

KANSAS ENTERPRISE ZONE PROGRAM
and
APPLICATION PACKET for DESIGNATION
as a
NONMETROPOLITAN BUSINESS REGION

Direct applications to:
Secretary of Commerce

Direct inquiries to:
Program Administrator
Kansas Enterprise Zone Program



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GENERAL INFORMATION

The 1982 Kansas Legislature passed legislation creating a Kansas Enterprise Zone (EZ) program *"to expand and renew the local economy and improve the social and economic welfare of residents of economically distressed zone areas located within the cities of Kansas."* The program provided for qualified businesses, located in a city with an approved Kansas Enterprise Zone, to take advantage of several incentives, including Sales Tax Exemptions, Job Creation Tax Credits, and Investment Tax Credits. In 1986 the statute was amended to allow counties to participate in the program. Several other modifications were made over the years. Eleven years after enactment, as of June 30, 1992, there were 218 active city zones and 64 active county zones.

The 1992 Legislature enacted a new Kansas Enterprise Zone Act (the Act), K.S.A. 74-50,113 *et seq.*, as amended. This Act provides for a base level of incentives to businesses throughout the State and enhanced incentives on a county-by-county basis. The incentives include a Sales Tax Exemption, a Job Creation Tax Credit, and an Investment Tax Credit. The qualification criterion for these incentives is determined by the type of business (manufacturing, nonmanufacturing, or retail), location of the businesses within the State (metropolitan county, nonmetropolitan county, or designated nonmetropolitan business region), and the number of net new jobs created. (For details, refer to the Summary of EZ Incentives chart on page 3.)

The incentives encourage the creation of new jobs, the startup of new operations, expansion of existing operations, retention of existing jobs, and provide a business climate beneficial to the community and the State. Potential benefits to the community include: increased personal income; increased property values; increased retail sales; and increased bank deposits.

This guide provides a summary of the incentives available along with sample documentation for counties that choose to make application as a designated nonmetropolitan business region, that is, an enterprise zone. The Rules and Regulations, pages 8-9, provide the criteria by which such applications will be reviewed. The sample application forms and resolutions, Appendices A through K, are for guideline purposes only and are not meant to be all-inclusive.

INCENTIVES

The Act provides for a *base level* of State supported incentives to businesses throughout the State. *Enhanced incentives* are available in nonmetropolitan counties that are approved as designated nonmetropolitan business regions or EZs. The Act requires that counties designated as nonmetropolitan business regions *"demonstrate a commitment to offering incentives which are regional in nature or which exact local support, such as public transportation, technical assistance, revitalization funding, infrastructure improvement funding and property tax abatements"* [K.S.A. 74-50,116(c)(3)].

Sales Tax Project Exemption (K.S.A. 74-50,115 *et seq.*, as amended) - The purchase of certain tangible personal property and services is exempt from sales tax for new or expanding businesses. Eligible purchases include materials used in the construction, reconstruction, enlarging, or remodeling of a qualified business facility. An exemption is also available on the purchase and installation of machinery and equipment. A business must qualify for the Job Creation Tax Credit to be eligible for the Sales Tax Project Exemption.

In 1994, the Act was amended to allow sales tax exemption for builders and developers of qualified business facilities. Prior to 1994, businesses whose sole involvement in a business facility was as a lessor were not eligible for sales tax exemption under the Act. K.S.A. 74-50,115(d), as amended provides that *"Any person constructing, reconstructing, remodeling or enlarging a facility which will be leased for a period of five years or more to a business that would be eligible for a sales tax exemption hereunder if such business had constructed, reconstructed, enlarged or remodeled such facility itself shall be entitled to the sales tax exemption under the provisions of subsection (cc) of K.S.A. 79-3606 and amendments thereto."* The builder/developer is eligible for sales tax exemption on the building; however, the lessee claims the sales tax exemption on leasehold

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improvements, machinery & equipment, and associated Job Creation and Investment Tax Credits. To qualify for the sales tax exemption, the builder/developer must apply to the Department of Revenue by filing a *Request for Project Exemption Certificate*, form PR-70b. Included with the application should be a copy of a 5-year lease. The lessee must make a separate application. Where possible, these applications should be made at the same time with a brief cover letter.

