

SENATE BILL No. 376

By Committee on Federal and State Affairs

1-24

1 AN ACT concerning economic development; relating to housing; Kansas
2 rural housing incentive district act; expanding use of bond proceeds to
3 include construction of residential dwellings, multi-family units and
4 buildings in rural areas and in the city of Topeka; expanding
5 availability of loans or grants to rural communities for moderate
6 income housing; establishing a program to provide loans or grants to
7 urban communities for moderate income housing; permitting housing
8 projects to include manufactured or modular housing; amending K.S.A.
9 2021 Supp. 12-5242, 12-5249 and 12-5256 and repealing the existing
10 sections.
11

12 *Be it enacted by the Legislature of the State of Kansas:*

13 Section 1. K.S.A. 2021 Supp. 12-5242 is hereby amended to read as
14 follows: 12-5242. Except as otherwise provided, as used in K.S.A. 12-
15 5241 through 12-5251, *and amendments thereto*, and K.S.A. 2021 Supp.
16 12-5252 through 12-5258, and amendments thereto, ~~the following words
17 and phrases shall have the following meanings unless a different meaning
18 clearly appears from the context:~~

19 (a) "City" means *the city of Topeka or* any city incorporated in
20 accordance with Kansas law with a population of less than 60,000, as
21 certified to the secretary of state by the director of the division of the
22 budget on the previous July 1 in accordance with K.S.A. 11-201, and
23 amendments thereto.

24 (b) "City housing authority" means any agency of a city created
25 pursuant to the municipal housing law, K.S.A. 17-2337 et seq., and
26 amendments thereto.

27 (c) "Corporation" means the Kansas housing resources corporation.

28 (d) "County" means any county organized in accordance with K.S.A.
29 18-101 et seq., and amendments thereto, with a population of less than
30 80,000, as certified to the secretary of state by the director of the division
31 of the budget on the previous July 1st in accordance with K.S.A. 11-201,
32 and amendments thereto.

33 (e) "Developer" means the person, firm or corporation responsible
34 under an agreement with the governing body to develop housing or related
35 public facilities in a district.

36 (f) "District" means a rural housing incentive district established in

1 accordance with this act.

2 (g) "Governing body" means the board of county commissioners of
3 any county or the mayor and council, mayor and commissioners or board
4 of commissioners, as the laws affecting the organization and status of
5 cities affected may provide.

6 (h) "Housing development activities" means the construction or
7 rehabilitation of infrastructure necessary to support construction of new
8 residential dwellings and the actual construction of such residential
9 dwellings, if such construction is conducted by a city housing authority.

10 (i) ~~"Secretary" means the secretary of commerce of the state of~~
11 ~~Kansas.~~

12 (†) "Real property taxes" means and includes all taxes levied on an ad
13 valorem basis upon land and improvements thereon.

14 ~~(†)(j) "Secretary" means the secretary of commerce of the state of~~
15 ~~Kansas.~~

16 (k) "Taxing subdivision" means the county, the city, the unified
17 school district, and any other taxing subdivision levying real property
18 taxes, the territory or jurisdiction of which includes any currently existing
19 or subsequently created rural housing incentive district.

20 Sec. 2. K.S.A. 2021 Supp. 12-5249 is hereby amended to read as
21 follows: 12-5249. (a) Any city or county which has established a rural
22 housing incentive district may use the proceeds of special obligation bonds
23 issued under K.S.A. 12-5248, and amendments thereto, or any
24 uncommitted funds derived from those sources of revenue set forth in
25 K.S.A. 12-5248(a)(1), and amendments thereto, to implement specific
26 projects identified within the rural housing incentive district plan
27 including, without limitation:

28 (1) Acquisition of property within the specific project area or areas as
29 provided in K.S.A. 12-5247, and amendments thereto;

30 (2) payment of relocation assistance;

31 (3) site preparation;

32 (4) sanitary and storm sewers and lift stations;

33 (5) drainage conduits, channels and levees;

34 (6) street grading, paving, graveling, macadamizing, curbing,
35 guttering and surfacing;

36 (7) street lighting fixtures, connection and facilities;

37 (8) underground gas, water, heating, and electrical services and
38 connections located within the public right-of-way;

39 (9) sidewalks;

40 (10) water mains and extensions; ~~and~~

41 (11) renovation of buildings or other structures more than 25 years of
42 age primarily for residential use located in a central business district as
43 approved by the secretary of commerce. Certification of the age of the

