



## **RURAL OPPORTUNITY ZONE PROGRAM**

### **State of Kansas Fiscal Year 2022 Guidelines**

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## INTRODUCTION

The Rural Opportunity Zone Program facilitates the population growth of rural Kansas Counties with [Certified Populations](#) under 40,000 as published by the Kansas Department of Revenue on July 1<sup>st</sup> of the previous calendar year, through the use of tax relief and student loan repayment assistance. Under this program, qualified individuals could be eligible to receive Kansas state income tax credits and/or student loan repayment assistance provided by both the State and an approved local sponsor.

The Kansas Department of Commerce is responsible for administrating the student loan repayment portion of the Rural Opportunity Zones (ROZ) program. The Program Manager establishes criteria, subject to the provisions of the statute, to determine the eligibility of resident individuals.

## HOW DOES IT WORK?

The Kansas Legislature has designated Counties with a Certified Population under 40,000 as Rural Opportunity Zones, each a ROZ county. Individuals who move into a ROZ county may be eligible for a 100% tax credit on their state income taxes and/or student loan repayment assistance. Individuals may be eligible for both the tax credit and the student loan repayment assistance; however each incentive has its own eligibility criteria and eligibility for one does not guarantee eligibility for the other.

**Income Tax Credit:** Qualified individuals will receive a credit for the entirety of their Kansas State income tax liability for any year in which they qualify (see below) beginning in the taxable year 2012 and ending in the taxable year 2023 based on when a county was eligible for the ROZ program. The Tax Credit program information can be found here: <https://www.ksrevenue.org/prtaxcredits-roz.html> Questions related to the Tax credit should be directed to the Kansas Department of Revenue. **The Kansas Department of Commerce does not administer or provide guidance on the Tax Credit portion of this program.**

**Student Loan Repayment Assistance:** Qualified individuals will receive student loan payments in equal shares over a maximum term of 5 years. Annual Distributions will be equal to 20% of the individual's outstanding student loan balance up to a maximum of \$15,000 over 5 years when they move to an eligible funded ROZ County After they have earned at least their Associate's degree.

## WHO QUALIFIES FOR INCOME TAX CREDIT?

<https://www.ksrevenue.org/prtaxcredits-roz.html>

In order to qualify for Kansas state income tax waiver a resident individual must satisfy the following conditions:

1. Establish domicile in a Rural Opportunity Zone County on or after the date on which the county became part of the program *and* prior to January 1, 2023, after having lived outside the State of Kansas for 5 or more years immediately prior to establishing residency in the Rural Opportunity Zone County.
2. Earned less than \$10,000 in Kansas source income in each of the 5 years immediately prior to establishing domicile in a Rural Opportunity Zone County.
3. Maintain residence in the Rural Opportunity Zone County for the entire taxable year for which the tax credit is claimed. January 1<sup>st</sup> through December 31<sup>st</sup>.
4. Please contact the Kansas Department of Revenue for more information on the ROZ Tax Credit.

## WHO QUALIFIES FOR STUDENT LOAN REIMBURSEMENTS?

In order to qualify for student loan reimbursements a resident individual must satisfy the following conditions:

1. Establish **domicile** in a ROZ County after July 1, 2011, ***and*** on or after the date on which the County opts-in to the student loan program (First Resolution Date)
2. Hold at least an Associate degree ***prior*** to moving to the ROZ County
3. Have an outstanding student loan balance related to the degree/s earned prior to moving to the ROZ County
4. Ability to provide proof of residency at current and previous addresses, proof of degree earned, and proof of student loan balance with distribution dates
5. Have a Funded Sponsor. Counties, cities, foundations, and employers can sponsor applicants in this program. The Applicant must have a sponsor to receive funding. It is the Applicant's responsibility to find a Sponsor if County Sponsorship is not available.
6. Items required on the Application for the Student Loan Repayment Program:

