

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 467** submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill as printed with House Committee amendments, as follows:

On page 1, following line 13, by inserting:

"New Section 1. (a) For each STAR bond project district established prior to December 31, 2022, the director of taxation shall certify to the director of the budget and the director of accounts and reports the amount of revenue that would have been generated from sales of food and food ingredients if the state rate for the Kansas retailers' sales tax provided in K.S.A. 79-3603, and amendments thereto, and the Kansas compensating use tax provided in K.S.A. 79-3703, and amendments thereto, on the sale of food and food ingredients had been 6.5%. The director of taxation shall certify such amounts for the entirety of a month, commencing with the month of January 2024, and each month thereafter. The certification for the month of January 2024 shall be made on or before May 1, 2024, the certification for the month of February 2024 shall be made on or before May 10, 2024, and for each month thereafter, shall be made on or before the 60th day following the last day of such month. The secretary of revenue shall transmit a copy of each month's certification to the director of legislative research.

(b) Commencing on May 15, 2024, and on the 15th day of each month thereafter, the director of accounts and reports shall transfer from the state general fund to the STAR bonds food sales tax revenue replacement fund the aggregate of all amounts certified pursuant to subsection (a). The state treasurer shall pay from the STAR bonds food sales tax revenue replacement fund to the appropriate city or county bond finance, debt service or reserve fund the amount determined to account for the revenue that would have been generated as certified

pursuant to subsection (a) for each STAR bond project district, as provided by subsection (a), established by such city or county.

(c) The secretary of revenue shall determine with respect to each STAR bond district, as provided by subsection (a), when the amount of sales tax and other revenues that have been collected and distributed to the city or county bond finance, debt service or reserve fund, including transfers pursuant to this section, is sufficient to satisfy all principal and interest costs to the maturity date or dates, of any special obligation bonds issued prior to December 31, 2022, with respect to such district. Thereafter, no further certifications or transfers of funds as provided by this section shall be made for such STAR bond project district.

(d) There is hereby created in the state treasury the STAR bonds food sales tax revenue replacement fund. Such fund shall be administered by the state treasurer. All expenditures from the STAR bonds food sales tax revenue replacement fund shall be made in accordance with appropriations acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the state treasurer or the state treasurer's designee.

(e) This section shall be a part of and supplemental to the STAR bonds financing act.

New Sec. 2. In accordance with the provisions of K.S.A. 12-3402, and amendments thereto, the creation of a port authority by the governing body of the unified government of Wyandotte county and Kansas city, Kansas, with all the powers, duties, limitations and obligations provided for in article 34 of chapter 12 of the Kansas Statutes Annotated, and amendments thereto, as the governing body of the unified government of Wyandotte county and Kansas city, Kansas, may create by appropriate resolutions or ordinances, is approved.

Sec. 3. K.S.A. 12-17,162 is hereby amended to read as follows: 12-17,162. As used in

the STAR bonds financing act, unless a different meaning clearly appears from the context:

(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) "Commence work" means the manifest commencement of actual operations on the development site, such as, erecting a building, excavating the ground to lay a foundation or a basement or work of like description according to an approved plan of construction, with the intention and purpose to continue work until the project is completed.

(c) "De minimis" means an amount less than 15% of the land area within a STAR bond project district.

(d) "Developer" means any person, firm, corporation, partnership or limited liability company other than a city and other than an agency, political subdivision or instrumentality of the state. "Developer" includes the names of the owners, partners, officers or principals of the developer for purposes of inclusion of the name of the developer into any application, document or report pursuant to this act if such application, document or report is a public record.

(e) "Economic impact study" means a study to project the financial benefit of the project to the local, regional and state economies.

(f) "Eligible area" means a historic theater, major tourism area, major motorsports complex, auto race track facility, river walk canal facility, major multi-sport athletic complex,

major business facility or a major commercial entertainment and tourism area as determined by the secretary.

(g) "Feasibility study" means a feasibility study as defined in K.S.A. 12-17,166(b), and amendments thereto.

