

**SENATE BILL No. 69**

By Committee on Assessment and Taxation

1-23

AN ACT concerning economic development; relating to rural opportunity zones; extending the time period for eligibility for the loan repayment program and the income tax credit; ***adding down payment assistance and child care reimbursement as program benefit options; expanding eligibility for the income tax credit***; amending K.S.A. 2024 Supp. 74-50,223 and 79-32,267 and repealing the existing sections.

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

Section 1. K.S.A. 2024 Supp. 74-50,223 is hereby amended to read as follows: 74-50,223. (a) Any county that has been designated a rural opportunity zone pursuant to K.S.A. 74-50,222, and amendments thereto, may participate in the program provided in this section by authorizing such participation by the county commission of such county through a duly enacted written resolution. Such county shall provide a certified copy of such resolution to the secretary of commerce on or before January 1, 2012, for calendar year 2012, or on or before January 1 for each calendar year thereafter, in which a county chooses to participate. Such resolution shall obligate the county to participate in the program provided by this section for a period of five years, and shall be irrevocable. Such resolution shall specify the maximum amount of outstanding student loan balance for each resident individual to be repaid as provided in subsection (b), except *that* the maximum amount of such balance shall be \$15,000.

(b) If a county submits a resolution as provided in subsection (a), under the program provided in this section, subject to subsection (d), the state of Kansas and such county ~~which~~ *that* chooses to participate as provided in subsection (a), shall agree to pay in equal shares the outstanding student loan balance of any resident individual who qualifies to have such individual's student loans repaid under the provisions of subsection (c) over a five-year period, except that the maximum amount of such balance shall be \$15,000. The amount of such repayment shall be equal to 20% of the outstanding student loan balance of the individual in a year over the five-year repayment period. The state of Kansas is not obligated to pay the student loan balance of any resident individual who qualifies pursuant to subsection (c) prior to the county submitting a resolution to the secretary pursuant to subsection (a). Each such county shall certify to the secretary that such county has made the payment

1 required by this subsection.

2 (c) ***Except as provided in subsection (h),*** a resident individual shall  
3 be entitled to have such individual's outstanding student loan balance paid  
4 for attendance at an institution of higher education where such resident  
5 individual earned an associate, bachelor or post-graduate degree under the  
6 provisions of this section when such resident individual establishes  
7 domicile in a county designated as a rural opportunity zone ~~which that~~  
8 participates in the program as provided in subsection (a), on and after the  
9 date in which such county commenced such participation, and prior to July  
10 1, ~~2026~~ 2031. Such resident individual may enroll in this program in a  
11 form and manner prescribed by the secretary. Subject to subsection (d),  
12 once enrolled such resident individual shall be entitled to full participation  
13 in the program for five years, except that if the resident individual  
14 relocates outside the rural opportunity zone for which the resident  
15 individual first qualified, such resident individual forfeits such individual's  
16 eligibility to participate, and obligations under this section of the state and  
17 the county terminate. No resident individual shall enroll and be eligible to  
18 participate in this program after June 30, ~~2026~~ 2031.

19 (d) The provisions of this act shall be subject to appropriation acts.  
20 Nothing in this act guarantees a resident individual a right to the benefits  
21 provided in this section. The county may continue to participate even if the  
22 state does not participate.

23 (e) ***(1) Commencing on January 1, 2026, the rural opportunity zone***  
24 ***program shall include two additional benefit options: (A) Down payment***  
25 ***assistance; and (B) child care reimbursement. Any county that meets the***  
26 ***definition of a rural opportunity zone pursuant to K.S.A. 74-50,222, and***  
27 ***amendments thereto, may participate in the program benefits provided in***  
28 ***this subsection by authorizing such participation by the county***  
29 ***commission of such county through a duly enacted written resolution.***  
30 ***Such county shall provide a certified copy of such resolution to the***  
31 ***secretary of commerce on or before January 1, 2026, for calendar year***  
32 ***2026, or on or before January 1 for each calendar year thereafter, in***  
33 ***which a county chooses to participate in one or both of the benefits.***  
34 ***Such resolution shall be irrevocable and shall obligate the county to***  
35 ***participate in the child care reimbursement provided by this subsection***  
36 ***for a period of five years if the county participates in such benefit. Such***  
37 ***resolution shall specify the maximum amount of down payment***  
38 ***assistance or child care reimbursement for each resident individual to be***  
39 ***paid as provided in paragraph (2) or (3), except that the maximum***  
40 ***amount of each such benefit shall not exceed \$15,000.***

41 (2) ***If a county submits a resolution to participate in the down***  
42 ***payment assistance benefit as provided in paragraph (1), subject to***  
43 ***subsection (d), the state of Kansas and such county shall agree to***

1 *contribute to the down payment, in equal shares, an amount of up to 3%*  
2 *of the purchase price for the purchase of a residence within such county*  
3 *by a resident individual who qualifies under subsection (f) and is a first-*  
4 *time homebuyer, except that the maximum amount of such down*  
5 *payment assistance shall not exceed \$15,000. The state of Kansas is not*  
6 *obligated to pay a portion of the down payment of any resident*  
7 *individual who qualifies pursuant to subsection (f) prior to the county*  
8 *submitting a resolution to the secretary pursuant to subsection (e). Each*  
9 *such county shall certify to the secretary that such county has made the*  
10 *payment required by this paragraph.*

