

SESSION OF 2018

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2537**

As Recommended by House Committee on  
Taxation

**Brief\***

HB 2537 would revise the power of redevelopment authorities in Johnson and Labette counties. In addition to several technical changes, Labette County would be referenced in several places.

A redevelopment authority in either county would be allowed to incur debt and issue bonds to pay for the costs of developing and improving the utilities and other properties within the redevelopment district. A redevelopment authority could secure debt using property it owns in the district. It would be permissible to use lease-purchase agreements to acquire and finance property. The maximum maturity of issued bonds could not exceed 20 years. Debt incurred would be solely the responsibility of the redevelopment authority to repay.

**Background**

The bill was introduced by the House Committee on Taxation on the behalf of the Great Plains Redevelopment Authority located in Parsons, Kansas. During the hearing before the House Committee, a representative of the Redevelopment Authority spoke in favor of the bill, stating the Labette County Commission has been reluctant to be a party to any debt associated with the redevelopment district. The conferee said there is no immediate plan to borrow funds.

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\*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 <http://www.kslegislature.org>

There was no other testimony.

According to the fiscal note prepared by the Division of the Budget, in consultation with the Department of Revenue, the Kansas Association of Counties (KAC), and the League of Kansas Municipalities, the bill would have no fiscal effect on the State or cities. KAC indicates there would be a fiscal effect on Johnson and Labette counties because the bill would expand purposes for which the redevelopment authorities could incur debt.