

March 22, 2011

The Honorable Richard Carlson, Chairperson  
House Committee on Taxation  
Statehouse, Room 274-W  
Topeka, Kansas 66612

Dear Representative Carlson:

**SUBJECT:** Fiscal Note for HB 2379 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2379 is respectfully submitted to your committee.

Current law allows local governments to receive up to 5.0 percent of the project costs for the administration and supervision of a community improvement district project. HB 2379 would eliminate the 5.0 percent cap. The bill would allow the acquisition of land and construction and installation of publicly-owned infrastructure located outside the community improvement district, which serves the property in the district, to be added to the community improvement district project costs. The bill would also require that if a property in a community improvement district becomes exempt from assessments, then all remaining property owners would be required to absorb the fees and costs associated with the exempted property. The bill would also allow full faith and credit bonds, issued for a community improvement district in the amount of up to 3.0 percent of the assessed valuation in the municipality, to be exempt from any bonded debt limit applied to that municipality.

HB 2379 would have no effect on state revenues. The expenses and revenues that are generated from community improvement districts would be the responsibility of the locality where the district is located. The Kansas Association of Counties and the League of Kansas Municipalities indicate that the bill has the potential to allow local governments to recover additional expenses associated with the administration and supervision of community improvement district projects. However, no specific fiscal effect can be estimated.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Anderson".

Steven J. Anderson, CPA, MBA  
Director of the Budget

cc: Steve Neske, Revenue  
Larry Baer, League of Municipalities  
Melissa Wangemann, Kansas Association of Counties