

KANSAS OFFICE *of*  
**REVISOR *of* STATUTES**

LEGISLATURE *of* THE STATE *of* KANSAS  
*Legislative Attorneys transforming ideas into legislation.*

---

300 SW TENTH AVENUE ■ SUITE 24-E ■ TOPEKA, KS 66612 ■ (785) 296-2321

---

**MEMORANDUM**

To: Senate Committee on Financial Institutions and Insurance  
From: Office of Revisor of Statutes  
Date: February 8, 2023  
Subject: SB 34 – Expanding the Kansas Rural Housing Incentive District Act.

---

Senate Bill No. 34 (SB 34) would expand the Kansas Rural Housing Incentive District Act (Act) to allow for certain housing projects in cities with a population exceeding 60,000. Generally, the Act allows cities with a population of under 60,000 to establish rural housing incentive districts for the purpose of encouraging the building of housing in rural areas. A city that establishes a district may then issue special obligation bonds to finance the infrastructure development for additional housing within the district. The bonds are paid for from the increased property tax revenues resulting from the increased property valuation. In 2022, the Act was amended to allow the City of Topeka exercise powers under the Act and to allow bond proceeds to be used for the renovation of existing residential structures that were at least 25 years old.

SB 34 would establish a new statute within the act applicable solely to cities with a population of 60,000 or more. Housing projects in a district established under the new statute would be limited as follows:

- The city could only designate up to 100 residential units as for-sale units in a year with not more than 50 such units designated for any one project.
- The city could only designate up to 100 residential units as for-rent units in a year with not more than 50 such units designated for any one project.
- The average size of a residential unit cannot exceed 1,650 square feet, excluding any garage and exterior areas, such as porches, patios, etc.

SB 34 also would expand the list of costs that may be paid for from the bond proceeds. The bill would allow bond proceeds to be used for the renovation or construction of residential dwellings if either: (1) the infrastructure for such development, such as streets, sewer, water, and utilities, has been in existence for at least 10 years; or (2) the lots on which the residential units are located has been subject to an improvement district tax assessment because the land is located in an improvement district already established by a city or county.

If enacted, SB 34 would become effective on July 1, 2023.