

Senate Substitute for HOUSE BILL No. 2382

By Committee on Ways and Means

3-19

1 AN ACT concerning economic development; concerning the STAR bonds
2 financing act; relating to the provisions regarding STAR bond projects;
3 extending the sunset date; regarding bond interest rates; amending
4 K.S.A. 2011 Supp. 10-1009 and 12-17,179 and repealing the existing
5 sections.
6

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

8 Section 1. K.S.A. 2011 Supp. 10-1009 is hereby amended to read as
9 follows: 10-1009. (a) The maximum stated rate of interest which may be
10 fixed on fixed-rate bonds issued by a municipality or taxing subdivision of
11 the state of Kansas shall be determined on the day the bonds are sold and
12 shall not exceed the daily yield for the ten-year treasury bonds published
13 by The Bond Buyer, in New York, New York, on the Monday next
14 preceding the day on which the bonds are sold, plus (1) three percent, if
15 the interest on the bonds is excluded from gross income for federal income
16 tax purposes or (2) four percent, if the interest on the bonds is included in
17 gross income for federal income tax purposes.

18 (b) The maximum stated rate of interest which may be fixed on
19 variable-rate bonds issued by a municipality or taxing subdivision of the
20 state of Kansas shall be determined on the date on which the rate is
21 determined in accordance with the resolution or ordinance of the issuer
22 and shall not exceed the daily yield for the ten-year treasury bonds
23 published by The Bond Buyer, in New York, New York, on the Monday
24 next preceding such date, plus (1) three percent, if the interest on the bonds
25 is excluded from gross income for federal income tax purposes or (2) four
26 percent, if the interest on the bonds is included in gross income for federal
27 income tax purposes.

28 (c) Except as provided for variable-rate bonds, the maximum rate of
29 interest specified in this section shall be applicable to bonds issued after
30 the effective date of this act. The maximum rate of interest on variable-rate
31 bonds issued prior to the effective date of this act shall be the higher of (1)
32 the maximum rate of interest specified by subsection (a) or (b) of this
33 section, as in effect prior to the effective date of this act, (2) the maximum
34 rate of interest specified in this section or (3) the rate for such variable-rate
35 bonds specified in the documents authorizing the issuance thereof.

36 (d) Notwithstanding the foregoing, for the period from the effective

1 date of this act until and including June 30, ~~2012~~ 2017, the maximum
2 stated rate of interest which may be fixed on fixed-rate or variable-rate
3 bonds issued by a municipality or taxing subdivision of the state of Kansas
4 shall be determined on the day the bonds are sold and shall not exceed the
5 daily yield for the ten-year treasury bonds published by The Bond Buyer,
6 in New York, New York, on the Monday next preceding the day on which
7 the bonds are sold, plus (1) 6%, if the interest on the bonds is excluded
8 from gross income for federal income tax purposes or (2) 7%, if the
9 interest on the bonds is included in gross income for federal income tax
10 purposes.

11 Sec. 2. K.S.A. 2011 Supp. 12-17,179 is hereby amended to read as
12 follows: 12-17,179. (a) A city that created a redevelopment district in an
13 eligible area that was approved for STAR bonds prior to the effective date
14 of this act for the city of Manhattan Discovery Center on December 28,
15 2006, and the Schlitterbahn project in Wyandotte county on December 23,
16 2005, may by ordinance elect to have the provisions of this act applicable
17 to such redevelopment district.

18 (b) The provisions of this act regarding STAR bond projects shall
19 expire on and after July 1, ~~2012~~ 2017.

20 Sec. 3. K.S.A. 2011 Supp. 10-1009 and 12-17,179 are hereby
21 repealed.

22 Sec. 4. This act shall take effect and be in force from and after its
23 publication in the statute book.