(h) "Historic theater" means a building constructed prior to 1940 that was constructed for the purpose of staging entertainment, including motion pictures, vaudeville shows or operas, that is 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.

(i) "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.

(j) "Major business facility" means a significant business headquarters or office building development designed to draw a substantial number of new visitors to Kansas and that has agreed to provide visitor tracking data to the secretary as requested by the secretary, including, but not limited to, residence zip code information, to be provided or held by the secretary without personally identifiable information. A major business facility shall meet sales tax increment revenue requirements that shall be established by the secretary independent of any associated retail businesses located in the STAR bond project district pursuant to the STAR bond project plan.

(k) "Major commercial entertainment and tourism area" means an area that may include, but not be limited to, a major multi-sport athletic complex.

(l) "Major motorsports complex" means a complex in Shawnee county that is utilized for the hosting of competitions involving motor vehicles, including, but not limited to, automobiles, motorcycles or other self-propelled vehicles other than a motorized bicycle or motorized wheelchair. Such project may include racetracks, all facilities directly related and necessary to the operation of a motorsports complex, including, but not limited to, parking lots, 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.

(m) "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.

(n) "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 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.

(o) "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.

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

(q) "Museum facility" means a separate newly-constructed museum building and facilities directly related and necessary to the operation thereof, including gift shops and restaurant facilities, but excluding hotels, motels, restaurants and retail facilities not directly related to or necessary to the operation of such facility. The museum facility shall be owned by the state, a city, county, other political subdivision of the state or a non-profit corporation, shall be managed by the state, a city, county, other political subdivision of the state or a non-profit corporation and may not be leased to any developer and shall not be located within any retail or commercial building.

(r) "Project" means a STAR bond project.

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

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

(2) payment of relocation assistance pursuant to a relocation assistance plan as provided in K.S.A. 12-17,173, 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) museum facility;
- (18) major motorsports complex;
- (19) rural redevelopment project, including costs incurred in connection with the construction or renovation of buildings or other structures;
- (20) historic theater, including costs incurred in connection with the construction or renovation of a historic theater and for any personal property as defined in K.S.A. 79-102, and amendments thereto;
- (21) related expenses to redevelop and finance the project, except that for a STAR bond

project financed with special obligation bonds payable from the revenues described in K.S.A. 12-17,169(a)(1), and amendments thereto, such expenses shall require prior approval by the secretary of commerce; and

~~(21)~~(22) except as specified in paragraphs (1) through ~~(20)~~ above (21), "project costs" does 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;
 - (C) salaries for local government employees;
 - (D) moving expenses for employees of the businesses locating within the STAR bond project district;
 - (E) property taxes for businesses that locate in the STAR bond project district;
 - (F) lobbying costs;
 - (G) any bond origination fee charged by the city or county;
 - (H) any personal property as defined in K.S.A. 79-102, and amendments thereto; and
 - (I) travel, entertainment and hospitality.
- (t) "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.
- (u) "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, including, but not limited to, pedestrian walkways and promenades, landscaping and

parking facilities.

(v) "Rural redevelopment project" means a project that is in an area outside of a metropolitan area with a population of more than 50,000, that is of regional importance, with capital investment of at least \$3,000,000 and that will enhance the quality of life in the community and region.

(w) "Sales tax and revenue" are those revenues available to finance the issuance of special obligation bonds as identified in K.S.A. 12-17,168, and amendments thereto.

(x) "STAR bond" means a sales tax and revenue bond.

(y) "STAR bond project" means an approved project to implement a project plan for the development of the established STAR bond project district that:

(1) (A) Has at least a \$75,000,000 capital investment and \$75,000,000 in projected gross annual sales; or

(B) for metropolitan areas with a population of between 50,000 and 75,000, has at least a \$40,000,000 capital investment and \$40,000,000 in projected gross annual sales, if the project is deemed of high value by the secretary; or

(2) for areas outside of metropolitan areas with a population of more than 50,000, the secretary finds the project:

(A) Is an eligible area as defined in subsection (f); and

(B) would be of regional or statewide importance;

(3) is a major tourism area as defined in subsection (m);

(4) is a major motorsports complex, as defined in subsection (l); or

(5) is a rural redevelopment project as defined in subsection (v).

