

SESSION OF 2006

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2745

As Amended by House Committee on
Higher Education

Brief*

HB 2745 would establish a mechanism for funding maintenance and technology projects at the public higher education institutions in the state. A surtax of 3.65 percent of the income tax due would be imposed on Kansas residents beginning in tax year 2006. Two-thirds of the revenue would be used for maintenance and modernization of current facilities. One-third of the revenue would be used for technology investments and new programs. The funding would be available to the state universities, Washburn University, the community colleges, and the technical colleges. Projects to be funded will be prioritized by the Board of Regents and subject to the approval of the Joint Committee on State Building Construction.

Background

The bill was introduced by the House Committee on Higher Education. As introduced, the bill would have increased the statewide property tax dedicated to the Educational Building Fund by three mills and established two revolving loan funds. The current funding level is a one mill property tax levy. Two mills of the increase would have been designated for infrastructure projects and one mill would have been designated for technology investments and new programs.

At the House Higher Education Committee hearing on the bill as introduced, representatives of the Kansas Association of Community College Trustees and the Kansas Association of Technical Schools and Colleges testified in favor of the bill. A representative of the American Institute of Architects presented neutral testimony on the bill. The Kansas Board of Regents submitted written testimony in opposition to the bill.

*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>

The House Committee amended the bill to change the funding source from an increase on the statewide property tax levy to a surtax on income tax due by Kansas residents. In addition, committee amendments would provide direct funding for projects rather than establishing a revolving loan fund.

The fiscal note by the Division of the Budget on the bill as introduced estimated revenue in FY 2007 of \$93.2 million. There was no revised fiscal note on the bill as amended.