

areas, concessions, souvenir facilities, catering facilities, visitor and retail centers, signage and temporary hospitality facilities, but excluding hotels, motels, restaurants and retail facilities not directly related to or necessary to the operation of such facility.

(v) "Major tourism area" means an area for which the secretary has made a finding the capital improvements costing not less than \$100,000,000 will be built in the state to construct an auto race track facility.

(w) "Major multi-sport athletic complex" means an athletic complex that is utilized for the training of athletes, the practice of athletic teams, the playing of athletic games or the hosting of events. Such project may include playing fields, parking lots and other developments including grandstands, suites and viewing areas, concessions, souvenir facilities, catering facilities, visitor and retail centers, signage and temporary hospitality facilities, but excluding hotels, motels, restaurants and retail facilities, not directly related to or necessary to the operation of such facility.

(x) "Market study" means a study to determine the ability of the project to gain market share locally, regionally and nationally and the ability of the project to gain sufficient market share to:

- (1) Remain profitable past the term of repayment; and
- (2) maintain status as a significant factor for travel decisions.

(y) "Market impact study" means a study to measure the impact of the proposed project on similar businesses in the project's market area.

(z) "Project" means a STAR bond project or bioscience development project.

(aa) "Project costs" means those costs necessary to implement a STAR bond project plan or bioscience development project plan, including costs incurred for:

- (1) Acquisition of real property within the STAR bond project area or bioscience project area;

(2) payment of relocation assistance pursuant to a relocation assistance plan as provided in section 13, and amendments thereto;

(3) site preparation including utility relocations;

(4) sanitary and storm sewers and lift stations;

(5) drainage conduits, channels, levees and river walk canal facilities;

(6) street grading, paving, graveling, macadamizing, curbing, guttering and surfacing;

(7) street light fixtures, connection and facilities;

(8) underground gas, water, heating and electrical services and connections located within the public right-of-way;

(9) sidewalks and pedestrian underpasses or overpasses;

(10) drives and driveway approaches located within the public right-of-way;

(11) water mains and extensions;

(12) plazas and arcades;

(13) parking facilities and multilevel parking structures devoted to parking only;

(14) landscaping and plantings, fountains, shelters, benches, sculptures, lighting, decorations and similar amenities;

(15) auto race track facility;

(16) major multi-sport athletic complex;

(17) for purposes of an incubator project, such costs shall also include wet lab equipment including hoods, lab tables, heavy water equipment and all such other equipment found to be necessary or appropriate for a commercial incubator wet lab facility by the city or county in its resolution establishing such STAR bond project district or a bioscience development district;

(18) related expenses to redevelop and finance the project, except that for a STAR bond project or bioscience development project financed with special obligation bonds payable from the revenues described in subsection (a)(1) of section 9, and amendments thereto, such expenses shall require prior approval by the secretary of commerce; and

(19) except as specified in subsections (1) through (18) above, project costs shall not include:

(A) Costs incurred in connection with the construction of buildings or other structures;

(B) fees and commissions paid to developers, real estate agents, financial advisors or any other consultants who represent the developers or any other businesses considering locating in or located in a STAR bond project district or bioscience development district;

(C) salaries for local government employees;

(D) moving expenses for employees of the businesses locating within the STAR bond project district or bioscience development district;

(E) property taxes for businesses that locate in the STAR bond project district or bioscience development district;

(F) lobbying costs;

(G) any bond origination fee charged by the city or county or Kansas bioscience authority;

(H) any personal property as defined in K.S.A. 79-102, and amendments thereto; ~~and~~

(I) travel, entertainment and hospitality. — ; and

(bb) "Projected market area" means any area within the state in which the project is projected to have a substantial fiscal or market impact upon businesses in such area.

(cc) "River walk canal facilities" means a canal and related water features which flow through a major commercial entertainment and tourism area and facilities related or contiguous thereto,

(J) costs incurred for those items listed in subsections (1) through (18) when such item is located outside of the STAR bond project district or bioscience development district.

project, may approve such financing in an amount not to exceed 50% of the STAR bond project costs.

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

(e) A project shall not be granted to any business that proposes to relocate its business from another area of the state into such city or county, for the purpose of consideration for a STAR bond project provided by section 1 et seq., and amendments thereto.

