

SESSION OF 2022

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2701

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

Brief*

HB 2701 would amend the Kansas Rural Housing Incentive District Act (Act) to expand the use of bond proceeds and other funds under the Act to include residential renovation of the second or higher floors of buildings more than 25 years old within economically distressed urban areas, regardless of the population of the city or county containing the economically distressed urban area.

“Economically distressed urban areas” under the Act would be as defined and designated by the U.S. Department of Housing and Urban Development.

Under current law, the Act authorizes cities and counties under certain population thresholds to issue special obligation bonds to finance infrastructure and renovation costs for housing projects.

Background

The bill was introduced by the House Committee on Commerce, Labor, and Economic Development at the request of Representative Curtis.

*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>

House Committee on Commerce, Labor, and Economic Development

In the House Committee hearing, **proponent** testimony was provided by Representative Baker, who discussed how the Act has been utilized in his community.

Written-only proponent testimony was provided by a representative of the Kansas Association of Realtors stating a shortage of quality housing is a barrier to economic growth and development in any community, and the bill makes important changes to the Act by allowing its use in economically distressed urban areas.

No other testimony was provided.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, the Department of Commerce estimates enactment of the bill would not result in any fiscal effect on agency operations. The Kansas Association of Counties states enactment of the bill could increase revenue to counties if new housing were developed, but the fiscal effect could not be estimated. The League of Kansas Municipalities states there would be a potential fiscal effect on cities, but the League is unable to estimate the fiscal effect.

Kansas Rural Housing Incentive District Act; economic development; economically distressed urban areas