

**SENATE BILL No. 34**

By Committee on Federal and State Affairs

1-17

1 AN ACT concerning housing; relating to the Kansas rural housing  
2 incentive district act; expanding the availability of such districts to  
3 certain cities and the use of bond proceeds; amending K.S.A. 12-5241,  
4 12-5242 and 12-5249 and repealing the existing sections.

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

7 New Section 1. (a) The governing body of any city that satisfies the  
8 definition of such term under K.S.A. 12-5242(a)(2), and amendments  
9 thereto, is hereby authorized to designate rural housing incentive districts  
10 within such city subject to the limitations of this section. Such city shall be  
11 subject to the provisions of K.S.A. 12-5244 through 12-5252, and  
12 amendments thereto.

13 (b) (1) The governing body of a city establishing a rural housing  
14 incentive district under this section shall not:

15 (A) Designate more than 100 units within such district as for-sale  
16 units in one year or more than 100 units within such district as for-rent  
17 units in one year; and

18 (B) designate more than 50 units within such district associated with  
19 a single project as for-sale units in one year or more than 50 units within  
20 such district associated with a single project as for-rent units in one year.

21 (2) Units designated as for-sale units may be redesignated as for-rent  
22 units by the governing body if such units have not been sold within six  
23 months after the certificate of occupancy is granted.

24 (3) The governing body may designate for-sale and for-rent units for  
25 succeeding years as part of a proposed multi-phased, multi-year  
26 development plan adopted pursuant to K.S.A. 12-5246, and amendments  
27 thereto.

28 (c) The average size of each residence constructed within a rural  
29 housing incentive district established under this section shall not exceed  
30 1,650 square feet. The square footage shall be calculated excluding any  
31 garage area or other exterior area, such as porches, patios or unattached  
32 storage buildings.

33 (d) The provisions of this section shall be a part of and supplemental  
34 to the Kansas rural housing incentive district act.

35 Sec. 2. K.S.A. 12-5241 is hereby amended to read as follows: 12-  
36 5241. ~~This act~~ *The provisions of K.S.A. 12-5241 through 12-5256, and*

1 *amendments thereto, and section 1, and amendments thereto, shall be*  
2 *known and may be cited as the Kansas rural housing incentive district act.*

3 Sec. 3. K.S.A. 12-5242 is hereby amended to read as follows: 12-  
4 5242. Except as otherwise provided, as used in K.S.A. 12-5241 through  
5 12-5251, and amendments thereto, and K.S.A. 12-5252 through 12-5258,  
6 and amendments thereto:

7 (a) "City" means the city of Topeka or any city incorporated in  
8 accordance with Kansas law:

9 (1) With a population of less than 60,000, as certified to the secretary  
10 of state by the director of the division of the budget on the previous July 1  
11 in accordance with K.S.A. 11-201, and amendments thereto;~~or~~

12 (2) *for purposes of a project subject to section 1, and amendments*  
13 *thereto, with a population of 60,000 or more, as certified to the secretary*  
14 *of state by the director of the division of the budget on the previous July 1*  
15 *in accordance with K.S.A. 11-201, and amendments thereto, except the city*  
16 *of Topeka; or*

17 (3) for purposes of a project as defined in K.S.A. 12-5249(a)(11), and  
18 amendments thereto, within a qualified census tract, "city" includes any  
19 city with a qualified census tract located within the city.

20 (b) "City housing authority" means any agency of a city created  
21 pursuant to the municipal housing law, K.S.A. 17-2337 et seq., and  
22 amendments thereto.

23 (c) "Corporation" means the Kansas housing resources corporation.

24 (d) "County" means any county organized in accordance with K.S.A.  
25 18-101 et seq., and amendments thereto:

26 (1) With a population of less than 80,000, as certified to the secretary  
27 of state by the director of the division of the budget on the previous July 1<sup>st</sup>  
28 in accordance with K.S.A. 11-201, and amendments thereto; or

29 (2) for purposes of a project as defined in K.S.A. 12-5249(a)(11), and  
30 amendments thereto, within a qualified census tract, "county" includes any  
31 county with a qualified census tract located within the county.