Job Creation Tax Credit (K.S.A. 79-32,160a *et seq.*, as amended) - The Act provides for a basic Job Creation Tax Credit of \$1,500 for each net new employee created by the relocation or expansion of a business. The enhanced credit available in designated nonmetropolitan business regions is \$2,500. A minimum of two (2) net new jobs must be created to qualify for this credit. (Refer to the chart on page 3 for more detailed information on the job creation requirements.) For expanding businesses or those building a replacement facility, a *net new employee* refers to those employees over and above the *employee base* calculated by averaging the preceding year's annual employment.

The Job Creation Tax Credit is a one-time credit against the business' Kansas state tax liability. The credit can be used to offset up to 100 percent of the businesses' Kansas income or privilege tax liability. Any unused portion of the credit may be carried forward indefinitely and used in succeeding years after verifying the maintenance of minimum program/job requirements.

Investment Tax Credit (K.S.A. 79-32,160a *et seq.*, as amended) - The Act provides for an Investment Tax Credit of \$1,000 for each \$100,000 (or major portion thereof) of qualified business facility investment. A business must meet the job requirements of the Job Creation Tax Credit to be eligible for the Investment Tax Credit.

The Investment Tax Credit is a one-time credit against the business' Kansas state tax liability. The credit can be used to offset up to 100 percent of the businesses' Kansas income or privilege tax liability. Any unused portion of the credit may be carried forward indefinitely and used in succeeding years after verifying the maintenance of minimum program requirements.

OTHER NON-EZ CREDITS AVAILABLE

For businesses that are not eligible for EZ incentives, there are other business and job development tax credits available. The incentives earned under the Kansas Enterprise Zone Act provide a higher level of incentives. Some businesses, however, may not be eligible for all EZ incentives, (e.g. retailers located in communities over 2,500 population or nonmanufacturing which create less than five jobs.

The Job Expansion and Investment Tax Credit Act of 1976 (K.S.A. 79-32,153 *et seq.*, as amended) provides business and job development tax credits for businesses which create at least two net new jobs through capital investment projects relating to relocation, expansion, or renovation. The credits available are a credit of one hundred dollars (\$100) for each net new qualified business facility employee and a credit of one hundred dollars (\$100) for each \$100,000 (or major fraction thereof) in qualified business facility investment.

Credits are earned for the year in which the qualified business facility investment is made and in which it can be documented that a minimum of two (2) net new qualified business facility employees have been added as a direct result of the investment. Credits may be claimed for each of the nine succeeding taxable years in which the net new qualified business facility employees can be documented.

Earned credits may be used to offset up to 50% of the business' annual Kansas income tax liability. In contrast to the EZ incentives, unused credits may not be carried forward. The start of the 10-year claim period may be deferred for up to three (3) years.

For further details, refer to *INSTRUCTIONS for Claiming the Kansas Business and Job Development Credit (K-34)* published by the Department of Revenue.

Summary of Enterprise Zone Incentives

Eligibility for the various incentives and the value of the incentive depend on 1) the type of business, 2) the location of the business within the state, and 3) the number of net new jobs created. The *Kansas Enterprise Zone Act* defines six counties of Douglas, Johnson, Leavenworth, Sedgwick, Shawnee and Wyandotte as metropolitan counties. As such, they are ineligible to apply for the enhanced job credits available to designated non-metropolitan business regions/counties.

Jobs Criteria/Definitions

MANUFACTURING - A manufacturing business is defined as any commercial enterprise identified under North American Industry Classification System (NAICS) 311-339 or Standard Industrial Classification (SIC) 20-39, and must create a minimum of two (2) net new jobs.

NONMANUFACTURING - A non-manufacturing business is defined as any commercial enterprise other than a manufacturing or retail business that creates a minimum of five (5) net new jobs. This category also includes business headquarters and ancillary support operations that create at least 20 new full-time positions.

RETAIL - A retail business is defined as any business providing goods or services taxable under the Kansas Retailers' Sales Tax Act; any professional service provider set forth in K.S.A. 17-2707, and amendments thereto; any bank, S&L or other lending institution; any commercial enterprise whose primary business activity includes the sale of insurance; or any commercial enterprise deriving its revenues directly from non-commercial customers in exchange for personal services. Retail businesses must create a minimum of two (2) net new jobs.

