

**Kansas Department of Commerce
Written Testimony on HB 2569, Establishing an Older Structures Tax Credit
for Rural Communities
Trisha Purdon, Kansas Office of Rural Prosperity Director
at the Kansas Department of Commerce
House Committee on Financial Institutions and Rural Development
February 14, 2022, 9:00 a.m.
Room 218 N**

The Kansas Department of Commerce requests that the House Committee on Financial Institutions and Rural Development favorably passes HB 2569.

The growth and prosperity of rural Kansas is the sole purpose of the Office of Rural Prosperity and after two state-wide listening tours, we know that we need to continue to develop new strategies to support and promote our rural communities. HB 2569 provides a new method to increase private investment into historic structures in rural communities. Often, such structures have significantly higher costs for renovation, and as such renovation cannot easily be financed due to the prevalent issue of low appraisal values in rural communities. These projects are also typically small projects, and are not easily marketed to investors that utilize historic tax credits. This increase would make such project more marketable, and bring new investment into rural Kansas communities.

In addition, based on our Rural Listening Tours and the Power Up and Go Report from the Kansas Sampler Foundation, we believe that this program would also provide another tool to help increase housing rehabilitation. Building a portfolio of programs such as this one, along with the RHID upper story housing program, HEAL, and CDBG can help to redevelop and revitalize many underutilized spaces in rural communities. This program helps cushion the risk for investors and lenders, and provide a new recruitment tool for developers to work in our Rural Kansas Communities.

At the Office of Rural Prosperity, we are continually looking for ways that we can help rural communities prosper. I urge you to pass HB 2569 to help these communities preserve their heritage and grow in the future.