

What are STAR Bonds?

Sales Tax Revenue Bonds (STAR Bonds) is a state financing program that allows city governments to issue bonds that are repaid over a 20-year period. STAR Bonds are repaid by all of the revenues received by the city or county from any transient guest, local sales and use taxes which are collected from taxpayers from within the district.

What steps must be taken to qualify for STAR Bonds?

Each STAR Bonds project must be approved by the Secretary of Commerce based on a required feasibility study. To be eligible to submit a request to the Secretary, the city must complete a two-step process outlined by state law (K.S.A. 12-1770 et seq. as amended).

- The first step involves holding a public hearing and passing an ordinance that finds the proposed district is eligible for STAR Bonds and would promote the general and economic welfare of the city. The City Council must also pass a resolution that establishes the district. Approval of this step, creating the STAR Bonds district, does not bind the City to approve later steps.
- The second step involves preparing a project plan, holding a hearing on the plan, and adopting the project plan. One mandated component of the project plan is a marketing study conducted to examine the impact of the project on similar businesses in the projected market area.

STAR Bonds Process

(Estimated time to complete is 100-120 days)