(z) "STAR bond project area" means the geographic area within the STAR bond project district in which there may be one or more projects.

(aa) "STAR bond project district" means the specific area declared to be an eligible area as determined by the secretary in which the city or county may develop one or more STAR bond projects. A "STAR bond project district" includes a redevelopment district, as defined in K.S.A. 12-1770a, and amendments thereto, created prior to the effective date of this act for the Wichita Waterwalk project in Wichita, Kansas, provided, the city creating such redevelopment district submits an application for approval for STAR bond financing to the secretary on or before July 31, 2007, and receives a final letter of determination from the secretary approving or disapproving the request for STAR bond financing on or before November 1, 2007. No STAR bond project district shall include real property which has been part of another STAR bond project district unless such STAR bond project and STAR bond project district have been approved by the secretary of commerce pursuant to K.S.A. 12-17,164 and 12-17,165, and amendments thereto, prior to March 1, 2016. A STAR bond project district in a metropolitan area with a population of more than 50,000, shall be a contiguous parcel of real estate and shall be limited to those areas being developed by the STAR bond project and any area of real property reasonably anticipated to directly benefit from the redevelopment project.

(bb) "STAR bond project district plan" means the preliminary plan that identifies all of the proposed STAR bond project areas and identifies in a general manner all of the buildings, facilities and improvements in each that are proposed to be constructed or improved in each STAR bond project area.

(cc) "STAR bond project plan" means the plan adopted by a city or county for the

development of a STAR bond project or projects in a STAR bond project district.

(dd) "Secretary" means the secretary of commerce.

(ee) "Substantial change" means, as applicable, a change wherein the proposed plan or plans differ substantially from the intended purpose for which the STAR bond project district plan was approved.

(ff) (1) "Tax increment" means that portion of the revenue derived from state and local sales, use and transient guest tax imposed pursuant to K.S.A. 12-187 et seq., 12-1692 et seq., 79-3601 et seq. and 79-3701 et seq., and amendments thereto, collected from taxpayers doing business within that portion of a STAR bond project district occupied by a project that is in excess of the amount of base year revenue. For purposes of this subsection, the base year shall be the 12-month period immediately prior to the month in which the STAR bond project district is established. The department of revenue shall determine base year revenue by reference to the revenue collected during the base year from taxpayers doing business within the specific area in which a STAR bond project district is subsequently established. The base year of a STAR bond project district, following the addition of area to the STAR bond project district, shall be the base year for the original area, and with respect to the additional area, the base year shall be any 12-month period immediately prior to the month in which additional area is added to the STAR bond project district. For purposes of this subsection, revenue collected from taxpayers doing business within a STAR bond project district, or within a specific area in which a STAR bond project district is subsequently established shall not include local sales and use tax revenue that is sourced to jurisdictions other than those in which the project is located. The secretary of revenue and the secretary of commerce shall certify the appropriate amount of base year revenue for

taxpayers relocating from within the state into a STAR bond district.

(2) For STAR bond project districts with a base year established prior to December 31, 2022, there shall be added to the tax increment an amount equal to the amount of state sales and use tax revenue that would have been derived from the sale of food and food ingredients within the district. For STAR bond project districts established on or after December 31, 2022, the base year revenue shall not include revenue resulting from state sales and use tax on the sale of food and food ingredients within the district.

(gg) "Taxpayer" means a person, corporation, limited liability company, S corporation, partnership, registered limited liability partnership, foundation, association, nonprofit entity, sole proprietorship, business trust, group or other entity that is subject to the Kansas income tax act, K.S.A. 79-3201 et seq., and amendments thereto.