11 *(3) If a county submits a resolution to participate in the child care*  
12 *reimbursement benefit as provided in paragraph (1), subject to*  
13 *subsection (d), the state of Kansas and such county shall agree to pay in*  
14 *equal shares reimbursement of child care expenses paid for a dependent*  
15 *child or children during the year by a resident individual who qualifies*  
16 *under the provisions of subsection (f), except that the maximum amount*  
17 *of such reimbursement shall not exceed \$15,000 over a five-year period,*  
18 *or \$3,000 per year. The state of Kansas is not obligated to pay a portion*  
19 *of the reimbursement of any resident individual who qualifies pursuant*  
20 *to subsection (f) prior to the county submitting a resolution to the*  
21 *secretary pursuant to subsection (e). Each such county shall certify to*  
22 *the secretary that such county has made the payment required by this*  
23 *paragraph.*

24 *(f) Except as provided in subsection (h), a resident individual shall*  
25 *be entitled to down payment assistance or child care reimbursement*  
26 *under the provisions of this section if such resident individual*  
27 *establishes domicile in a county designated as a rural opportunity zone*  
28 *that participates in the program as provided in subsection (e) on and*  
29 *after the date that such county commenced such participation and prior*  
30 *to July 1, 2031. Such resident individual may enroll in this program in a*  
31 *form and manner prescribed by the secretary. Subject to subsection (d),*  
32 *once enrolled, such resident individual enrolled in the child care*  
33 *reimbursement benefit shall be entitled to full participation in the*  
34 *program for five years, except that if the resident individual relocates*  
35 *outside the rural opportunity zone for which the resident individual first*  
36 *qualified, such resident individual forfeits such individual's eligibility to*  
37 *participate, and obligations under this section of the state and the county*  
38 *terminate. No resident individual shall enroll and be eligible to*  
39 *participate in this program after June 30, 2031.*

40 *(g) The county's share of any benefit pursuant to this section may*  
41 *be paid by the county, the employer of the individual, any municipality*  
42 *or political subdivision within the county or any other organization,*  
43 *business, group or individual, or any combination thereof, if so*

1 *authorized by the county.*

2 *(h) A county may participate in one, two or all three of the program*  
3 *benefits pursuant to subsections (a) and (e), but an eligible resident*  
4 *individual may only receive benefits pursuant to one such program*  
5 *benefits offered by the county.*

6 *(i)* The secretary shall adopt rules and regulations necessary to  
7 administer the provisions of this section.

8 ~~(f)(j)~~ On January 1, 2012, and annually thereafter until January 1,  
9 2027 2032, the secretary of commerce shall report to the senate committee  
10 on assessment and taxation and the house of representatives committee on  
11 taxation as to how many residents applied for the rural opportunity zone  
12 tax credit.

13 Sec. 2. K.S.A. 2024 Supp. 79-32,267 is hereby amended to read as  
14 follows: 79-32,267. (a) For taxable years commencing after December 31,  
15 2011, and before January 1, ~~2027~~ 2032, there shall be allowed as a credit  
16 against the tax liability of a resident individual taxpayer an amount equal  
17 to the resident individual's income tax liability under the provisions of the  
18 Kansas income tax act, when the resident individual:

19 (1) ~~(A)~~ Establishes domicile in a rural opportunity zone on or after  
20 July 1, 2011, and prior to January 1, ~~2026~~ 2031, and was domiciled outside  
21 this state for five or more years immediately prior to establishing their  
22 domicile in a rural opportunity zone in this state;

23 ~~(2)(B)~~ had Kansas source income less than \$10,000 in any one year  
24 for five or more years immediately prior to establishing their domicile in a  
25 rural opportunity zone in this state; and

26 ~~(3)(C)~~ was domiciled in a rural opportunity zone during the entire  
27 taxable year for which such credit is claimed; *or*

28 *(2) (A) establishes domicile in a rural opportunity zone on or after*  
29 *July 1, 2025, and prior to January 1, 2031, and was domiciled in this*  
30 *state in a county that is not a rural opportunity zone for three or more*  
31 *years immediately prior to establishing their domicile in a rural*  
32 *opportunity zone in this state; and*

33 *(B) was domiciled in a rural opportunity zone during the entire*  
34 *taxable year for which such credit is claimed.*

35 (b) A resident individual may claim the credit authorized by this  
36 section for not more than five consecutive years following establishment  
37 of their domicile in a rural opportunity zone.

38 (c) The maximum amount of any refund under this section shall be  
39 equal to the amount withheld from the resident individual's wages or  
40 payments other than wages pursuant to K.S.A. 79-3294 et seq., and  
41 amendments thereto, or paid by the resident individual as estimated taxes  
42 pursuant to K.S.A. 79-32,101 et seq., and amendments thereto.

43 (d) No credit shall be allowed under this section if:

1       (1) The resident individual's income tax return on which the credit is  
2 claimed is not timely filed, including any extension; or

3       (2) the resident individual is delinquent in filing any return with, or  
4 paying any tax due to, the state of Kansas or any political subdivision  
5 thereof.

6       (e) This section shall be a part of and supplemental to the Kansas  
7 income tax act.

8       Sec. 3. K.S.A. 2024 Supp. 74-50,223 and 79-32,267 are hereby  
9 repealed.

10       Sec. 4. This act shall take effect and be in force from and after its  
11 publication in the statute book.