

March 11, 2021

The Honorable Troy Waymaster, Chairperson
House Committee on Appropriations
Statehouse, Room 111-N
Topeka, Kansas 66612

Dear Representative Waymaster:

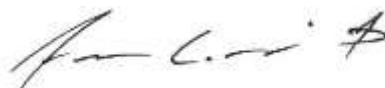
SUBJECT: Fiscal Note for HB 2426 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2426 is respectfully submitted to your committee.

HB 2426 would permit municipalities to issue no-fund warrants or bonds when municipalities had expenses in excess of current revenues when the expenses were caused by or were a result of an emergency and the municipality also declared an emergency. The municipalities would then be authorized to levy a tax to repay the no-fund warrants or bonds. The municipalities would also be authorized to have a higher maximum bond rate which is limited in the bill.

The League of Kansas Municipalities indicates that HB 2426 would allow bonds to continue to be issued to help alleviate any budget imbalances that occur because of additional expenses caused by public emergencies. The League indicated that the bill would affect local governments but was unable to estimate the fiscal effect. The Kansas Development Finance Authority, the Department of Revenue, the Office of the State Treasurer, and the Office of the State Bank Commissioner indicate that HB 2426 would have no fiscal effect on the agencies, respectively. Any fiscal effect associated with HB 2426 is not reflected in *The FY 2022 Governor's Budget Report*.

Sincerely,



Adam Proffitt
Director of the Budget

cc: Lynn Robinson, Department of Revenue
Wendi Stark, League of Municipalities