

SESSION OF 2003

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2055**

As Recommended by House Committee on  
Agriculture

**Brief\***

HB 2055 would make amendments to one section of law which provides for the agricultural production loan program. The bill would provide that the interest rate for the loans to an "eligible borrower" would be 4 percent from the time the bill is effective (upon publication in the *Kansas Register*) until June 30, 2003. After June 30, 2003, the interest rate charged to borrowers would be not greater than 4 percent more than the rate at which the money is provided to the lending institution from the state.

**Background**

This bill was introduced at the request of a spokesperson from the Kansas Banker's Association. At the hearing on the bill, the only conferee was a representative of the Kansas Banker's Association. The spokesperson stated that the bill was intended to provide a 4 percent spread that banks need in order to justify making the types of loans made under the program.

The fiscal note on the bill states it could create an increase in the interest rate for agricultural producers. It states that the Treasurer's budget would experience no fiscal effect from the bill.

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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/kldr>