32 (e) "Developer" means the person, firm or corporation responsible  
33 under an agreement with the governing body to develop housing or related  
34 public facilities in a district.

35 (f) "District" means a rural housing incentive district established in  
36 accordance with this act.

37 (g) "Governing body" means the board of county commissioners of  
38 any county or the mayor and council, mayor and commissioners or board  
39 of commissioners, as the laws affecting the organization and status of  
40 cities affected may provide.

41 (h) "Housing development activities" means the construction or  
42 rehabilitation of infrastructure necessary to support construction of new  
43 residential dwellings and the actual construction of such residential

1 dwellings, if such construction is conducted by a city housing authority.

2 (i) "Secretary" means the secretary of commerce of the state of  
3 Kansas.

4 (j) "Qualified census tract" means an economically distressed urban  
5 area that is a qualified census tract as defined and designated by the United  
6 States department of housing and urban development.

7 (k) "Real property taxes" means and includes all taxes levied on an ad  
8 valorem basis upon land and improvements thereon.

9 (l) "Taxing subdivision" means the county, the city, the unified school  
10 district, and any other taxing subdivision levying real property taxes, the  
11 territory or jurisdiction of which includes any currently existing or  
12 subsequently created rural housing incentive district.

13 Sec. 4. K.S.A. 12-5249 is hereby amended to read as follows: 12-  
14 5249. (a) Any city or county that has established a rural housing incentive  
15 district may use the proceeds of special obligation bonds issued under  
16 K.S.A. 12-5248, and amendments thereto, or any uncommitted funds  
17 derived from those sources of revenue set forth in K.S.A. 12-5248(a)(1),  
18 and amendments thereto, to implement specific projects identified within  
19 the rural housing incentive district plan including, without limitation:

20 (1) Acquisition of property within the specific project area or areas as  
21 provided in K.S.A. 12-5247, and amendments thereto;

22 (2) payment of relocation assistance;

23 (3) site preparation;

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

25 (5) drainage conduits, channels and levees;

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

28 (7) street lighting fixtures, connection and facilities;

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

31 (9) sidewalks;

32 (10) water mains and extensions; ~~and~~

33 (11) renovation of buildings or other structures more than 25 years of  
34 age primarily for residential use located in a central business district or in a  
35 business or commercial district within a qualified census tract as approved  
36 by the secretary of commerce. Certification of the age of the building or  
37 other structure shall be submitted to the secretary by the governing body of  
38 the city or county with the resolution as provided by K.S.A. 12-5244, and  
39 amendments thereto. Eligible residential improvements shall include only  
40 improvements made to the second or higher floors of a building or other  
41 structure. Improvements for commercial purposes shall not be eligible;  
42 *and*

43 (12) *renovation or construction of residential dwellings, multi-family*

1 *units or buildings or other structures exclusively for residential use*  
2 *located on existing lots if:*

3 *(A) The infrastructure, including streets, sewer, water and utilities,*  
4 *has been in existence for at least 10 years; or*

5 *(B) the existing lot has been subject to any tax assessment levied*  
6 *pursuant to chapter 12, article 6a or chapter 19, article 27 of the Kansas*  
7 *Statutes Annotated, and amendments thereto, because such lot is located*  
8 *in an improvement district established pursuant to chapter 12, article 6a*  
9 *or chapter 19, article 27 of the Kansas Statutes Annotated, and*  
10 *amendments thereto.*

11 (b) None of the proceeds from the sale of special obligation bonds  
12 issued under K.S.A. 12-5248, and amendments thereto, shall be used for  
13 the construction of buildings or other structures to be owned by or to be  
14 leased to any developer of a residential housing project within the district,  
15 except for buildings or other structures located in a central business district  
16 or in a business or commercial district within a qualified census tract as  
17 approved by the secretary of commerce.

18 Sec. 5. K.S.A. 12-5241, 12-5242 and 12-5249 are hereby repealed.

19 Sec. 6. This act shall take effect and be in force from and after its  
20 publication in the statute book.