1 building or other structure shall be submitted to the secretary by the
2 governing body of the city or county with the resolution as provided by
3 K.S.A. 12-5244, and amendments thereto. Eligible residential
4 improvements shall include only improvements made to the second or
5 higher floors of a building or other structure. Improvements for
6 commercial purposes shall not be eligible; *and*

7 *(12) renovation or construction of single-family residential dwellings,*
8 *multi-family residential dwellings or buildings or other structures*
9 *exclusively for residential use located on existing lots with infrastructure,*
10 *including, at a minimum, streets and sewer, water and electrical utilities,*
11 *and such infrastructure has been in place for at least ten years.*

12 (b) None of the proceeds from the sale of special obligation bonds
13 issued under K.S.A. 12-5248, and amendments thereto, shall be used for
14 the construction of buildings or other structures to be owned by or to be
15 leased to any developer of a residential housing project within the district,
16 except for buildings or other structures:

17 *(1) Located in a central business district as approved by the secretary*
18 *of commerce; and*

19 *(2) used exclusively for residential use as provided by subsection (a)*
20 *(12).*

21 Sec. 3. K.S.A. 2021 Supp. 12-5256 is hereby amended to read as
22 follows: 12-5256. (a) All expenditures from the state housing trust fund
23 made for the purposes of K.S.A. 2021 Supp. 12-5253 through 12-5255,
24 and amendments thereto, shall be made in accordance with appropriation
25 acts upon warrants of the director of accounts and reports issued pursuant
26 to vouchers approved by the president of the Kansas housing resources
27 corporation.

28 (b) (1) On July 1, 2020, *and July 1, 2021, ~~and July 1, 2022,~~* the
29 director of accounts and reports shall transfer \$2,000,000 from the state
30 economic development initiatives fund to the state housing trust fund
31 established by K.S.A. 74-8959, and amendments thereto. *On July 1, 2022,*
32 *and July 1, 2023, the director of accounts and reports shall transfer*
33 *\$20,000,000 from the state economic development initiatives fund to the*
34 *state housing trust fund established by K.S.A. 74-8959, and amendments*
35 *thereto.*

36 (2) Notwithstanding the provisions of K.S.A. 74-8959, and
37 amendments thereto, to the contrary, during fiscal year 2021; *and* fiscal
38 year 2022 ~~and fiscal year 2023,~~ moneys in the state housing trust fund
39 shall be used solely for the purpose of loans or grants to cities or counties
40 for infrastructure or housing development in rural areas. ~~During such~~ fiscal
41 years; *2023 and 2024, 75% of the moneys in the state housing trust fund*
42 *shall be used solely for the purpose of loans or grants to cities or counties*
43 *for infrastructure or housing development in rural areas, and 25% of the*

1 *moneys in the state housing trust fund shall be used solely for the purpose*
2 *of loans or grants to cities or counties with a population of 60,000 or more*
3 *for infrastructure or housing development in urban areas. **Of the amount***
4 *allocated for infrastructure and housing development in rural areas, the*
5 *director shall allocate:*

6 *(A) Not less than \$3,000,000 for loans and grants to counties with a*
7 *population of not more than 8,000 and to cities located in such counties;*
8 *and*

9 *(B) not less than \$3,000,000 for loans and grants to counties with a*
10 *population of more than 8,000 but not more than 25,000 and to cities*
11 *located in such counties.*

12 *(3) On or before January 10, 2022, January 9, 2023, ~~and~~ January 8,*
13 *2024, and January 13, 2025, the president of the Kansas housing resources*
14 *corporation shall submit a report concerning the activities of the state*
15 *housing trust fund to the house of representatives committee on*
16 *appropriations and the senate committee on ways and means.*

17 ~~*(3)*~~ *(4) If a transfer of \$20,000,000 is made by the director of accounts*
18 *and reports to the state housing trust fund established by K.S.A. 74-8959,*
19 *and amendments thereto, on July 1, 2022, for fiscal year 2023, or on July*
20 *1 of any successive fiscal year for such successive fiscal year, then during*
21 *such fiscal year the president of the Kansas housing resources corporation*
22 *shall provide grants or loans to awardees for housing development in*
23 *rural areas and for urban housing development in cities or counties with a*
24 *population of 60,000 or more in the amount of up to \$900,000 per*
25 *awardee.*

26 Sec. 4. K.S.A. 2021 Supp. 12-5242, 12-5249 and 12-5256 are hereby
27 repealed.

28 Sec. 5. This act shall take effect and be in force from and after its
29 publication in the statute book.