(f) A project shall not be approved by the secretary if the market study required by section 7, and amendments thereto, indicates a substantial negative impact upon businesses in the project or complex market area or the granting of such project or complex would cause a default in the payment of any outstanding special obligation bond payable from revenues authorized pursuant to subsection (a)(1) of section 9, and amendments thereto.

(g) The maximum maturity of special obligation bonds payable primarily from revenues described by subsection (a)(1) of section 9, and amendments thereto, to finance STAR bond projects or bioscience development projects pursuant to this section shall not exceed 20 years.

(h) A city or county that owns a building or structure that was financed in whole or in part by special obligation bonds payable from revenues described in subsection (a)(1) of section 9, and amendments thereto, may engage a manager to manage such building or structure. The contractual relationship between the city or county and the manager of such building or structure shall not be deemed a lease to a developer for purposes of paragraph (15) of subsection (aa) of section 3, and amendments thereto.

New Sec. 6. (a) When a city or county proposes to establish a STAR bond project district, or

bioscience development district within an eligible area, the city or county shall adopt a resolution stating that the city or county is considering the establishment of a STAR bond project district or bioscience development district. Such resolution shall:

(1) Give notice that a public hearing will be held to consider the establishment of a STAR bond project district or bioscience development district and fix the date, hour and place of such public hearing;

(2) describe the proposed boundaries of the STAR bond project district or bioscience development district;

(3) describe the STAR bond project district plan or bioscience development district plan;

(4) state that a description and map of the proposed STAR bond project district or bioscience development district are available for inspection at a time and place designated; and

(5) state that the governing body will consider findings necessary for the establishment of a STAR bond project district or bioscience development district.

Notice shall be given as prescribed in subsection (b).

(b) A copy of the city resolution shall be delivered to the board of county commissioners of the county and the board of education of any school district levying taxes on property within the proposed project district.

A copy of the county resolution shall be delivered to the board of education of any school district levying taxes on the property within the proposed project district.

(c) The city or county shall submit the proposed project district to the secretary for a determination that the district is an eligible area or bioscience development district as defined in section 3, and amendments thereto.

may establish the STAR bond project district or bioscience development district by ordinance or resolution passed upon a 2/3 vote of the members, and in the case of a bioscience development district, with the approval of the Kansas bioscience authority.

7rs1240

- 13 -

(d) Upon the conclusion of the public hearing, and a finding by the secretary that the proposed project district is an eligible area or bioscience development district, the governing body of the municipality ~~shall pass an ordinance or resolution.~~

(1) An ordinance or resolution for a STAR bond project district shall:

(A) Make findings that the STAR bond project district proposed to be developed is an historic theater, or a STAR bond project as defined in section 3, and amendments thereto;

(B) contain a STAR bond project district plan that identifies all of the proposed STAR bond project areas and identifies in a general manner all of the buildings and facilities that are proposed to be constructed or improved in each STAR bond project area. The boundaries of such STAR bond project district shall not include any area not designated in the notice required by subsection (a); and

(C) contain the legal description of the STAR bond project district and may establish the STAR bond project district.

(2) An ordinance or resolution for a bioscience development district shall make findings that the area satisfies the definition of a bioscience project area and the creation of a bioscience development district will contribute to the development of bioscience in the state and promote the general and economic welfare of the city or county. Such ordinance or resolution shall also contain the bioscience development district plan and contain the legal description of the bioscience development district. Such ordinance or resolution shall contain a bioscience development district plan that identifies all of the proposed bioscience development project areas and identifies in a general manner all of the buildings and facilities that are proposed to be constructed or improved in each bioscience development project area. The boundaries of such district shall not include any area not designated in the notice required by subsection (a). No bioscience development district shall be

established without the approval of the Kansas bioscience authority. In creating a bioscience development district, eminent domain shall not be used to acquire agricultural land.

(e) The governing body of a city or county may establish a STAR bond project district within that city or such city may establish a district inclusive of land outside the boundaries of the city or wholly outside the boundaries of such city upon written consent of the board of county commissioners. Prior to providing written consent, the board of county commissioners must provide notice and hold a hearing as is required of a city pursuant to subsection (a) for the establishment of a STAR bond project district.

The governing body of a county may establish a STAR bond project district within the unincorporated area of the county.

(f) Upon approval from the Kansas bioscience authority, the governing body of a city or county may establish a bioscience development district within such city or county in accordance with the provisions of subsection (e).

(g) One or more STAR bond projects or bioscience development projects may be undertaken by a city or county within a STAR bond project district or bioscience development district after such STAR bond project district or bioscience development district has been established in the manner provided by this section.