NON-ENTERPRISE ZONE INCENTIVES Businesses not eligible for the EZ tax credits (e.g. retail businesses and/or non-manufacturing businesses creating less than five net new jobs) may be eligible for incentives under the Business & Job Expansion Tax Credit Act of 1976 (K.S.A. 79-32-153 *et seq.*, as amended). They include a Job Expansion Tax Credit of \$100 for each net new job for up to 10 years and an Investment Tax Credit of \$100 for each \$100,000 in qualified investment for up to 10 years.

Basic EZ Incentives for Undesignated Non-Metro Counties & Metro Counties

MANUFACTURING

Sales Tax Exemption

Job Creation Tax Credit - \$1,500/net new job

Investment Tax Credit - \$1,000 for each qualified business facility investment of \$100,000

NONMANUFACTURING

Sales Tax Exemption

Job Creation Tax Credit - \$1,500/net new job

Investment Tax Credit - \$1,000 for each qualified business facility investment of \$100,000

RETAIL

Sales Tax Exemption – Available to retail businesses located in a city of less than 2,500 population or in the unincorporated area of a county with less than 10,000 population

Job Creation Tax Credit – See below

Investment Tax Credit – See below

Enhanced EZ Incentives for Designated Non-Metro Business Regions/Counties

MANUFACTURING

Sales Tax Exemption

Job Creation Tax Credit - \$2,500/net new job

Investment Tax Credit - \$1,000 for each qualified business facility investment of \$100,000

NONMANUFACTURING

Sales Tax Exemption

Job Creation Tax Credit - \$2,500/net new job

Investment Tax Credit - \$1,000 for each qualified business facility investment of \$100,000

RETAIL

Sales Tax Exemption – Available to retail businesses located in a city of less than 2,500 population or in the unincorporated area of a county with less than 10,000 population

Job Creation Tax Credit – See below

Investment Tax Credit – See below

DESIGNATED NONMETROPOLITAN BUSINESS REGIONS

Definitions and Criteria

The Kansas Enterprise Zone Act directs the Secretary of Commerce to "*establish a nonmetropolitan regional business program.*" The Act defines a two-tier incentive system for businesses throughout the State. The eligibility for and level of the various incentives are determined by:

1. the type of business (manufacturing, nonmanufacturing, or retail);
2. the location of the business (metropolitan or nonmetropolitan county, or designated nonmetropolitan business region); and
3. the number of net new jobs created by the qualifying capital investment project involving the location, relocation, expansion, or renovation of a qualified business facility.

"Ancillary support" is defined (K.S.A. 74-50,114(a)) as a facility which is operated by a business and whose function is to provide services in support of the business, but is not directly engaged in the business' primary function.

"Business headquarters" is defined (K.S.A. 74-50,114(b)) as a facility where principal officers of the business are housed and from which direction, management, or administrative support for transactions is provided for a business or division of a business or regional division of a business.

"Full-time employee" means a person who is required to file a Kansas income tax return and who is employed by a business to perform duties in connection with the operation of the business on 1) a full-time basis; 2) a part-time basis of at least 20 hours per week throughout the taxable year; or a seasonal basis as defined in K.S.A. 74-50,114(d)(3). An "outside employee" qualifies if the outside services are incidental and/or directed from the qualified business facility.

A "manufacturing business" is defined (K.S.A. 74-50,114(d)) as *any commercial enterprise identified by standard industrial classification (SIC) codes 20 through 39*. A list of these SIC codes has been reproduced in Appendix J.

A "nonmanufacturing business" is defined (K.S.A. 74-50,114(g)) as *any commercial enterprise other than a manufacturing business or a retail business*. Amendments to the Act, also allow business headquarters, ancillary support businesses, and several specific businesses identified by SIC codes.

"Qualified business facility" is defined in K.S.A. 79-32,154(b) and generally means a revenue producing enterprise engaged in a basic Kansas industry and does not include a swine production facility as defined in K.S.A. 17-5903.

A "retail business" is defined (K.S.A. 74-50,114(h)) as:

1. any commercial enterprise primarily engaged in the sale, at retail, of goods or services taxable under the Kansas retailers' sales tax act;
2. any professional service provider set forth in K.S.A. 17-2707, and amendments thereto, which includes accountants, attorneys, doctors, engineers, etc.;
3. any bank, savings & loan, or other lending institution;
4. any commercial enterprise whose primary business activity includes the sale of insurance; and
5. any commercial enterprise deriving its revenues directly from noncommercial customers in exchange for personal services.

