

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3868S.01I  
Bill No.: SB 1210  
Subject: Tax Incentives; Economic Development; Education, Elementary and Secondary;  
Political Subdivisions  
Type: Original  
Date: February 7, 2024

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Bill Summary: This proposal allows school districts to remove certain property from tax increment financing districts.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Local Government</b>	<b>\$0 to Unknown</b>	<b>\$0 to Unknown</b>	<b>\$0 to Unknown</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Department of Elementary and Secondary Education**, the **Department of Revenue**, the **Office of the State Auditor** each assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for above respective organizations.

In response to the similar version of the bill, SB 306 – 2023, officials from the **City of Kansas City** assumed this legislation would limit a City's ability to grant tax abatements. This could have a negative fiscal impact on Kansas City in an indeterminate amount by affecting Kansas City's economic development. However, in response to this proposal, officials from the City of Kansas City assume the proposal will have no fiscal impact on their organization.

In response to the similar version of the bill, SB 306 – 2023, officials from the **City of O’Fallon** and **City of Springfield** both assumed the proposal will have no fiscal impact on their organization.

**Oversight** notes the proposal allows school districts to exclude property from a redevelopment area if the school district levying taxes on such property determines, by resolution adopted within thirty days following the conclusion of a hearing conducted pursuant to section 99.825, that the proposed redevelopment area will have an adverse effect on such school district.

Therefore, for purpose of this fiscal note, **Oversight** will reflect a range of impact of \$0 (school districts do not exclude property from the redevelopment area) to an unknown revenue savings (if school districts exclude property) for local school districts effective FY 2025 and thereafter.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT – Local Government</u>	<u>FY 2025 (10 Mo.)</u>	<u>FY 2026</u>	<u>FY 2027</u>
<b>LOCAL SCHOOL DISTRICTS</b>			
Section 99.805 (13) Removal of property from the Development Area	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
<b>NET EFFECT ON THE LOCAL SCHOOL DISTRICTS</b>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This act allows a school district to exclude real property from a proposed tax increment financing redevelopment area if the school district determines that such redevelopment area will have an adverse effect on such school district. The school district shall adopt a resolution making such determination and shall deliver the resolution to the municipality establishing the redevelopment area. Within thirty days of receiving the resolution, the municipality shall remove such property from the redevelopment area or terminate the redevelopment area.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the State Auditor  
 Department of Elementary and Secondary Education  
 City of Kansas City  
 City of O’Fallon  
 City of Springfield



Julie Morff  
 Director  
 February 7, 2024



Ross Strope  
 Assistant Director  
 February 7, 2024