(h) No privately owned property subject to ad valorem taxes shall be acquired and redeveloped under the provisions of section 1 et seq., and amendments thereto, if the board of county commissioners or the board of education levying taxes on such property determines by resolution adopted within 30 days following the conclusion of the hearing for the establishment of the STAR bond project district or bioscience development district required by subsection (a) that the proposed

STAR bond project district or bioscience development district will have an adverse effect on such county or school district. The board of county commissioners or board of education shall deliver a copy of such resolution to the city or county. The city or county shall within 30 days of receipt of such resolution pass an ordinance or resolution dissolving the STAR bond project district or bioscience development district. The provisions of this subsection shall not apply if the STAR bond project plan or the bioscience development project plan provides that ad valorem property tax revenues of the county or the school district levying taxes on such property will not be adversely impacted.

(i) A STAR bond project shall not include a project for a gambling casino.

New Sec. 7. (a) One or more projects may be undertaken by a city or county within an established STAR bond project district or bioscience development district. Any city or county proposing to undertake a STAR bond project or bioscience development project, shall prepare a STAR bond project plan or bioscience development 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. In the case of a bioscience development project such project plan shall be prepared with the approval of the Kansas bioscience authority. Any such project plan may be implemented in separate development stages.

(b) Any city or county proposing to undertake a STAR bond project within a STAR bond project district or a bioscience development project within a bioscience development district established pursuant to section 6, and amendments thereto, shall prepare a feasibility study. The feasibility study shall contain the following:

(1) Whether a STAR bond project's or bioscience development project's revenue and tax

to section 9, and amendments thereto, shall be subject to the provisions of this act.

New Sec. 19. If any provision of this act or the application thereof to any persons or circumstances is held invalid, such invalidity shall not affect other provisions or application of the act which can be given effect without the invalid provisions or application and to this end the provisions of this act are declared to be severable.

New Sec. 20. No additional bonds may be issued after July 1, 2007, for any STAR bond project approved prior to July 1, 2007. The provisions of this section shall not apply to the STAR bond projects and bonds approved for the city of Manhattan Discovery Center on December 28, 2006, and the Schlitterbahn project in Wyandotte county on December 23, 2005.

New Sec. 21. (a) A city that created a redevelopment district in an eligible area that was approved for STAR bonds prior to the effective date of this act for the city of Manhattan Discovery Center on December 28, 2006, and the Schlitterbahn project in Wyandotte county on December 23, 2005, may by ordinance elect to have the provisions of this act applicable to such redevelopment district.

(b) The provisions of this act regarding STAR bond projects or bioscience development projects shall expire on and after July 1, 2012.

Sec. 22. K.S.A. 12-1770 is hereby amended to read as follows: 12-1770. It is hereby declared to be the purpose of this act to promote, stimulate and develop the general and economic welfare of the state of Kansas and its communities and to assist in the development and redevelopment of eligible areas ~~eligible areas~~ ~~central business district areas of cities, blighted areas located within cities,~~ ~~environmentally contaminated areas located~~ within and without a city thereby cities and enterprise zones located within cities, ~~thus~~ promoting the general welfare of the citizens of this state, by

authorizing cities to acquire certain property and to issue special obligation bonds and full faith and credit tax increment bonds for the financing of redevelopment projects. It is further found and declared that the powers conferred by this act are for ~~public uses and purposes~~ a public purpose and public use for which public money may be expended and the power of eminent domain may be exercised. The necessity in the public interest for the provisions of this act is hereby declared as a matter of legislative determination.

Sec. 23. K.S.A. 2006 Supp. 12-1770a is hereby amended to read as follows: 12-1770a. As used in this act, and amendments thereto, the following words and phrases shall have the following meanings unless a different meaning clearly appears from the content:

(a) "Auto race track facility" means: (1) 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.

(b) "Base year assessed valuation" means the assessed valuation of all real property within the boundaries of a redevelopment district on the date the redevelopment district was established.

