

February 26, 2013

The Honorable Marvin Kleeb, Chairperson
House Committee on Commerce, Labor and Economic Development
Statehouse, Room 286-N
Topeka, Kansas 66612

Dear Representative Kleeb:

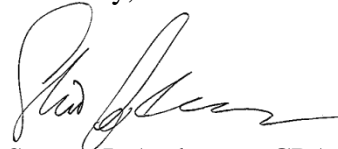
SUBJECT: Fiscal Note for HB 2086 by House Committee on Commerce, Labor and Economic Development

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2086 is respectfully submitted to your committee.

HB 2086 would allow infrastructure improvements located outside of a community improvement or redevelopment district to be included in the allowable costs of a project if the improvements are contiguous to any part of the community improvement or redevelopment district. Under current law, a city is able to pledge all of its transient guest taxes and local retail sales and compensating use taxes collected to make the principal and interest payments on certain special obligation bonds. The bill would allow a city to pledge all or a portion of these taxes to make the payments on these bonds.

HB 2086 would have no effect on state revenues. The expenses and revenues that are generated from community improvement districts, tax increment finance districts, or redevelopment districts would be the responsibility of the locality where the district is located. The League of Kansas Municipalities indicates that the bill has the potential to allow local governments to recover additional costs associated with community improvement or redevelopment districts. However, no specific fiscal effect can be estimated.

Sincerely,



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

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