Sec. 4. K.S.A. 12-17,169 is hereby amended to read as follows: 12-17,169. (a) (1) Any city or county shall have the power to issue special obligation bonds in one or more series to finance the undertaking of any STAR bond project in accordance with the provisions of this act. Rural redevelopment projects, as defined in K.S.A. 12-17,162, and amendments thereto, may also be financed without the issuance of special obligation bonds up to an amount not to exceed ~~\$10,000,000~~ \$25,000,000 for each project. Such special obligation bonds or rural redevelopment project costs shall be made payable, both as to principal and interest:

(A) From revenues of the city or county derived from or held in connection with the undertaking and carrying out of any STAR bond project or projects under this act including historic theater sales tax increments;

(B) from any private sources, contributions or other financial assistance from the state

or federal government;

(C) from a pledge of 100% of the tax increment revenue received by the city from any local sales and use taxes, including the city's share of any county sales tax, which are collected from taxpayers doing business within that portion of the city's STAR bond project district established pursuant to K.S.A. 12-17,165, and amendments thereto, occupied by a STAR bond project, except for amounts committed to other uses by election of voters or pledged to bond repayment prior to the approval of the STAR bond project;

(D) at the option of the county in a city STAR bond project district, from a pledge of all of the tax increment revenues received by the county from any local sales and use taxes which are collected from taxpayers doing business within that portion of the city's STAR bond project district established pursuant to K.S.A. 12-17,165, and amendments thereto, except for amounts committed to other uses by election of voters or pledged to bond repayment prior to the approval of a STAR bond project;

(E) in a county STAR bond project district, from a pledge of 100% of the tax increment revenue received by the county from any county sales and use tax, but excluding any portions of such taxes that are allocated to the cities in such county pursuant to K.S.A. 12-192, and amendments thereto, which are collected from taxpayers doing business within that portion of the county's STAR bond project district established pursuant to K.S.A. 12-17,165, and amendments thereto, occupied by a STAR bond project;

(F) from a pledge of all or a portion of the tax increment revenue received from any state sales taxes which are collected from taxpayers doing business within that portion of the city's or county's STAR bond project district occupied by a STAR bond project, except that for

any STAR bond project district established and approved by the secretary on or after January 1, 2017, such tax increment shall not include any sales tax revenue from retail automobile dealers, and except that for any STAR bond project district established after July 1, 2021, with existing sales tax revenue at the time the district was established, such pledge shall not exceed 90% of the new tax increment revenue that is in excess of the base existing sales tax revenue received from any state sales taxes;

(G) at the option of the city or county and with approval of the secretary, from all or a portion of the transient guest tax of such city or county;

(H) at the option of the city or county and with approval of the secretary: (i) From a pledge of all or a portion of increased revenue received by the city or county from franchise fees collected from utilities and other businesses using public right-of-way within the STAR bond project district; or (ii) from a pledge of all or a portion of the revenue received by a city or county from local sales taxes or local transient guest and local use taxes; or

(I) by any combination of these methods.

The city or county may pledge such revenue to the repayment of such special obligation bonds prior to, simultaneously with, or subsequent to the issuance of such special obligation bonds.

(2) Bonds issued under subsection (a)(1) shall not be general obligations of the city or the county, nor in any event shall they give rise to a charge against its general credit or taxing powers, or be payable out of any funds or properties other than any of those set forth in subsection (a)(1) and such bonds shall so state on their face.

(3) Bonds issued under the provisions of subsection (a)(1) shall be special obligations

of the city or county and are declared to be negotiable instruments. Such bonds shall be executed by the mayor and clerk of the city or the chairperson of the board of county commissioners and the county clerk and sealed with the corporate seal of the city or county. All details pertaining to the issuance of such special obligation bonds and terms and conditions thereof shall be determined by ordinance of the city or by resolution of the county.

All special obligation bonds issued pursuant to this act and all income or interest therefrom shall be exempt from all state taxes. Such special obligation bonds shall contain none of the recitals set forth in K.S.A. 10-112, and amendments thereto. Such special obligation bonds shall, however, contain the following recitals: (i) The authority under which such special obligation bonds are issued; (ii) such bonds are in conformity with the provisions, restrictions and limitations thereof; and (iii) that such special obligation bonds and the interest thereon are to be paid from the money and revenue received as provided in subsection (a)(1).

(4) Any city or county issuing special obligation bonds under the provisions of this act may refund all or part of such issue pursuant to the provisions of K.S.A. 10-116a, and amendments thereto.

