

January 27, 2025

The Honorable Elaine Bowers, Chairperson
Senate Committee on Local Government, Transparency and Ethics
300 SW 10th Avenue, Room 142-S
Topeka, Kansas 66612

Dear Senator Bowers:

SUBJECT: Fiscal Note for SB 7 by Senate Committee on Local Government,
Transparency and Ethics

In accordance with KSA 75-3715a, the following fiscal note concerning SB 7 is respectfully submitted to your committee.

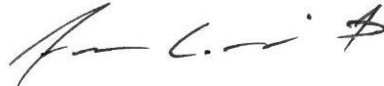
SB 7 would increase certain statutory bonding authority limits based on township population. The bill would specify that, for the purpose of obtaining funds for the reconstruction, repair, and equipment of township buildings, a township board of a township of a population of not more than 5,000 could issue general obligation bonds in an amount not to exceed 1.0 percent of assessed tangible valuation of the township. For any township with a population of more than 5,000 but not more than 10,000, the township board could issue bonds in an amount not to exceed 5.0 percent of the assessed tangible valuation. For any township with a population of more than 10,000, the township board could issue bonds in an amount not to exceed 10.0 percent of the assessed tangible valuation. The bill would also increase the statutory limit on bonding authority for improvements to a township fire department from 0.5 percent of assessed tangible valuation of all property in the township to 5.0 percent of assessed tangible valuation. The bill would also increase the limitation on such bonds' terms to maturity from 15 years to 20 years. The bill would specify that the bonded debt limitations listed in the bill would be separate from and in addition to any other limitations on bonded indebtedness imposed by law.

The Kansas Development Finance Authority indicates enactment of the bill would not have a fiscal effect on state revenues. The agency notes that debt service on bonds could affect a township's available revenues throughout the bond amortization period if they use the authorization to issue bonds as outlined in the bill. Any fiscal effect associated with SB 7 is not reflected in *The FY 2026 Governor's Budget Report*.

The League of Kansas Municipalities indicates enactment of the bill would not have a fiscal effect on cities and would only affect local government at the county and township level.

The Kansas Association of Counties indicates enactment of the bill would not have a fiscal effect on counties unless a county were to assume the debt of the township.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", with a stylized flourish at the end.

Adam C. Proffitt
Director of the Budget

cc: Bonnie Hawkins, Kansas Development Finance Authority
Wendi Stark, League of Kansas Municipalities
Jay Hall, Kansas Association of Counties