(c) "Blighted area" means an area which:

(1) Because of the presence of a majority of the following factors, substantially impairs or arrests the development and growth of the municipality or constitutes an economic or social liability or is a menace to the public health, safety, morals or welfare in its present condition and use:

(A) A substantial number of deteriorated or deteriorating structures;

(B) predominance of defective or inadequate street layout;

~~operated by a nonprofit corporation and is designated by the state historic preservation officer as eligible to be on the Kansas register of historic places or is a member of the Kansas historic theatre association.~~

~~—— (m) "Historic theater sales tax increment" means the amount of state and local sales tax revenue imposed pursuant to K.S.A. 12-187 et seq., 79-3601 et seq. and 79-3701 et seq., and amendments thereto, collected from taxpayers doing business within the historic theater that is in excess of the amount of such taxes collected prior to the designation of the building as a historic theater for purposes of this act.~~

~~—— (n) (l) "Major tourism area" means an area for which the secretary has made a finding the capital improvements costing not less than \$100,000,000 will be built in the state to construct an auto race track facility.~~

~~(o) (m) "Real property taxes" means all taxes levied on an ad valorem basis upon land and improvements thereon, except that when relating to a bioscience development district, as defined in this section, "real property taxes" does not include property taxes levied for schools, pursuant to K.S.A. 72-6431, and amendments thereto.~~

~~(p) (n) "Redevelopment project area" means an area designated by a city within a redevelopment district or, if the redevelopment district is established for an intermodal transportation area, an area designated by a city within or outside of the redevelopment district.~~

~~(q) (o) "Redevelopment project costs" means: (1) Those costs necessary to implement a redevelopment project plan or a bioscience development project plan, including costs incurred for:~~

~~(1) (A) Acquisition of property within the redevelopment project area;~~

~~(2) (B) payment of relocation assistance pursuant to a relocation assistance plan as provided~~

in K.S.A. 12-1777, and amendments thereto;

(3) (C) site preparation including utility relocations;

(4) (D) sanitary and storm sewers and lift stations;

(5) (E) drainage conduits, channels, levees and river walk canal facilities;

(6) (F) street grading, paving, graveling, macadamizing, curbing, guttering and surfacing;

(7) (G) street light fixtures, connection and facilities;

(8) (H) underground gas, water, heating and electrical services and connections located within the public right-of-way;

(9) (I) sidewalks and pedestrian underpasses or overpasses;

(10) (J) drives and driveway approaches located within the public right-of-way;

(11) (K) water mains and extensions;

(12) (L) plazas and arcades;

(13) (M) parking facilities including multilevel parking facilities;

(14) (N) landscaping and plantings, fountains, shelters, benches, sculptures, lighting, decorations and similar amenities; and

(15) (O) related expenses to redevelop and finance the redevelopment project, ~~except that for a redevelopment project financed with special obligation bonds payable from the revenues described in subsections (a)(1)(D) and (a)(1)(G) of K.S.A. 12-1774, and amendments thereto, such expenses shall require prior approval by the secretary of commerce;~~

(P) for purposes of an incubator project, such costs shall also include wet lab equipment including hoods, lab tables, heavy water equipment and all such other equipment found to be necessary or appropriate for a commercial incubator wet lab facility by the city in its resolution

establishing such redevelopment district or a bioscience development district; and

(Q) costs for the acquisition of land for and the construction and installation of publicly-owned infrastructure improvements which serve an intermodal transportation area and are located outside of a redevelopment district.

(2) Redevelopment project costs shall not include (A): Costs incurred in connection with the construction of buildings or other structures to be owned by or leased to a developer, however, the "redevelopment project costs" shall include costs incurred in connection with the construction of buildings or other structures to be owned or leased to a developer which includes an auto race track facility.

(B) In addition, for a redevelopment project financed with special obligation bonds payable from the revenues described in ~~subsections~~ subsection (a)(1)(D) and ~~(a)(1)(G)~~ of K.S.A. 12-1774, and amendments thereto, redevelopment project costs shall not include:

~~(1)~~ (i) Fees and commissions paid to real estate agents, financial advisors or any other consultants who represent the businesses considering locating in a redevelopment district;

~~(2)~~ (ii) salaries for local government employees;

~~(3)~~ (iii) moving expenses for employees of the businesses locating within the redevelopment district;

~~(4)~~ (iv) property taxes for businesses that locate in the redevelopment district;

~~(5)~~ (v) lobbying costs; ~~and~~

~~(6)~~ (vi) a bond origination fee charged by the city pursuant to K.S.A. 12-1742, and amendments thereto- and

~~(7)~~ (p) "Redevelopment district" means the specific area declared to be an eligible area in

(vii) costs incurred for those items listed in subsections (1)(A) through (1)(P) when such item is located outside of the redevelopment district or bioscience development district.