(b) (1) Subject to the provisions of subsection (b)(2), any city shall have the power to issue full faith and credit tax increment bonds to finance the undertaking, establishment or redevelopment of any major motorsports complex, as defined in K.S.A. 12-17,162, and amendments thereto. Such full faith and credit tax increment bonds shall be made payable, both as to principal and interest: (A) From the revenue sources identified in subsection (a)(1) or by any combination of these sources; and (B) subject to the provisions of subsection (b)(2), from a pledge of the city's full faith and credit to use its ad valorem taxing authority for repayment

thereof in the event all other authorized sources of revenue are not sufficient.

(2) Except as provided in subsection (b)(3), before the governing body of any city proposes to issue full faith and credit tax increment bonds as authorized by this subsection, the feasibility study required by K.S.A. 12-17,166(b), and amendments thereto, shall demonstrate that the benefits derived from the project will exceed the cost and that the income therefrom will be sufficient to pay the costs of the project. No full faith and credit tax increment bonds shall be issued unless the governing body states in the resolution required by K.S.A. 12-17,166(e), and amendments thereto, that it may issue such bonds to finance the proposed STAR bond project. The governing body may issue the bonds unless within 60 days following the conclusion of the public hearing on the proposed STAR bond project plan a protest petition signed by 3% of the qualified voters of the city is filed with the city clerk in accordance with the provisions of K.S.A. 25-3601 et seq., and amendments thereto. If a sufficient petition is filed, no full faith and credit tax increment bonds shall be issued until the issuance of the bonds is approved by a majority of the voters voting at an election thereon. Such election shall be called and held in the manner provided by the general bond law. The failure of the voters to approve the issuance of full faith and credit tax increment bonds shall not prevent the city from issuing special obligation bonds in accordance with this section. No such election shall be held in the event the board of county commissioners or the board of education determines, as provided in K.S.A. 12-17,165, and amendments thereto, that the proposed STAR bond project district will have an adverse effect on the county or school district.

(3) As an alternative to subsection (b)(2), any city which adopts a STAR bond project plan for a major motorsports complex, but does not state its intent to issue full faith and credit

tax increment bonds in the resolution required by K.S.A. 12-17,166(e), and amendments thereto, and has not acquired property in the STAR bond project area may issue full faith and credit tax increment bonds if the governing body of the city adopts a resolution stating its intent to issue the bonds and the issuance of the bonds is approved by a majority of the voters voting at an election thereon. Such election shall be called and held in the manner provided by the general bond law. The failure of the voters to approve the issuance of full faith and credit tax increment bonds shall not prevent the city from issuing special obligation bonds pursuant to subsection (a) (1). Any project plan adopted by a city prior to the effective date of this act in accordance with K.S.A. 12-1772, and amendments thereto, shall not be invalidated by any requirements of this act.

(4) During the progress of any major motorsports complex project in which the project costs will be financed, in whole or in part, with the proceeds of full faith and credit tax increment bonds, the city may issue temporary notes in the manner provided in K.S.A. 10-123, and amendments thereto, to pay the project costs for the major motorsports complex project. Such temporary notes shall not be issued and the city shall not acquire property in the STAR bond project area until the requirements of subsection (b)(2) or (b)(3), whichever is applicable, have been met.

(5) Full faith and credit tax increment bonds issued under this subsection shall be general obligations of the city and are declared to be negotiable instruments. Such bonds shall be issued in accordance with the general bond law. All such bonds and all income or interest therefrom shall be exempt from all state taxes. The amount of the full faith and credit tax increment bonds issued and outstanding which exceeds 3% of the assessed valuation of the city

shall be within the bonded debt limit applicable to such city.

(6) Any city issuing full faith and credit tax increment bonds under the provisions of this subsection may refund all or part of such issue pursuant to the provisions of K.S.A. 10-116a, and amendments thereto.

