

SESSION OF 2021

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 90**

Amended by Senate Committee of the Whole

**Brief\***

SB 90, as amended, would allow vertical renovations of certain buildings for residential purposes to be a permitted use of bond proceeds and amend definitions under the Kansas Rural Housing Incentive District Act.

The bill would provide that, within a Rural Housing Incentive District (RHID), proceeds from the special obligation bonds may be used for the renovation of buildings that are located in central business districts and exceed 25 years of age as certified by the Secretary of Commerce.

The bill would also limit the eligible improvements to only those on the second floor of a building or higher that are residential in nature. All improvements for commercial purposes would not be eligible improvements under the program.

The bill would also amend the definition for an eligible city to remove the population limit of less than 80,000 for the county in which the city is located. The population limit for the city of less than 60,000 would remain.

**Background**

The bill was introduced by the Senate Committee on Commerce at the request of a representative of the Department of Commerce.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

### ***Senate Committee on Commerce***

In the Senate Committee hearing, proponent testimony was provided by representatives of the Department of Commerce, Dodge City/Ford County Development Corporation, Kansas Association of Realtors, and League of Kansas Municipalities. Written-only proponent testimony was provided by a private citizen. The proponents generally stated this addition to RHIDs would allow communities to utilize existing infrastructure to address housing needs while also helping to revitalize downtowns.

Written-only opponent testimony was provided by a representative of the Kansas Policy Institute, who stated subsidized housing programs are unsustainable and difficult to maintain. The representative also stated the bill could lead to property tax increases.

No other testimony was provided.

### ***Senate Committee of the Whole***

The Senate Committee amended the bill to remove the county population requirement for an eligible city.

### **Fiscal Information**

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the League of Kansas Municipalities states the bill would fiscally effect only local government, but it is unable to determine in what manner. The Kansas Association of Counties stated the bill would increase valuations, which would aid in offsetting property taxes on other properties for the maintenance of infrastructure.

Local government; commerce; rural housing; Rural Housing Incentive District Act; economic development