

SESSION OF 2017

SUPPLEMENTAL NOTE ON SENATE BILL NO. 203

As Recommended by Senate Committee on
Assessment and Taxation

Brief*

SB 203 would add Cowley County to the list of counties eligible for the Rural Opportunity Zone (ROZ) program.

Background

The expansion would increase from 77 to 78 the number of counties eligible for the ROZ program, which provides an income tax exemption for certain qualified individuals who establish residency and authorizes state and county repayment of certain student loan debt.

During the March 21 Senate Assessment and Taxation Committee hearing on the bill, proponents, including Senator Alley and Representative Judd-Jenkins, stated the legislation would improve the county's recruitment capabilities and economic development. No other testimony was provided.

According to the fiscal note prepared by the Division of the Budget, the Department of Revenue indicates the bill would be expected to reduce income tax receipts by \$68,000 in FY 2018 and by \$136,000 in FY 2019. The Department of Commerce indicates it would require approximately \$15,000 from the State General Fund in FY 2018 and FY 2019 for state obligations under the Student Loan Forgiveness Program. Any fiscal effect of the bill is not reflected in *The FY 2018 Governor's Budget Report*.

*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>