(c) (1) For each project financed with special obligation bonds payable from the revenues described in subsection (a)(1), the city or county shall prepare and submit to the secretary by October 1 of each year, a report describing the status of any projects within such STAR bond project area, any expenditures of the proceeds of special obligation bonds that have occurred since the last annual report and any expenditures of the proceeds of such bonds expected to occur in the future, including the amount of sales tax revenue, how such revenue has been spent, the projected amount of such revenue, the anticipated use of such revenue and the names of the owners, partners, officers or principals of any developer and of any associated business partners of any developer that are involved in the STAR bond project. The department of commerce shall compile this information and submit a report annually to the governor and the legislature by February 1 of each year.

(2) (A) In addition to the report referenced in paragraph (1), the department of commerce, in cooperation with the department of revenue, shall submit a report to the senate commerce committee and the house of representatives commerce, labor and economic development committee by January 31 of each session. The report shall include the following information for the last three calendar years and the most current year-to-date information available with respect to each STAR bond district:

(i) The gross annual sales, gross annual sales projected pursuant to the STAR bond

project plan and feasibility study, gross annual sales required to meet bond debt service requirements and other expenses, amount of sales tax collected and the amount of any "base" sales taxes being allocated to the district;

(ii) the total amount of bond payments and other expenses incurred;

(iii) the total amount of bonds issued and the balance of the bonds, by district and by project in the district;

(iv) the remaining cash balance in the project to pay future debt service and other expenses;

(v) any new income producing properties being brought into a district and the base revenue going to the state general fund and incremental sales tax increases going to the district with respect to such properties;

(vi) the amount of bonds issued to repay private investors in the project with calculations showing the private and state share of indebtedness;

(vii) the percentage of local effort sales tax actually committed to the district compared to the state's share of sales tax percentage committed to the district;

(viii) the number of out-of-state visitors to a project and description of the data gathered pursuant to the visitor tracking plan, including, but not limited to, residence zip code data, a discussion of the visitor attraction properties of projects in the districts, and a comparison of the number of out-of-state visitors with the number of in-state visitors; and

(ix) if any information or data is not available, an explanation as to why it is not available.

(B) Either the senate commerce committee or the house committee on commerce, labor

and economic development may amend the information required in the report with additional requests and clarification on a going forward basis.

(3) Cities, counties and developers shall provide all information requested by the secretary for the secretary's database as provided by K.S.A. 2022 Supp. 74-50,227, and amendments thereto. If the city or county has a website, a conspicuous link directly to the information pertaining to the city or county's STAR bond project on the secretary's database shall be placed on the city's or county's website. A separate link shall be provided for each STAR bond project of the city or county.

(d) The reports pursuant to subsection (c)(1) and (2) shall include a description of all state, federal and local tax incentives that apply within the STAR bond district or to any business located in the district.

(e) A city or county may use the proceeds of special obligation bonds or any uncommitted funds derived from sources set forth in this section to pay the bond project costs as defined in K.S.A. 12-17,162, and amendments thereto, to implement the STAR bond project plan.

(f) With respect to a STAR bond project district established prior to January 1, 2003, for which, prior to January 1, 2003, the secretary made a finding as provided in subsection (a) that a STAR bond project would create a major tourism area for the state, such special obligation bonds shall be payable both as to principal and interest, from a pledge of all of the revenue from any transient guest, state and local sales and use taxes collected from taxpayers as provided in subsection (a) whether or not revenues from such taxes are received by the city.

Sec. 5. K.S.A. 12-3402 is hereby amended to read as follows: 12-3402. (a) It is the

purpose of this act to promote, stimulate and develop the general welfare, economic development and prosperity of the state of Kansas by fostering the growth of intrastate and interstate commerce within the state; to promote the advancement and retention of ports within the state; to encourage and assist in the location of new business and industry in this state and the expansion, relocation or retention of existing business and industry when so doing will help maintain existing levels of commerce within the state or increase the movement of commodities, goods and products produced, manufactured or grown within or without the state through existing ports within the state or lead to the development of new ports within the state; and to promote the economic stability of the state by maintaining and providing employment opportunities, thus promoting the general welfare of the citizens of this state, by authorizing port authorities to be established in each city and in each county of the state.

