

Proponent, In-Person, SB 375
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PROPONENT TESTIMONY FOR SB 375
2022 Kansas Housing Investor Credit Act
February 7, 2022

Fellow Committee Members:

I support the Kansas Housing Investor Credit Act as part of a broader housing growth initiative. The Kansas economy is in dire need for stimulation of the development of new housing, especially in the low and mid-income ranges.

The purpose of this new tax credit program would be to facilitate investment in suitable housing that will support the growth of communities that lack adequate housing by attracting new employees, residents, and families and would support the development and expansion of businesses that are job and wealth creating enterprises.

The Act would allow a qualified investor to receive a 30.0 percent tax credit for a cash investment in a qualified housing project beginning in tax year 2022. The tax credits would be capped at \$30,000 per residential unit. A qualified housing project would be limited to a total of 40 residential units that are single-family dwellings per year and to a total of 40 residential units for multi-family dwellings or buildings per year. A qualified housing project would be required to be located in a city with a population of less than 70,000 people and in county with a population of less than 75,000 people. The Secretary of Commerce would only be able to issue up to \$18.0 million in tax credits per fiscal year; however, any unused tax credits could be awarded in future fiscal years. The tax credit would be transferable and non-refundable and could be carried forward for up to four tax years.

The housing project would be required to receive support of the community and the governing body of the city or county and could not be eligible for income or other tax credits designated for low-income housing under state or federal law. The Secretary of Commerce would award tax credits for qualified housing projects that are most likely to provide the greatest economic benefit to and best meet the needs of the community lacking adequate housing where the project is located.

The bill empowers the Secretary of Commerce to monitor compliance and act when the intended purposes and benefits of the bill are not being met in FY 2023 and in each future fiscal year. I believe that this bill in conjunction with other proposed measures will go along way to making Kansas one of the best states in which to work and live. I encourage to support this effort.

Sincerely

Rob Olson

Kansas Senate, District #23