

February 15, 2024

The Honorable Emil Bergquist, Chairperson
House Committee on Local Government
300 SW 10th Avenue, Room 281-N
Topeka, Kansas 66612

Dear Representative Bergquist:

SUBJECT: Fiscal Note for HB 2704 by Representatives L. Williams and Turk

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2704 is respectfully submitted to your committee.

HB 2704 would enact the No-Impact Home-Based Business Fairness Act. The bill would define “goods,” “home-based business,” “municipality,” and “no-impact home-based business.” A residence could be used for a no-impact home-based business if there is not a deed restriction, covenant, or agreement restricting the use of land or master deed, bylaw, or other document applicable to a common interest ownership community. Municipalities could not prohibit a no-impact home-based business or require a person to apply, register, or obtain any permit, license, variance, or other type of prior approval from the municipality to operate a no-impact home-based business.

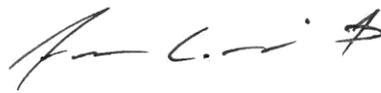
The bill would allow municipalities to establish reasonable rules and regulations on a no-impact home-based business if the regulations are narrowly tailored for any of the purposes outlined in the bill. A no-impact home-based business could not be used to sell illegal drugs or liquor, operate or maintain a structured sober living home for drug or alcohol-based recovery, sell pornography, or provide nude or topless dancing or other adult-oriented business. A municipality could not require a person, as a condition of operating a no-impact home-based business, to seek rezoning of the property for commercial use or install fire sprinklers in a single family detached residential dwelling or any residential dwelling consisting of more than two-dwelling units. The bill specifies that the question of whether a regulation of a municipality complies with this Act would be a judicial question and the municipality that enacted the regulation would be required to establish by clear and convincing evidence that the regulation complies with the Act.

The Office of Judicial Administration states enactment of the bill would have a negligible fiscal effect on the operations of the Judicial Branch.

The League of Kansas Municipalities states cities could see increased litigation costs if the bill is enacted; however, the League cannot estimate a precise fiscal effect.

The Kansas Association of Counties states enactment of the bill could have a fiscal effect on counties if no-impact home-based businesses generate additional complaints for counties to respond to.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt". The signature is fluid and cursive, with a distinct flourish at the end.

Adam C. Proffitt
Director of the Budget

cc: Trisha Morrow, Judiciary
Jay Hall, Kansas Association of Counties
Wendi Stark, League of Kansas Municipalities