

SESSION OF 2021

SUPPLEMENTAL NOTE ON SENATE BILL NO. 90

As Amended by House Committee on
Commerce, Labor and Economic Development

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 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.

The bill would also amend the definition for an eligible county by raising the county population limit from 60,000 to 80,000.

*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>

Background

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

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 change to RHID statutes 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 of the Whole amended the bill to remove the county population requirement for an eligible city.

House Committee on Commerce, Labor and Economic Development

In the House Committee hearing, **proponent** testimony was provided by representatives of the City of Atchison, the Kansas Association of Realtors, the Kansas Department of Commerce, and the League of Kansas Municipalities.

Proponents indicated the bill would help retain residents in the state and give residents more freedom to live in the communities of their choice.

No neutral or **opponent** testimony was provided.

The House Committee amended the bill to increase the population limit of an eligible county from 60,000 to 80,000.

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 affect only local government, but it is unable to determine what the effect would be. 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