

SENATE Substitute for HOUSE BILL No. 2541

By Committee on Ways and Means

3-21

9 AN ACT concerning rural housing; creating the housing development
10 grant program; exempting certain cities from certain requirements for
11 rural housing incentive district financing; amending K.S.A. 12-5246
12 and K.S.A. 2007 Supp. 12-5242, and repealing the existing sections.
13

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

15 Section 1. K.S.A. 2007 Supp. 12-5242 is hereby amended to read as
16 follows: 12-5242. *Except as otherwise provided, as used in ~~the rural hous-~~*
17 *ing incentive district act K.S.A. 12-5241 through 12-5251 and sections 3*
18 *through 9, and amendments thereto, the following words and phrases*
19 *shall have the following meanings unless a different meaning clearly ap-*
20 *pears from the context:*

21 (a) “City” means any city incorporated in accordance with Kansas law
22 with a population of less than 40,000 in a county with a population of less
23 than 60,000, as certified to the secretary of state by the director of the
24 division of the budget on the previous July 1 in accordance with K.S.A.
25 11-201, and amendments thereto;

26 (b) “City housing authority” means any agency of a city created pur-
27 suant to the municipal housing law, K.S.A. 17-2337 *et seq.*, and amend-
28 ments thereto.

29 (c) “Corporation” means the Kansas housing resources corporation.

30 ~~(b)~~ (d) “County” means any county organized in accordance with
31 K.S.A. 18-101 *et seq.*, and amendments thereto, with a population of less
32 than 40,000, as certified to the secretary of state by the director of the
33 division of the budget on the previous July 1st in accordance with K.S.A.
34 11-201, and amendments thereto;

35 ~~(c)~~ (e) “Developer” means the person, firm or corporation responsi-
36 ble under an agreement with the governing body to develop housing or
37 related public facilities in a district.

38 ~~(d)~~ (f) “District” means a rural housing incentive district established
39 in accordance with this act.

40 ~~(e)~~ (g) “Governing body” means the board of county commissioners
41 of any county or the mayor and council, mayor and commissioners or
42 board of commissioners, as the laws affecting the organization and status
43 of cities affected may provide;

- 1 (h) “Housing development activities” means the construction or re-
2 habilitation of infrastructure necessary to support construction of new
3 residential dwellings and the actual construction of such residential dwell-
4 ings, if such construction is conducted by a city housing authority.
- 5 ~~(f)~~ (i) “Secretary” means the secretary of commerce of the state of
6 Kansas.
- 7 ~~(g)~~ (j) “Real property taxes” means and includes all taxes levied on
8 an ad valorem basis upon land and improvements thereon.
- 9 ~~(h)~~ (k) “Taxing subdivision” means the county, the city, the unified
10 school district, and any other taxing subdivision levying real property
11 taxes, the territory or jurisdiction of which includes any currently existing
12 or subsequently created rural housing incentive district.
- 13 Sec. 2. K.S.A. 12-5246 is hereby amended to read as follows: 12-
14 5246. (a) At the public hearing, a representative of the city or county shall
15 present the proposed plan for the development or renovation of housing
16 in the proposed district. Each project proposed for the district shall be
17 identified and explained. At the hearing the developer or developers that
18 have contracted with the city to undertake such project shall be identified
19 and present in person or through such developer’s representative. Fol-
20 lowing the presentation, all interested persons shall be given an oppor-
21 tunity to be heard. The governing body for good cause shown may recess
22 such hearing to a time and date certain, which shall be fixed in the pres-
23 ence of persons in attendance at the hearing.
- 24 (b) Upon the conclusion of the public hearing, the governing body
25 may adopt the plan for the district and may establish the district by or-
26 dinance or, in the case of any county, by resolution. The boundaries of
27 such district shall not include any area not designated in the notice re-
28 quired by K.S.A. 12-5245. Any addition of area to the district or any
29 substantial change to the plan shall be subject to the same procedure for
30 public notice and hearing as required for the initial establishment of the
31 district.
- 32 (c) The ordinance or resolution establishing the district shall be null
33 and void if, within 30 days following the conclusion of the hearing:
- 34 (1) The board of education levying taxes on such property determines
35 by resolution that the proposed district will have an adverse effect on
36 such school district;
- 37 (2) the governing body of any city located within three miles of *the*
38 district proposed to be established by a county determines by ordinance
39 that the proposed district will have an adverse effect on such city; or
- 40 (3) the board of county commissioners of the county in which a city
41 governing body proposes to establish such a district *determines by reso-*
42 *lution that the proposed district will have an adverse effect on such*
43 *county.*

1 New Sec. 3. (a) Any city that prior to July 1, 2013, is located, in whole
2 or in part, within the boundaries of a county designated by the United
3 States federal emergency management agency under major disaster dec-
4 laration FEMA-1711-DR or FEMA-1699, as eligible to receive individual
5 or public assistance from the United States federal government that de-
6 sires to designate a rural housing incentive district pursuant to this act
7 shall be exempt from the provisions of subsection (c) of K.S.A. 12-5244,
8 subsections (b), (c) and (d) of K.S.A. 12-5245 and K.S.A. 12-5246, and
9 amendments thereto, and may adopt a plan for a designated rural housing
10 incentive district without the approval of the secretary and without con-
11 ducting a public hearing on such proposed plan.

12 (b) For any city in a county declared by the governor to be a state of
13 disaster after January 1, 2008, if the governor finds that such disaster
14 resulted in the destruction of a significant amount of residential housing
15 in such city the governor may designate such city to exercise the exemp-
16 tion authorized by subsection (a) for a period of five years from the date
17 of the declaration of a state of disaster.

