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Adam C. Proffitt, Director

Laura Kelly, Governor

January 30, 2026

The Honorable Adam Smith, Chairperson
House Committee on Taxation
300 SW 10th Avenue, Room 346-S
Topeka, Kansas 66612

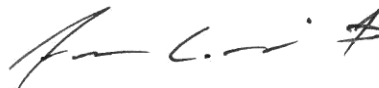Dear Representative Smith:

SUBJECT: Fiscal Note for HB 2470 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2470 is respectfully submitted to your committee.

HB 2470 would revise the Kansas Neighborhood Revitalization Act to clarify that nothing in the Act would prohibit any municipality's governing body with a population of less than 10,000 people from designating the entire municipality as being within a neighborhood revitalization area. Currently, the Act allows municipalities to designate an area as a neighborhood revitalization area if the area due to deterioration or dilapidation causes conditions that endanger life or property; if the area has a substantial number of deteriorated structures, which create conditions that are detrimental to public health; or if the area has buildings that should be restored or preserved. A neighborhood revitalization area is eligible to receive funding to finance the redevelopment of the designated area.

The Department of Commerce and the Department of Revenue both state that HB 2470 would not have a fiscal effect. The Kansas Association of Counties indicates that under HB 2470, designating an entire area as a neighborhood revitalization area would allow the area to use tax increment benefits under the Act. This could increase tax rebates, increase the value of the area's property, and lead to more development. However, the Association is unable to estimate a fiscal effect. The League of Kansas Municipalities indicates the bill would increase cities' opportunities for additional funding. However, the League is unable to estimate a fiscal effect.

Sincerely,

Adam C. Proffitt
Director of the Budget

cc: Lynn Robinson, Department of Revenue
     Sherry Rentfro, Department of Commerce
     Wendi Stark, League of Kansas Municipalities
     Jay Hall, Kansas Association of Counties