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Application for Project Exemption Certificate

To make use of the Sales Tax Project Exemption incentive, businesses must make application for and be issued a project exemption certificate. To ensure exemption on all eligible expenditures, application should be made prior to company expenditures and directly to the Department of Revenue, Division of Taxation. A sample *Request for Project Exemption Certificate* (Form PR-70b) is included in Appendix K. A form may be obtained by contacting:

Kansas Department of Revenue
Tax & Policy Unit
Division of Taxation
Docking State Office Building
915 SW Harrison
Topeka, Kansas 66625-0001
(785) 296-3070

or

EZ Program Administrator
Kansas Department of Commerce
Business Development Division
1000 S.W. Jackson Street, Suite 100
Topeka, Kansas 66612-3154
(785) 296-5298

Upon approval of the request, the Department of Revenue will issue an *Exemption Certificate* effective the date that they received the request. This certificate is required for businesses to be exempt from sales tax on the purchase of tangible personal property or services associated with the construction, reconstruction, expansion, or renovation of a qualified business facility project that will create net new jobs.

If a manufacturing or nonmanufacturing business is moving from one Kansas city or county to another, K.S.A. 74,50-115 requires that the business obtain prior approval from the Secretary of Commerce in order to qualify for the Sales Tax Project Exemption incentive. The business must obtain a letter from the Mayor, Chamber or a similar official of the present community/county indicating: 1) the reason for the move; 2) any efforts made to retain the business; and 3) that the move will not cause any undue hardship on the citizens of the present city or county. The business must also obtain a letter from the Mayor, Chamber or a similar official of the present community/county indicating: 1) there was no "piracy" involved in the business relocation; and 2) that the promise of Enterprise Zone incentives or other state incentives were not used to lure the business into making the move. These letters should be addressed to the Secretary of Commerce. When written approval is received by the business, a copy of the approval letter should be filed with form PR-70b, [Request for Project Exemption Certificate](#). This approval is not required if a business is moving within the same city.

To qualify under the ancillary support definition, a business must request approval as such from the Secretary of Commerce. The letter of request for review as an ancillary support operation should be directed to the Secretary prior to the start of the project including purchase of any goods, materials, or services to be exempted. The letter of request should include the following information:

- a description of the primary business function of the enterprise;
- a description of the business function of the specific facility for which the exemption is requested;
- the number of new full-time jobs to be created at the facility;
- the projected capital investment to be made at the facility; and
- a signed statement from a company officer identifying the impact that access to the Enterprise Zone incentives will have on the decision to proceed with the proposed job creation project.

A copy of the approval letter from the Secretary of Commerce must be filed along with the [Request for Project Exemption Certificate \(form PR-70b\)](#) to the Department of Revenue

Below are a few tips that may be of assistance in filing form PR-70b, *Request for Project Exemption Certificate*. This document is available from the Department of Revenue or the Department of Commerce.

Classification and Qualification

Definitions of eligible businesses are listed in the instructions of the form PR-70b. Definitions for manufacturing, retail, and nonmanufacturing businesses are given which relate to Line (G).

Retail Businesses

Retail businesses are eligible for a Sales Tax Exemption only if they are located in communities of less than 2,500 population or if located in the unincorporated area of a county of less than 10,000 population. Retail businesses are not eligible for Job Creation or Investment Tax Credits under the Enterprise Zone Program. Retail businesses may be eligible for credits under K.S.A. 79-32,153 and amendments thereto, the 1976 Job Creation and Investment Tax Credit Act. See instructions for Line (G).

Proper Documentation

- All items in Lines (A) through (D) must be completed in detail.
- Be certain to attach a written list or explanation as required in Line (E). The explanation should indicate a direct relationship between the capital investment and the new jobs being created.
- The description in Line (F) should be precise enough to clearly indicate the type of business as defined in the instructions for Line (G).
- Lines (G) through (M) must be completed in detail or an accompanying explanation must be submitted with the form.
- If the qualifying business facility is to be leased, a copy of the lease document must accompany the request.
- The Taxpayer or Authorized Representative must be identified. PLEASE PRINT OR TYPE.
- The Authorized Representative/Taxpayer must sign the request and include a phone number.

