

**To:** House Committee on Commerce, Labor, and Economic Development  
**From:** Nathan Eberline, Executive Director  
**Date:** February 6, 2025  
**RE:** HB 2119 – Eliminating the Kansas Affordable Housing Tax Credit  
*Neutral – Verbal Testimony*

Thank you to the Chair and Committee for the opportunity to provide this testimony.

HB 2119 is intended to address a valid concern from the state of Kansas regarding the long-term fiscal effect of the affordable-housing tax credit. Despite the cost, the credit is working and leading to the construction of much needed housing across Kansas. Recognizing both sides have important policy considerations, the League of Kansas Municipalities is neutral with an alternative. To avoid losing a valuable program, while recognizing the important fiscal concerns, we suggest adding a cap to the current program.

The League proposes that HB 2119 be amended to more effectively plan for the budgeting process. In the other 28 states that have a similar program, the majority of those have a cap, which has reduced those states long-term fiscal notes and made the programs viable. We support taking a similar approach in Kansas.

Cities across our state are seeking new housing construction. The state suffers from an incredible housing shortage in all areas, and any tool the state can provide is critical to continuing the goal of new builds. In 2024, eighteen cities across Kansas worked with developers to create new housing developments in their communities—directly due to the affordable housing tax credit program. The program is working, and cities do not want to lose the momentum it has generated.

We suggest the state place a cap on the program this year, monitor how that cap reduces the state's long-term fiscal burden, and meanwhile collaborate with stakeholders to see what alternative programs can be developed in the next several years to continue the work this tax credit program has created.

Thank you for your time and consideration of these issues. I am always available to provide additional information and answer any questions you have.

Respectfully,



**Nathan Eberline**

*Executive Director*

*League of Kansas Municipalities*

785-354-9565

[neberline@lkm.org](mailto:neberline@lkm.org)