

SESSION OF 2006

## SUPPLEMENTAL NOTE ON SENATE BILL NO. 319

As Amended by Senate Committee on  
Commerce

### **Brief\***

SB 319, as amended, would change the eminent domain requirements for tax increment financing (TIF) and sales tax and revenue (STAR) bond statutes. The bill would require that:

- Any property acquired by use of eminent domain that is sold, transferred or leased to a developer for a specific redevelopment project could only be used for the specific approved redevelopment project.
  - If the developer does not utilize the entire tract of the property acquired, that portion of property not used could not be sold, transferred or leased by the developer to another developer or party, but only deeded back to the city.
  - If the developer paid the city for the land, a percentage of the original purchase price paid to the city which represents the percentage of the entire tract being deeded back would be reimbursed to the developer.
- Any transfer by the redevelopment project developer of property acquired by eminent domain would require a two-thirds majority vote of the elected governing body of the city.

### **Background**

Senator Jordan appeared in support of the bill. A representative of the League of Kansas Municipalities appeared in opposition to the bill because the original bill was unclear how the percentage amount would be calculated and whether the intent of the bill was to prohibit the conveyance by one developer to another developer of all property in the redevelopment area regardless of how it was acquired.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

The Senate Committee amended the bill by clarifying the language about the percentage would be based on the original purchase price if the property was paid for by the developer. The staff explained that the transfer of land from one developer to another developer was only prohibited when eminent domain was used to acquire the land.

The fiscal note was not available at this time.