

February 3, 2023

The Honorable Jeff Longbine, Chairperson
Senate Committee on Financial Institutions and Insurance
300 SW 10th Avenue, Room 546-S
Topeka, Kansas 66612

Dear Senator Longbine:

SUBJECT: Fiscal Note for SB 34 by Senate Committee on Federal and State Affairs

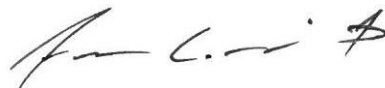
In accordance with KSA 75-3715a, the following fiscal note concerning SB 34 is respectfully submitted to your committee.

SB 34 would amend the Kansas Rural Housing Incentive District Act. SB 34 would expand the availability of district to certain cities with a population of more than 60,000, excluding the city of Topeka, and expand the use of proceeds of special obligation revenue bonds to renovate or construct a proposed multi-phased, multi-year development plan, if the associated infrastructure has been in existence for at least 10 years or if the existing lot has been subject to certain tax levies.

The Kansas Development Finance Authority indicates that SB 34 could reduce state tax revenues as the tax increment revenues would be pledged to pay debt service on bonds. The agency also indicated that local governments could experience an increase in debt liabilities. The Kansas Department of Revenue indicates because revenues under SB 34 would come from future real property developments, the agency is unable to estimate what the fiscal effect would be. The Kansas Department of Commerce indicates SB 34 would not have a fiscal effect. Any fiscal effect associated with SB 34 is not reflected in *The FY 2024 Governor's Budget Report*.

Kansas Association of Counties indicates SB 34 would not have a fiscal effect. The League of Kansas Municipalities indicates SB 34 could increase revenue to the cities because of the increased property taxes and sales taxes from the constructions and renovations of property proposed by the bill.

Sincerely,



Adam Proffitt
Director of the Budget

cc: Sherry Rentfro, Department of Commerce
Wendi Stark, League of Kansas Municipalities
Jay Hall, Kansas Association of Counties
Bonnie Hawkins, Kansas Development Finance Authority
Lynn Robinson, Department of Revenue