

UPDATED
SESSION OF 2025

SUPPLEMENTAL NOTE ON SENATE BILL NO. 69

As Amended by Senate Committee on
Assessment and Taxation

Brief*

SB 69, as amended, would make changes to the Rural Opportunity Zone (ROZ) student loan repayment program to authorize additional types of benefits, expand eligibility for the ROZ income tax credit, and extend the sunset dates of both.

[*Note:* In continuing law, an ROZ is defined as a county with a population of no more than 40,000.]

Student Loan Repayment Program

The bill would extend the sunset on the ROZ student loan repayment program from July 1, 2026, to July 1, 2031.

The bill also would authorize ROZ counties, beginning July 1, 2026, to offer first-time homebuyer down payment assistance or child care reimbursement to ROZ participants. A county could choose to authorize the offer of one or both of the alternatives and would be required to enact a resolution authorizing the alternative benefit and specifying the maximum amount to be available to each qualified individual, up to \$15,000. The county would be required to provide the resolution to the Department of Commerce prior to offering the alternative benefit.

For a county choosing to offer down payment assistance, the State would be required, subject to

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <https://klrd.gov/>

appropriation acts, to match funding in an amount of combined county and state funding up to 3 percent of the price of a home purchased within the county by a first-time homebuyer who qualifies for the program.

For a county choosing to offer child care reimbursement, the State would be required, subject to appropriation acts, to match funding for reimbursement of child care expenses paid for dependent children of qualifying residents of the county, up to \$3,000 per year for five years.

Counties wishing to offer down payment assistance and child care reimbursement would be authorized to do so even if the State does not participate in such benefits.

An individual would be eligible to receive only one of the three possible options: student loan repayment, down payment assistance, or child care reimbursement. For each individual receiving benefits, the maximum total benefit amount for any of the options could not exceed \$15,000 over five years and benefits would be forfeited upon relocation outside of the ROZ.

Income Tax Credit

The bill would extend availability of the ROZ income tax credit, currently available through tax year 2026, through tax year 2031. It would also expand eligibility for the credit to include individuals relocating to an ROZ from within Kansas, provided the individual lived outside an ROZ for at least three years prior to relocating and was domiciled in an ROZ during the entirety of the taxable year in which the credit is claimed.

The sunset date on a requirement for the Secretary of Commerce to annually report on the number of individuals applying for the tax credit would also be extended, from 2027 to 2032.

Background

The bill was introduced by the Senate Committee on Assessment and Taxation at the request of Senator Tyson.

Senate Committee on Assessment and Taxation

In the Senate Committee hearing, **proponent** testimony was provided by representatives of American Implement, Department of Commerce, Kansas Hospital Association, and Minneola Healthcare. Proponents generally stated the program is a valuable tool in recruiting new residents to the state and attracting residents to rural areas and helping businesses in such areas meet employment needs.

No other testimony was provided.

The Senate Committee amended the bill to:

- Authorize counties to offer down payment assistance or child care reimbursement as alternative ROZ benefits; and
- Expand eligibility for the income tax credit to include Kansas residents relocating from outside an ROZ county.

Fiscal Information

According to the Department of Revenue, enactment of the bill, as amended, would reduce State General Fund receipts by \$9.8 million in FY 2027, \$25.6 million in FY 2028, and \$49.7 million in FY 2029.

Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2026 Governor's Budget Report*.

Rural opportunity zones; Kansas Income Tax Act; sunset; first-time homebuyers; down payment assistance; child care reimbursement