Timing of Submission

The Request for Sales Tax Exemption should be filed with the Department of Revenue prior to making eligible purchases. Approved exemptions are generally effective the date Revenue receives the application.

Sales Tax Exemption eligibility is based on the creation of net new jobs. If sales tax exemptions are taken and the required jobs are not created, the exempted taxes must be repaid including a 25% penalty and interest of 1½% per month (18% per year) until repayment is complete. For additional information, please call the Department of Revenue at (785) 296-3070.

If you need a written reply and explanation for a given situation, submit your question in writing to:

Tax Policy Group
Kansas Department of Revenue
915 SW Harrison Street
Topeka KS 66612-2001
Phone: (785) 296-3070
Fax: (785) 296-7928

**RULES and REGULATIONS
(K.A.R. 110-5-1 through 110-5-6)
(Approved 08/26/92)**

K.A.R. 110-5-1. Definitions. As used in these regulations, and for the purposes of administering the Kansas enterprise zone act, the following definitions apply:

- a. "City" means the governing body of an incorporated Kansas municipality.
- b. "County" means the county board of commissioners.
- c. "County-wide" means within the jurisdiction of a county board of commissioners.
- d. "Local" means within the jurisdiction of a city.
- e. "Multi-county unit" means two or more counties making a united application for designation as a nonmetropolitan region.
- f. "Region" or "regional" means within the combined jurisdiction of all applicants, the minimum region being a single county.

K.A.R. 110-5-2. Eligible applicants. Each applicant for designation as a nonmetropolitan region shall be:

- a. a single county; or
- b. a multi-county unit.

K.A.R. 110-5-3. Required documentation. Each application for designation of a nonmetropolitan region shall include:

- a. the name, title, address, and telephone number of a primary contact person for each county making application;
- b. the name, title, address, and telephone number of a primary contact person for the qualifying regional economic development organization;
- c. the name, title, address, and telephone number of a primary contact person with designated responsibility to make the required annual report to the secretary of commerce as required by K.S.A. 74-50,118(a);
- d. a list of all incorporated cities within the jurisdiction of each county making application showing the population, according to the latest Division of Budget population figures and as certified by the Kansas Secretary of State, of each city;
- e. a resolution by each county represented in the application stating that a regional economic development organization has been established which has a membership representative of:
 1. all geographic areas of the county; and
 2. the manufacturing businesses, nonmanufacturing businesses, and retail businesses in the county;
- f. evidence of the regional economic development organization which,
 1. if the organization is incorporated, shall include:
 - A. a certified copy of the articles of incorporation; and
 - B. a certified copy of the by-laws; or
 2. if the organization is not incorporated, shall include:
 - A. a certified copy of the statement of purpose of the organization; and
 - B. a certified copy of the operating guidelines of the organization or other applicable and appropriate documentation acceptable to the secretary;

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- g. a certified copy of a regional strategic plan which shall:
 - 1. have been developed or updated not more than three years prior to the time of submission;
 - 2. provide a verifiable statement of assurance that the plan was developed with broad-based citizen participation and input;
 - 3. have specific goals for regional economic development;
 - 4. have detailed implementation strategies for each identified goal;
 - 5. have appropriate criteria to determine the effectiveness of each strategy in attaining the stated goals;
 - 6. have provisions for monitoring the plan on a regular, on-going basis; and
 - 7. have provisions for reassessing, reevaluating, and updating the plan at intervals not to exceed three years;
- h. a resolution by each county making application which shall:
 - 1. state support for the scope of activities identified in the regional strategic plan;
 - 2. state all regional incentives to be offered;
 - 3. state all countywide incentives to be offered;
 - 4. state a commitment to participate in offering all stated incentives;
 - 5. give a specific, detailed plan for notifying all eligible businesses in the county of the regional and county-wide incentives available; and
 - 6. request the designation and approval of a nonmetropolitan region; and
- i. a resolution from each city within the jurisdiction of each applicant having a population of 2,000 or more, according to the latest Division of Budget population figures as certified by the Kansas Secretary of State, which shall:
 - 1. state support for the scope of activities identified in the regional strategic plan;
 - 2. state all regional and countywide incentives to be offered;
 - 3. state all local incentives to be offered;
 - 4. state a commitment to participate in offering all stated incentives;
 - 5. give a specific, detailed plan for notifying all eligible businesses in the city of the regional, countywide, and local incentives available;
 - 6. state consent to participate with the county, or counties, in a nonmetropolitan region; and
 - 7. request the designation and approval of a nonmetropolitan region.

