

HOUSE BILL No. 2856

By Committee on Federal and State Affairs

2-12

9 AN ACT concerning cities; relating to certain redevelopment projects;
10 amending K.S.A. 12-1771a and repealing the existing section.

11

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

13 Section 1. K.S.A. 12-1771a is hereby amended to read as follows: 12-
14 1771a. (a) The governing body of a city may establish an increment in ad
15 valorem taxes using the procedure set forth in subsection (b) for projects
16 that are initiated upon a finding that the area is a blighted area as defined
17 under K.S.A. 12-1770a, and amendments thereto, when the following
18 conditions exist:

19 (1) The proposed district has been identified by the Kansas depart-
20 ment of health and environment or the United States environmental pro-
21 tection agency to be an environmentally contaminated area;

22 (2) the city has entered into a consent decree or settlement agree-
23 ment or has taken action expressing an intent to enter into a consent
24 decree or settlement agreement with the Kansas department of health
25 and environment or the United States environmental protection agency
26 that addresses the investigation and remediation of the environmental
27 contamination;

28 (3) the consent decree or settlement agreement contains a provision
29 that has the effect of releasing property owners who are not responsible
30 for the contamination from the responsibility of paying the response costs
31 of the investigation and remediation of the contamination; and

32 (4) the city intends to establish a redevelopment district pursuant to
33 K.S.A. 12-1771, and amendments thereto, to ~~wholly finance or partially~~
34 finance, *in whole or in part*, the investigation and remediation of contam-
35 ination within such district.

36 (b) An environmental increment established after a city has found
37 that the conditions described in subsection (c) of K.S.A. 12-1770a, and
38 amendments thereto, exists shall be set on a yearly basis. For purposes
39 of this section, a yearly basis shall be a calendar year. Each year's incre-
40 ment shall be an amount sufficient to pay the direct costs of investigation
41 and remediation of the contaminated condition anticipated to be incurred
42 that year including principal and interest due on any special obligation
43 bonds or full faith and credit tax increment bonds issued to finance in

1 whole or in part the remediation and investigation, costs relating to re-
2 mediation investigation and feasibility studies, operation and maintenance
3 expenses and other expenses relating directly to the investigation and
4 remediation of contamination. Each year's environmental increment shall
5 not exceed 20% of the amount of taxes that are produced by all taxing
6 subdivisions within any currently existing or subsequently created rede-
7 velopment district area in the year the redevelopment district is first es-
8 tablished, notwithstanding that such subdivision was not required to re-
9 ceive notice of the establishment of the district.

10 (c) The budget that establishes the yearly environmental increment
11 shall be certified by the city to the county clerk and county treasurer no
12 later than August 25th, preceding the calendar year for which the budget
13 is being set. Funds derived from an environmental increment established
14 by this section and interest on all funds derived from an environmental
15 increment established by this section may be used only for projects in-
16 volving the investigation and remediation of contamination in the district.

17 (d) The real property taxes produced by the environmental increment
18 established under subsection (b) from a redevelopment district estab-
19 lished under the provisions of K.S.A. 12-1771, and amendments thereto,
20 and this section shall be allocated and paid by the county treasurer to the
21 treasurer of the city and deposited in a special separate fund of the city
22 to pay the direct cost of investigation and remediation of contamination
23 in the redevelopment district. Any funds collected by the city from parties
24 determined to be responsible in any manner for the contaminated con-
25 dition shall be ~~either~~: (1) Deposited in the same separate special fund
26 created hereunder, and with all interest earned thereon, may be used
27 only for projects involving the investigation and remediation of contam-
28 ination in the established redevelopment district; or (2) distributed to
29 parties who have entered into a contract with the city to pay a portion of
30 investigation and remediation of the contamination in the redevelopment
31 district and the terms of such contract provide that such parties are en-
32 titled to reimbursement for a portion of funds they have expended for
33 such investigation and remediation of contamination from the recovery
34 of costs that are collected from other third party responsible parties.

35 (e) A redevelopment district created under the provisions of this sec-
36 tion shall constitute a separate taxing district. If all costs for such inves-
37 tigation and remediation of contamination in the redevelopment district
38 have been paid and moneys remain in the special fund, such moneys shall
39 be remitted to each taxing subdivision which paid moneys into the special
40 fund on the basis of the proportion which the total amount of moneys
41 paid by such taxing subdivision into the special fund bears to the total
42 amount of all moneys paid by all taxing subdivisions into the fund.

43 (f) Nothing in this section shall prevent any city from establishing a

1 redevelopment district for other purposes pursuant to K.S.A. 12-1770 *et*
2 *seq.*, and amendments thereto, which may include part or all of the real
3 property included in the district established under this section.

4 (g) Redevelopment projects relating to environmental investigation
5 and remediation under this section, ~~and amendments thereto, may be~~
6 *undertaken in separate phases as determined and approved by the gov-*
7 *erning body of the city. Such phases may include, but not be limited to,*
8 *the design phase, remediation phase, source-control phase and monitoring*
9 *phase. Each phase shall be completed within 20 years from the date a*
10 ~~city enters into a consent decree agreement with the Kansas department~~
11 ~~of health and environment or the United States environmental protection~~
12 ~~agency issues an order or enters into a consent decree with the governing~~
13 ~~body of the city approving such phase.~~

14 (h) Nothing in this section shall be construed to affect the obligations
15 of the county to annually review the fair market value of property in
16 accordance with procedures set by law or to affect the right of any tax-
17 payer to protest and appeal the appraised or reappraised value of their
18 property in accordance with procedures set forth by law.

19 (i) Commencing with the regular session of the legislature in 1993,
20 each city that establishes a redevelopment district under this section shall
21 make a status report on a biennial basis to the standing committee on
22 commerce of the senate and the standing committee on economic de-
23 velopment of the house of representatives during the month of January.
24 The status report shall contain information on the status of the investi-
25 gation and remediation of contamination in the redevelopment district.

26 (j) For the purposes of this act, the governing body of a city, in con-
27 tracts entered into with the Kansas department of health and environment
28 or the United States environmental protection agency, may pledge incre-
29 ments receivable in future years to pay costs directly relating to the in-
30 vestigation and remediation of environmentally contaminated areas. The
31 provisions in such contracts pertaining to pledging increments in future
32 years shall not be subject to K.S.A. 10-1101 *et seq.* or 79-2925 *et seq.*, and
33 amendments thereto.

34 Sec. 2. K.S.A. 12-1771a is hereby repealed.

35 Sec. 3. This act shall take effect and be in force from and after its
36 publication in the statute book.