

Kansas Department of Commerce SB 187 – Extending the Rural Opportunity Zones Program

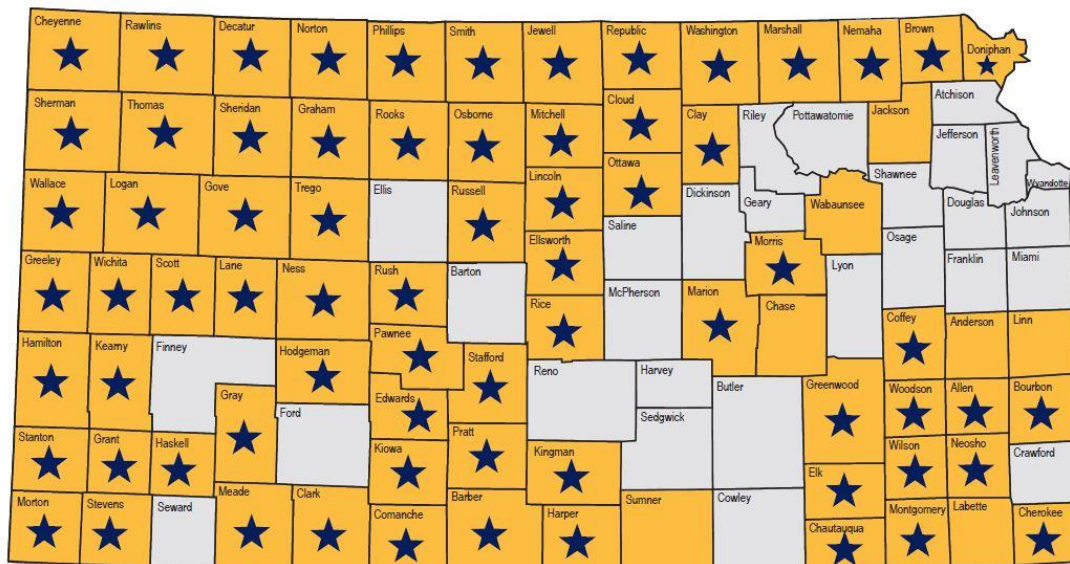
Prepared for the Senate Assessment and Taxation Committee
Room 548-S, The Statehouse
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The Kansas Department of Commerce supports the extension of the Rural Opportunity Zones (ROZ) program. ROZ was created in 2011 as a means of bringing new residents to areas of rural Kansas that had suffered population loss for decades. The program has proven to be a highly effective resource for rural counties to use in attracting new residents, and has become a model for other states.

ROZ allows out-of-state residents who move to designated counties to receive state income tax waivers for up to five years. In addition, ROZ counties may offer student loan repayments of up to \$15,000 to qualified new residents. As the student loan repayment program is a shared cost between the state and the county, ROZ counties must opt-in to this portion of the program.

The Legislature has expanded the ROZ program twice. The first expansion occurred in 2013, when 23 new counties were added to the 50 that were originally part of the program. In 2014, the Legislature added four more counties, bringing the current total to 77 counties that are eligible to participate in ROZ. Of these 77 counties, 70 have opted to partner with the state in the student loan repayment program.

RURAL OPPORTUNITY ZONES



★ County is also participating in student loan program.

Student Loan Repayment Program

Commerce oversees the student loan repayment portion of the ROZ program. This has proven to be a highly effective economic development tool for counties that choose to utilize it.

Total Applications: 2,082

Out of state applicants: 583

Number of states: 42

Approved: 993

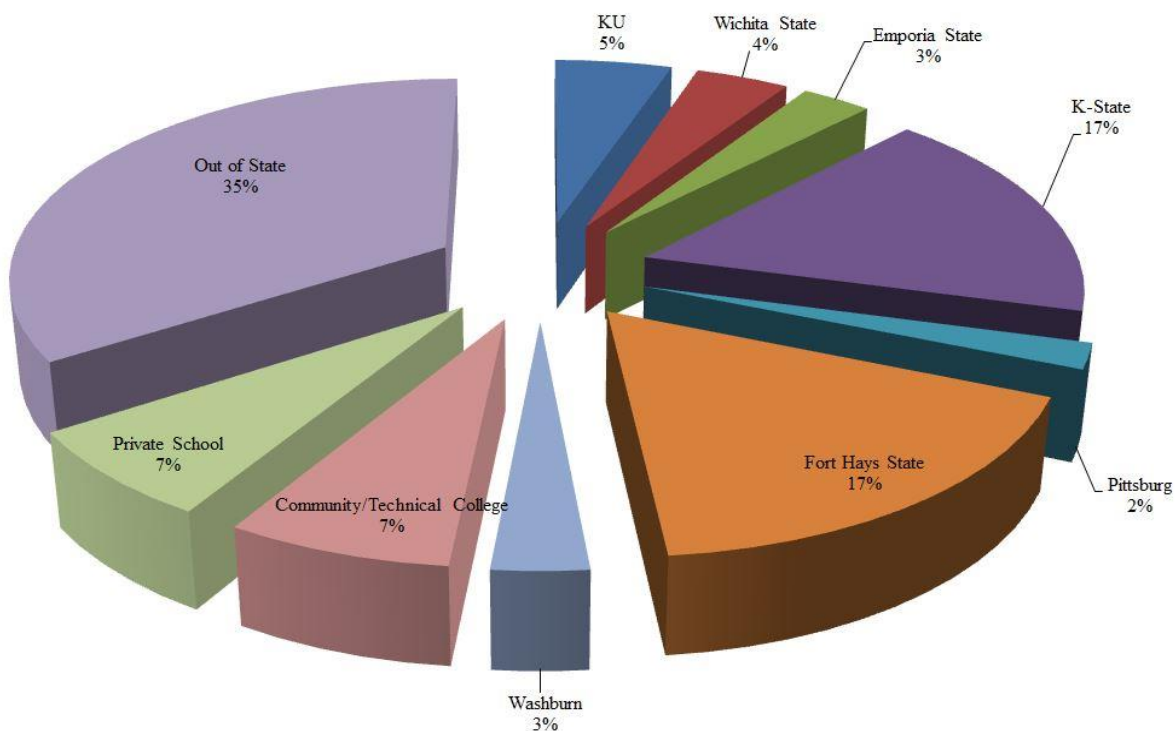
Pending: 474

Denied: 615

Fiscal Year 2015 Student Loan Repayment: \$1,220,626.24

Within Kansas, the program is most popular with alumni of Fort Hays State University and Kansas State University, while 35 percent of applicants attended an out of state college or university.

ROZ Applicant Education



Education (28 percent) and healthcare (22 percent) are the leading professions among ROZ applicants. Professional services (13 percent) and agriculture (7 percent) are also common professions for ROZ applicants.

Participant Survey

Commerce is in the process of completing a survey of ROZ participants. Initial findings from surveying 223 households indicate the following:

- 58.7 percent of participating households have purchased or built homes in ROZ counties.
- 17 percent of participants have purchased or started a business in a ROZ county.
- The average annual income per participating household is \$61,957.15.
- According to 87 percent of participants, ROZ has contributed to their decision to remain in rural Kansas.