K.A.R. 110-5-4. Quarterly report. On or before January 15, April 15, July 15, and October 15 of each year, the Kansas department of revenue shall be given a list of nonmetropolitan regions including those which have been approved during the prior calendar quarter by the Kansas secretary of commerce.

K.A.R. 110-5-5. Term of designation. Upon approval of the application, a nonmetropolitan region shall be designated for a period of not more than five years. The applicant may apply for renewal of the designation within 60 days prior to the date of expiration.

K.A.R. 110-5-6. Annual report requirements. Each annual report submitted to the secretary pursuant to K.S.A. 74-50,118 shall include:

- a. a list of regional incentives for economic development available in the region during the prior calendar year;
- b. a list for each designated county of any additional countywide incentives for economic development available in the county during the prior calendar year;
- c. a list for each city within the jurisdiction of each designated county of any additional local incentives for economic development available in the city during the prior calendar year;
- d. the usage of each regional, countywide, and local incentive for economic development made available in such region during the prior calendar year and showing:
 - 1. a description of each regional, countywide, and local incentive;
 - 2. the number of times each regional, county-wide, and local incentive was used; and
 - 3. the fiscal impact of each regional, county-wide, and local incentive to the authorizing governing body; and
- e. any other information as required by the secretary.

Appendices

APPENDIX A

Current contacts for the _____ County designated non-metropolitan region are as follows:

County Contact: Name: _____
Title: _____
Organization: _____
Address: _____
City: _____ State: _____ Zip: _____
Telephone: () - _____
Fax: () - _____ e-mail: _____ @ _____

ED Organization: Name: _____
Title: _____
Organization: _____
Address: _____
City: _____ State: _____ Zip: _____
Telephone: () - _____
Fax: () - _____ e-mail: _____ @ _____

Strategic Plan: Name: _____
Title: _____
Organization: _____
Address: _____
City: _____ State: _____ Zip: _____
Telephone: () - _____
Fax: () - _____ e-mail: _____ @ _____

Annual Report: Name: _____
Title: _____
Organization: _____
Address: _____
City: _____ State: _____ Zip: _____
Telephone: () - _____
Fax: () - _____ e-mail: _____ @ _____

County Board Chair: Name: _____
Title: _____
Organization: _____
Address: _____
City: _____ State: _____ Zip: _____
Telephone: () - _____
Fax: () - _____ e-mail: _____ @ _____

By: _____ Dated: _____

APPENDIX C

SAMPLE RESOLUTION

RESOLUTION # _____

A RESOLUTION confirming that a regional economic development organization has been established as required by the 74-50-11(c)(1), for the purpose of qualifying the County of _____ as a designated nonmetropolitan business region.

WHEREAS, A regional economic development organization, known as (insert official name of the organization), has been established; and

WHEREAS, (Name of the Organization) was incorporated in the State of Kansas on (give date) and registered in the County of _____ on (give date); and

WHEREAS, (Name of the Organization) has a membership representative of all geographic areas of the County of _____; and

WHEREAS, (Name of the Organization) has a membership representative of all types of businesses and industry resident in the County of _____; and

WHEREAS, The (Governing Body) of the County of _____ is represented on the Board of Directors of (Name of the Organization);

NOW, THEREFORE, BE IT RESOLVED BY THE (Governing Body) of the County of _____: That (Name of the Organization) meets the requirements of K.S.A. 74-50,116(c)(1); and

BE IT FURTHER RESOLVED: That the Kansas Secretary of Commerce is hereby requested to acknowledge (Name of the Organization) as a qualifying regional economic development organization for the purpose of approving the County of _____ as a designated nonmetropolitan business region.

ADOPTED BY THE (Governing Body) OF THE COUNTY OF _____ ON THIS __ DAY OF _____, 200 .

