

March 1, 2012

REVISED

The Honorable Carolyn McGinn, Chairperson
Senate Committee on Ways and Means
Statehouse, Room 545-S
Topeka, Kansas 66612

Dear Senator McGinn:

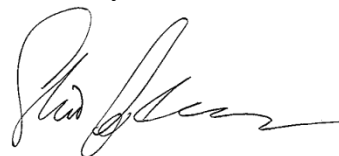
SUBJECT: Revised Fiscal Note for SB 427 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following revised fiscal note concerning SB 427 is respectfully submitted to your committee.

SB 427 would allow adult care homes to be added to the list of eligible dwellings that qualify to participate in the Housing Loan Deposit Program. These homes would be eligible for a loan amortized over a 20-year period whereas current law limits amortization periods to five years.

Since the original fiscal effect statement was issued, the State Treasurer has provided clarifying information on the fiscal effect of this bill. The State Treasurer indicates that the new 20-year term loan instituted in SB 427 would tie up the state's idle funds for a period of 20 years as opposed to the current five-year period. The idle funds are used by the state to make payments to cities, counties, highways, roads, bridges, school districts, and for Medicaid. The original fiscal note incorrectly referenced a loss of state revenues for varying interest rates.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Anderson", written over a white background.

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Derek Kreifels, Treasurer's Office