A port authority shall be a public body corporate and politic which if established shall be known as the "port authority" of the city or of the county. Joint port authorities may be created under authority of this act by cooperative agreement executed by the governing bodies of any city or county or cities or counties. Such joint authorities formed by such cooperative agreement shall have all the powers and jurisdiction enumerated in this act. Such creation shall be by ordinance or resolution. Except for port authorities created prior to April 1, 1981, no port authority shall be created without approval of the legislature by concurrent resolution or by an enacted bill. The authority shall not transact any business or exercise powers hereunder until the passage of a concurrent resolution by the legislature or the enactment of a bill as hereinbefore provided.

No port authority located in Cowley county shall modify, amend or extend the port

authority's official plan as originally adopted by the port authority to change the purpose for which it was created or alter the character of the work to be undertaken, as provided by K.S.A. 12-3406, and amendments thereto, without approval of the legislature by concurrent resolution. The port authority shall not transact any business or exercise powers hereunder concerning any business or actions related to such modification, amendment or extension of the original plan.

A cooperative agreement creating a joint port authority may be amended by the governing bodies of the cities and counties which comprise such port authority. Any amendment to such a cooperative agreement, including amendments which allow other cities located within counties which are parties to the original agreement to join in such agreement, shall not require approval by the legislature.

No member of the authority shall serve as such who owns land, other than a residence, or represents in a fiduciary capacity or as agent any person who owns land surveyed or examined for port locations, except that this prohibition shall not prevent a user of a port facility from serving as a member of the authority.

A port authority may sue and be sued, plead and be impleaded, subject to the limitations and other provisions of the Kansas tort claims act. The exercise by such port authority of the powers conferred upon it shall be deemed to be essential governmental functions of the creating city or county.

(b) Any city or county creating or participating in the creation of a port authority, before any taxes are levied shall submit the question of whether an annual tax levy may be made on the assessed taxable tangible property of such city, county, or a combination thereof, and the amount thereof to the electors of such city or county comprising such authority. If a majority of

those voting on the question vote in favor of such tax levy, the same may be made for such purpose and to pay a portion of the principal and interest on bonds issued under the authority of K.S.A. 12-1774, and amendments thereto, by cities located in the county, and otherwise such tax levy shall not be made. If such tax levy is approved, the authority may expend funds not otherwise appropriated to defray the expense of surveys and examinations incidental to the purposes of the port authority and may expend funds for any of the purposes as set forth in K.S.A. 12-3406, and amendments thereto.

(c) Subject to making due provisions for payment and performance of its obligations, a port authority may be dissolved by the city or county, or combination thereof, comprising it. If the port authority is dissolved, the properties of the port authority shall be transferred to the subdivision comprising it, or, if comprised by more than one city or county, to the city or county comprising it in such manner as may be agreed upon by them. Obligations of the authority shall not be obligations of the state of Kansas, nor of any city or county which creates the authority, unless the obligations are specifically approved by a majority vote of the electors of such city or county voting on the issue. Notice of such election shall be published in a newspaper of general circulation in the county or counties once each week for two consecutive weeks. The first publication shall be not less than 21 days prior to such election. Such notice shall set forth the time and place of holding the election and the issue which the vote is to determine.";

On page 4, in line 8, before "K.S.A." by inserting "K.S.A. 12-17,162, 12-17,169 and 12-3402 and";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking all after the first semicolon; in line 9, after the

semicolon by inserting "providing for reimbursement of reduced sales tax revenues in certain STAR bond districts as a result of reductions in food sales tax revenue; creating the STAR bonds food sales tax revenue replacement fund; expanding the scope of project costs for a historic theater to include costs for construction, renovation and personal property; increasing the limit on the amount of financing of projects by rural redevelopment districts without the issuance of special obligation bonds; providing port authorities may be authorized by enactment of a bill, authorizing the governing body of the unified government of Wyandotte county and Kansas city, Kansas, to create a port authority;"; in line 10, after "amending" by inserting "K.S.A. 12-17,162, 12-17,169 and 12-3402 and";

And your committee on conference recommends the adoption of this report.

 Conferees on part of House

 Conferees on part of Senate