COUNTY SEAL

Chairman (Typed)

Chairman Signature

County Clerk (Typed)

County Clerk Signature

APPENDIX D

SAMPLE RESOLUTION

County Support of Regional Strategic Plan and Regional Incentives

A RESOLUTION confirming support for the qualifying regional strategic plan and requesting that the Secretary of Commerce approving the County of _____ as a Kansas Enterprise Zone designated nonmetropolitan business region.

WHEREAS, A regional strategic plan, required by K.S.A. 74-50,116(c)(2), has been _____ (*adopted, reviewed, updated and adopted*) by the (Governing Body) of the County of _____ on (given date); and

WHEREAS, Regional business incentive(s) of (Describe Incentive) will be offered to all qualified businesses in the County; and

WHEREAS, Additional county-wide business incentive(s) of (Describe Incentive) will be offered to all qualified businesses in the County; and

WHEREAS, All qualified businesses in the County will be notified of the availability of the business incentive(s) indicated above by (Briefly describe means of announcement and notification of businesses); and

WHEREAS, The (Governing Body) of the County of _____ chooses to participate with (List Counties) as (part) of a Kansas Enterprise Zone designated nonmetropolitan business region as provided by K.S.A. 74-50, 116; and

WHEREAS, The (Governing Body) of the County of _____ has received an Opinion Letter from the County Attorney finding compliance with the Kansas Enterprise Zone Act, K.S.A. 74-50,113 et seq., as amended:

NOW, THEREFORE, BE IT FURTHER RESOLVED by the (Governing Body) of the County of _____: That the Kansas Secretary of Commerce is hereby requested to approve the County of _____ as a designated nonmetropolitan business region pursuant to the Kansas Enterprise Zone Act.

ADOPTED BY THE (Governing Body) OF THE COUNTY OF _____ ON THIS __ DAY OF _____, 200 .

COUNTY SEAL

Chairman (Typed)

Chairman Signature

County Clerk (Typed)

County Clerk Signature

APPENDIX E
SAMPLE RESOLUTION
City Support of Regional Strategic Plan and Regional Incentives
RESOLUTION # _____

A RESOLUTION consenting to participate in a Kansas Enterprise Zone nonmetropolitan region and confirming support for the qualifying regional strategic plan and requesting that the Secretary of Commerce approve the County of _____ as a Kansas Enterprise Zone designated nonmetropolitan business region.

WHEREAS, K.S.A. 74-50,116(a)(2) requires the City to consent in writing to participate in a Kansas Enterprise Zone nonmetropolitan regional business program; and

WHEREAS, A regional strategic plan, required by K.S.A. 74-50,116(c)(2), has been _____ (*adopted, reviewed, updated and adopted*) by the (Governing Body) of the County of _____ on (given date); and

WHEREAS, Regional business incentive(s) of (Describe Incentive) will be offered to all qualified businesses in the City; and

WHEREAS, Additional county-wide business incentive(s) of (Describe Incentive) will be offered to all qualified businesses in the County; and

WHEREAS, Additional city-wide business incentive(s) of (Describe Incentive) will be offered to all qualified businesses in the City; and

WHEREAS, All qualified businesses in the City will be notified of the availability of the business incentive(s) indicated above by (Briefly describe means of announcement and notification of businesses); and

WHEREAS, The (Governing Body) of the City of _____ chooses to participate as a (or part of a) Kansas Enterprise Zone designated nonmetropolitan business region as provided by K.S.A. 74-50, 116; and

WHEREAS, the City intends this resolution to constitute and evidence a written agreement to consent to such participation in a Kansas Enterprise Zone nonmetropolitan region with _____ County; and

NOW, THEREFORE, BE IT FURTHER RESOLVED by the (Governing Body) of the City of _____: That the Kansas Secretary of Commerce is hereby requested to approve the County of _____ as a Kansas Enterprise Zone designated nonmetropolitan business region pursuant to the Kansas Enterprise Zone Act.

ADOPTED BY THE (Governing Body) OF THE CITY OF _____ ON THIS __ DAY OF _____, 200 .

