

SESSION OF 2013

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2086

As Recommended by House Committee on
Commerce, Labor and Economic Development

Brief*

HB 2086 would allow infrastructure improvements contiguous to a community improvement district or a redevelopment district to be funded by the tax revenues generated from within the district. Under current law, in order to be eligible for funding, improvements must be within a district.

Cities and counties, under current law, are required to pledge all of their transient guest taxes and local sales and use taxes generated from within either district to make payments on special obligation bonds, if issued. The bill would permit cities and counties to pledge a portion of the revenue to make payments on the bonds.

Background

The Secretary of the Department of Commerce spoke in favor of the bill, stating the legislation would give cities and counties greater flexibility in financing and developing their local economies. Allowing a portion of transient, sales, and use taxes to be pledged would conform with similar pledges made from property tax revenue.

There was no opponent testimony.

According to the fiscal note prepared by the Division of the Budget, in consultation with the League of Kansas Municipalities and the Kansas Association of Counties, 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>

would have no fiscal effect on the state. There is a potential for local governments to recover additional costs associated with community improvement and redevelopment districts, but no specific fiscal effect can be estimated.