18 (c) Nothing in this section shall be construed so as to exempt a city
19 from any other requirement set forth in this act, or to limit any of the
20 rights, duties and privileges of a city under any other provisions of this
21 act.

22 New Sec. 4. (a) The corporation is hereby authorized to develop a
23 program of grants to cities to carry out housing development activities in
24 accordance with the provisions of this act. Cities to be awarded grants
25 pursuant to this act shall be selected by the corporation in accordance
26 with rules and regulations adopted by the president of the corporation.

27 (b) A city shall submit a request for grant funds to the corporation in
28 a form and manner prescribed by the corporation. Such request shall
29 include a statement of such city's proposed housing development activi-
30 ties, projected use of grant funds and any other information related to
31 the grant required by the corporation.

32 (c) As part of any request for grant funds the requesting city shall
33 certify to the corporation that the city will provide matching funds in an
34 amount equal to at least 10% of the total amount of funds granted to the
35 city by the corporation if the grant funds are to be used for construction
36 or rehabilitation of infrastructure, and at least 50% of the total amount
37 of funds granted if the grant funds are to be used by a city housing
38 authority for purposes other than construction or rehabilitation of infra-
39 structure, or in-kind labor and services with an equivalent value and that
40 the city will comply with all other provisions of this act and abide by all
41 federal, state and local laws.

42 (d) The president of the corporation shall adopt rules and regulations
43 regarding the application procedure, grant periods, grant evaluation and

1 reporting criteria, the filing of forms that support the request for grant
2 awards, the method and manner of payment of grant funds to any city,
3 and any other matter necessary to carry out the provisions of this act.

4 New Sec. 5. (a) Each city shall submit to the corporation, at a time
5 determined by the corporation, a performance and evaluation report con-
6 cerning the use of grant funds made available under this act, together
7 with an assessment by the city of the relationship of such use to the
8 housing development activities identified in the city's statement under
9 subsection (b) of section 4, and amendments thereto. The city's report
10 shall indicate an evaluation of the housing development activities, the
11 nature of and reasons for any changes in such activities and an evaluation
12 of the use of the grant funds for such activities. The corporation shall, at
13 least on an annual basis, make such reviews and audits as may be nec-
14 essary or appropriate to determine:

15 (1) Whether the city has carried out its housing development activi-
16 ties in a timely manner;

17 (2) whether the city has carried out those activities and its certifica-
18 tions in accordance with the requirements of this act and all federal, state
19 and local laws; and

20 (3) whether the city has a continuing capacity to carry out those ac-
21 tivities in a timely manner.

22 (b) Insofar as they relate to grant funds provided under this act, the
23 financial transactions of cities may be audited under such rules and reg-
24 ulations as may be adopted by the corporation. The corporation shall
25 report the final results of any audits conducted pursuant to this section
26 to the state legislature, the governor and the secretary of revenue during
27 the legislative session immediately following the audit.

28 New Sec. 6. (a) The proceeds of any grant funds received pursuant
29 to this act may only be used for expenditures incurred in carrying out
30 housing development activities.

31 (b) No more than \$50,000 shall be expended out of grant funds
32 awarded pursuant to this act on the construction of a single-family resi-
33 dential dwelling by a city housing authority, excluding infrastructure costs.

34 New Sec. 7. (a) All expenditures from the state housing trust fund
35 made for the purposes of sections 4 through 6, and amendments thereto,
36 shall be made in accordance with appropriation acts upon warrants of the
37 director of accounts and reports issued pursuant to vouchers approved
38 by the president of the Kansas housing resources corporation.

39 (b) On the effective date of this act, the director of accounts and
40 reports shall transfer \$4,000,000 from the state general fund to the state
41 housing trust fund established by K.S.A. 2007 Supp. 74-8959, and amend-
42 ments thereto. On July 1, 2008, July 1, 2009, July 1, 2010, July 1, 2011,
43 July 1, 2012, July 1, 2013 and July 1, 2014, or as soon thereafter as suf-

1 ficient moneys are available, \$4,000,000 credited to the expanded lottery
2 act revenues fund shall be transferred and credited to the state housing
3 trust fund.

4 New Sec. 8. For purposes of sections 4 through 8, and amendments
5 thereto, the term “city” means any city that prior to July 1, 2010, is lo-
6 cated, in whole or in part, within the boundaries of a county designated
7 by the United States federal emergency management agency under major
8 disaster declaration FEMA-1711-DR or FEMA-1699, as eligible to re-
9 ceive individual or public assistance from the United States federal gov-
10 ernment, or designated exempt by the governor pursuant to section 3,
11 and amendments thereto. On or after July 1, 2010, “city” shall mean any
12 city incorporated in accordance with Kansas law with a population of less
13 than 40,000 in a county with a population of less than 60,000, as certified
14 to the secretary of state by the director of the division of the budget on
15 the previous July 1 in accordance with K.S.A. 11-201, and amendments
16 thereto.

17 New Sec. 9. (a) The provisions of sections 3 through 9 are hereby
18 made a part of and supplemental to the Kansas rural housing incentive
19 district act.

20 (b) The provisions of sections 4 through 9, and amendments thereto,
21 shall expire on and after July 1, 2015.

22 Sec. 10. K.S.A. 12-5246 and K.S.A 2007 Supp. 12-5242 are hereby
23 repealed.

24 Sec. 11. This act shall take effect and be in force from and after its
25 publication in the Kansas register.