 STAR bond project district;

Deleted: F

Deleted: except that for a project which has been designated as a STAR bond project as defined in Section 2, and amendments thereto, 100% of city and county sales taxes shall be pledged for such project except for amounts committed to other use by election of voters or pledged to bond repayment prior to the approval of a project using special obligation bonds payable from the revenues described in subsections (a)(1)(C) and (a)(1)(E) of K.S.A. 12-1774, and amendments thereto

The city may pledge such revenue to the repayment of such special obligation bonds prior to, simultaneously with, or subsequent to the issuance of such special obligation bonds.

① by any combination of these methods.

1 immediately following the audit.

2 (c) If audit findings indicate that bond funds have been used for
3 unauthorized or ineligible purposes, the city shall repay to the bond fund
4 all such unauthorized or ineligible expenditures. Such city shall enter into
5 a repayment agreement with the secretary of revenue specifying the terms
6 of such repayment obligation.

7 New Sec. 17. If any provision of this act or the application thereof
8 to any persons or circumstances is held invalid, such invalidity shall not
9 affect other provisions or application of the act which can be given effect
10 without the invalid provisions or application and to this end the provisions
11 of this act are declared to be severable.

12 New Sec. 18. No additional bonds may be issued after July 1, 2007,
13 for any STAR bond project approved prior to July 1, 2007.

14 New Sec. 19. The provisions of this act regarding STAR bond pro-
15 jects shall expire on and after July 1, 2012.

16 New Sec. 20. Sections 1 through 19 shall be known as the STAR
17 bonds financing act.

18 Sec. 21. K.S.A. 12-1770 is hereby amended to read as follows: 12-
19 1770. It is hereby declared to be the purpose of this act to promote,
20 stimulate and develop the general and economic welfare of the state of
21 Kansas and its communities and to assist in the development and rede-
22 velopment of *eligible-areas central business district areas of cities,*
23 *blighted areas located within cities, environmentally contaminated areas*
24 *located within and without a city-thereby cities and enterprise zones lo-*
25 *cated within cities, thus promoting the general welfare of the citizens of*
26 *this state, by authorizing cities to acquire certain property and to issue*
27 *special obligation bonds and full faith and credit tax increment bonds for*
28 *the financing of redevelopment projects. It is further found and declared*
29 *that the powers conferred by this act are for ~~the purpose of~~ for*
30 *which public money may be expended and the power of eminent domain*
31 *exercised. The necessity in the public interest for the provisions of this*
32 *act is hereby declared as a matter of legislative determination.*

33 Sec. 22. K.S.A. 2006 Supp. 12-1770a is hereby amended to read as
34 follows: 12-1770a. As used in this act, and amendments thereto, the fol-
35 lowing words and phrases shall have the following meanings unless a
36 different meaning clearly appears from the content:

37 (a) "Auto race track facility" means: (1) An auto race track facility and
38 facilities directly related and necessary to the operation of an auto race
39 track facility, including, but not limited to, grandstands, suites and viewing
40 areas, concessions, souvenir facilities, catering facilities, visitor and retail
41 centers, signage and temporary hospitality facilities, but excluding (2) ho-
42 tels, motels, restaurants and retail facilities, not directly related to or nec-
43 essary to the operation of such facility.

The provisions of this section shall not apply to the STAR
bond projects and bond amounts approved for the city of
Manhattan Discovery Center on December 28, 2006, and the
Schlitterbahn project in Wyandotte county on December 23, 2005.

a public purpose and public use

may be