CITY SEAL

Mayor (Typed)

Mayor Signature

City Clerk (Typed)

City Clerk Signature

APPENDIX F

For Inclusion Within an Existing Region

NOTE: *If the county wants to apply for inclusion as a part of an existing multi-county Kansas Enterprise Zone designated nonmetropolitan business region, please replace the last two paragraphs of the resolution of "County/City Support of Regional Strategic Plan and Regional Incentives" with the following:*

WHEREAS, The (Governing Body) of the City/County of _____ chooses to participate with and be included in the (Name of the Regional Designated nonmetropolitan region) designated nonmetropolitan business region, as provided by K.S.A. 74-50, 116; and

WHEREAS, The aforesaid designation expires on (Given Date), and

WHEREAS, The (Governing Body) of the County/City of _____ pledges to promote the continued review and update of its qualifying regional strategic plan:

NOW, THEREFORE, BE IT RESOLVED BY THE (Governing Body) of the County/City of _____: That the Secretary of Commerce is hereby requested to approve the County of _____ as a Kansas Enterprise Zone designated nonmetropolitan business region pursuant to the Kansas Enterprise Zone Act; and

BE IT FURTHER RESOLVED: That the Secretary of Commerce is hereby requested to approve the inclusion of _____ County in the aforementioned multi-county regional designated nonmetropolitan business region upon its reapproval.

APPENDIX G

SAMPLE ATTORNEY OPINION LETTER

Letter on Official Letterhead

(Dated)

Secretary
Kansas Department of Commerce
1000 S.W. Jackson Street, Suite 100
Topeka, Kansas 66612-3154

Dear Commerce Secretary:

As Attorney for _____, I have read and reviewed the Kansas Enterprise Zone Act statutes (K.S.A. 74-50,113 *et seq.*, as amended) and the Administrative Rules and Regulations (K.A.R. 110-5-1 through 110-5-6) pertaining to application for designation of the County as a nonmetropolitan business region with enhanced State incentives.

I have reviewed the application prepared by _____ and find that in my opinion the facts and figures are true and a correct representation and find that the County has complied with the statutes and regulations to the best of their ability. The enclosed application is therefore submitted for your review and approval.

Sincerely,

County Attorney (Typed)

County Attorney Signature

APPENDIX H APPLICATION CHECKLIST

The following is a list of documents to assist you in assembling your EZ non-metropolitan business region designation application. Please place a check mark in the first column if the document is included with your application submission. Indicate the date mailed to Commerce. If a document will come in at a later date, please note. Commerce will use the last column to verify that we have received the documents required. It is suggested that the number of documents for each item included in the application package be shown below.

<i>Description</i>	<i>Document Included</i>	<i>Date to Commerce</i>	<i>Commerce Use Only</i>
Appendix A: County Contact Data Sheet	_____	_____	_____
Appendix B: List of all incorporated cities for each County	_____	_____	_____
Appendix C: Original signed/sealed County Resolution confirming regional ED organization	_____	_____	_____
Articles of Incorporation of regional economic development organization	_____	_____	_____
By-Laws of regional economic development organization OR	_____	_____	_____
Statement of purpose & operating guidelines of regional ED organization	_____	_____	_____
Certified copy of the regional strategic plan	_____	_____	_____
Statement indicating review/revision schedule for strategic plan <u>during</u> three or five yr Plan	_____	_____	_____
Appendix D: Original signed/sealed County Resolution supporting plan & request to approve	_____	_____	_____
Appendix E: Original signed/sealed City Resolution supporting plan & request to approve	_____	_____	_____
Appendix F: Applicable only if single county joining a region	_____	_____	_____
Appendix G: Opinion Letter from each County	_____	_____	_____
Appendix H: Application Checklist	_____	_____	_____
Appendix I: Annual Report – Do not include with Application	_____	_____	_____

If you have not included a document, please explain: _____

APPENDIX I

Annual Enterprise Zone Report to the Secretary of Commerce as required by K.S.A. 74-50,118

One copy of this report must be filed annually when requested by Commerce for each County, and each City in the County over 2,000 population.

County: _____ City: _____ For Report Period Ending December 31, 200
(if applicable)

List each County/Regional and/or additional citywide incentive(s) as stated in the Resolutions for your most recent EZ application.

Description of <u>Local</u> Incentive	Average Value of Incentive	# Times Used in 200	Total Use Value of Incentive for 200
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Prepared by:

_____ Name _____ Title _____ Signature _____ Date