

SENATE BILL No. 493

By Committee on Federal and State Affairs

3-8

1 AN ACT concerning the department of commerce; relating to  
2 administrative cost recovery fees for department-administered  
3 community finance, economic development and tax incentive  
4 programs; amending K.S.A. 74-5060 and K.S.A. 2015 Supp. 12-  
5 17,164, 74-50,150 and 76-7,141 and repealing the existing sections.  
6

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

8 New Section 1. (a) For purposes of recovering application processing,  
9 oversight, administrative and other costs, the secretary of commerce may  
10 assess an application fee of up to \$750 upon applications for economic  
11 development incentive programs administered wholly or in part by the  
12 secretary, including, but not limited to, the Kansas industrial training and  
13 retraining programs, K.S.A. 74-5065 et seq., and amendments thereto, the  
14 high performance incentive program, K.S.A. 74-50,131 et seq., and  
15 amendments thereto, the promoting employment across Kansas act, K.S.A.  
16 2015 Supp. 74-50,210 et seq., and amendments thereto and the job  
17 creation program fund, K.S.A. 2015 Supp. 74-50,224 et seq., and  
18 amendments thereto. The secretary may adopt rules and regulations to  
19 implement the provisions of this subsection.

20 (b) The secretary of commerce shall remit all moneys received by or  
21 for the secretary from such application fees and collected under this  
22 section to the state treasurer in accordance with the provisions of K.S.A.  
23 75-4215, and amendments thereto. Upon receipt of each such remittance,  
24 the state treasurer shall deposit the entire amount in the state treasury to  
25 the credit of the economic development incentive program application fee  
26 fund, which is hereby established in the state treasury and which may be  
27 used for costs to the department of commerce arising from administering  
28 such economic development incentive programs. All expenditures from the  
29 economic development incentive program application fee fund shall be  
30 made in accordance with appropriation acts upon warrants of the director  
31 of accounts and reports issued pursuant to vouchers approved by the  
32 secretary or by a person or persons designated by the secretary.

33 Sec. 2. K.S.A. 2015 Supp. 12-17,164 is hereby amended to read as  
34 follows: 12-17,164. (a) The governing body of a city may establish one or  
35 more STAR bond projects in any area within such city or wholly outside  
36 the boundaries of such city. A STAR bond project wholly outside the

Proposed Amendments SB 493  
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1 department arising from fulfilling administrative, review, approval,  
 2 oversight and other responsibilities under the STAR bonds financing act  
 3 and from providing assistance to cities, counties and private businesses in  
 4 relation to STAR bond projects, the secretary may assess an administrative  
 5 fee of 1% of the amount of the special obligation bonds payable from  
 6 revenues described by K.S.A. 2015 Supp. 12-17.169(a)(1), and  
 7 amendments thereto, issued or reissued for STAR bond projects. The fee  
 8 shall be paid to the secretary from the proceeds of such bonds. All such  
 9 moneys received by the secretary shall be remitted to the state treasurer in  
 10 accordance with the provisions of K.S.A. 75-4215, and amendments  
 11 thereto. Upon receipt of each such remittance, the state treasurer shall  
 12 deposit the entire amount in the state treasury to the credit of the STAR  
 13 bond administrative fee fund, which is hereby created in the state treasury.  
 14 All expenditures from the STAR bond administrative fee fund shall be  
 15 made in accordance with appropriation acts upon warrants of the director  
 16 of accounts and reports issued pursuant to vouchers approved by the  
 17 secretary or a person or persons designated by the secretary.

18 Sec. 3. K.S.A. 74-5060 is hereby amended to read as follows: 74-  
 19 5060. (a) The secretary shall determine the state ceiling for each calendar  
 20 year in accordance with the formula provided therefor in the code and,  
 21 except as otherwise provided in K.S.A. 74-5063, and amendments thereto,  
 22 shall allocate the state ceiling among governmental issuers in accordance  
 23 with the provisions of this section.

24 (b) The secretary shall reserve until October 15 of each year: (1) An  
 25 amount equal to \$5,000,000 for allocation in accordance with the  
 26 provisions of section 141(b)(5) of the code for private activity use of a  
 27 portion of the proceeds of bonds issued by governmental issuers; (2) an  
 28 amount equal to \$5,000,000 for allocation for qualified student loan bonds  
 29 as defined in section 144(b) of the code; and (3) an amount equal to  
 30 \$25,000,000 for allocation for qualified small issue bonds as defined in  
 31 section 144(a) of the code. On and after October 15 of each year, any  
 32 portion of the state ceiling remaining unused or uncommitted shall be  
 33 available for allocation to governmental issuers by the secretary without  
 34 regard to the reservations provided for in this subsection.

35 (c) Prior to any issuance of private activity bonds subject to the state  
 36 ceiling, a governmental issuer shall submit to the secretary on a form  
 37 prescribed by the secretary a written application for an allocation of the  
 38 state ceiling for such issue.

39 (d) Subject to the provisions of subsection (b), the secretary shall  
 40 approve each properly filed application for an allocation for qualified  
 41 small issue bonds of \$5,000,000 or less on the basis of the chronological  
 42 order of receipt of applications. If an application is for an allocation in  
 43 excess of \$5,000,000, the secretary may approve the total amount, approve

up to