- a. Each applicant shall submit the application and any supporting documentation to the secretary to determine eligibility for the student loan repayment program.
- b. Each application shall contain the following for each applicant:
  - i. Full Name and previously used names;
  - ii. Telephone number and email address;
  - iii. Current address and, if different, intended address;
  - iv. Social security number;
  - v. County of current residence or future intended domicile;
  - vi. List of all addresses where the applicant has resided during the five years immediately preceding the date of application;
  - vii. List of previous employers' names and addresses for the five years immediately preceding the date of application;
  - viii. Prospective employer's name, address, and county;
  - ix. Proof of degree earned (Transcripts with degree date)
  - x. Anticipated date for moving to the county;
  - xi. A short description of why the individual intends to move to the county;
  - xii. If applicable, proof of a Kansas professional license;
  - xiii. The balance of each student loan on the date of submission of the application and the name and address of each loan institution; With the date of distribution
  - xiv. Any other relevant information that the secretary deems necessary.

## STUDENT LOAN ASSISTANCE PAYMENT PROCEDURE

The student loan payments will be paid on an annual basis. Rural Opportunity Zone Counties will provide 50% of the student loan payment through Sponsor dollars, with the State of Kansas providing the remaining 50% match. All student loan payments will be made directly to approved ROZ participants as provided in the qualified individual's eligibility application.

The individual will continue to make regular payments as required by their agreement with their respective lending institution. The participant will provide the Kansas Department of Commerce with a copy of the participant's student loan 12-month payment history within 30 days of the issuance of the student loan repayment assistance disbursement. If a participant has paid off their student loans before the end of their 5-year program participation, the participant will send proof that their loan has been satisfied in full and the disbursement of the payments will be theirs to keep.

**Sponsor payments** should be received by the Kansas Department of Commerce no later than September 30<sup>th</sup> each year to ensure timely participant payments are issued.

## HOW TO APPLY FOR ROZ BENEFITS

Applications for ROZ benefits are accepted through the Kansas Department of Commerce [Rural Opportunity Zone website](#). Complete the ROZ application form in its entirety and submit any requested supplementary documents. ROZ applications are accepted from January 1<sup>st</sup> to September 30<sup>th</sup> for each calendar year the program is approved to be open.

The required supplementary documents that will be used to verify the application information provided will be:

- Lease or ownership documents for current and previous domicile
- Personal Identification, Kansas State issued ID or DL
- College Transcripts with Graduation date
- Student loan balance and distribution dates
- Completed Federal W9 form (Once approved)
- Completed Participant Agreement form (Once approved)
- Direct Deposit form (Once approved)

## WORKFLOW FOR STUDENT LOAN REPAYMENT

In January of each year the Counties and Cities will review their annual ROZ sponsorship amount and will complete an updated ROZ resolution for that calendar year. Counties and Cities must submit their Annual Resolutions no later than January 31<sup>st</sup> each calendar year.

Applications are received from January 1<sup>st</sup> until September 30<sup>th</sup> each year for residents of counties that have submitted their ROZ resolution for that Calendar year.

Applicant completes the online application process at [www.kansascommerce.gov/roz](http://www.kansascommerce.gov/roz)

Once the application is submitted a notification is sent to ROZ Support Staff for processing and ensuring all the supplemental documents are received. ROZ Support Staff completes this task within 30 days of receiving the new application.

If the application is not complete, the applicant will receive notice that their application has been put in “Incomplete” Status. The notice will include a request for any outstanding documents.

The applicant will have 14 days to complete their application after this notice is sent.

If the documents are not received by the 14<sup>th</sup> day the application is marked as “No Response” in the database and ROZ Support Staff will send a notification to the applicant that they have been moved to a “No Response” Status and will not be contacted further by the ROZ Support Staff unless and until the Applicant reinitiates contact with the ROZ staff.

Once all documents are received the ROZ Support Staff will file the documents, electronically labeling the documents individually in the Applicants electronic folder as per the “Perfect Folder” example and create a task in Salesforce for the Program Manager to complete the final review of the application.

The Program Manager will review the application and documents to determine eligibility within 14 days of being sent the request to review.

If the applicant is not eligible, the ROZ Staff will send a denial letter outlining why the applicant was denied. A copy of the denial letter will be sent to the ROZ County and the local/designated ROZ contact for the Sponsor.

If the Applicant is eligible, the Program Manager will then review the Sponsor funding source to ensure funding is available.

If funding is not available, the ROZ Support Staff will send the Applicant, copying the Sponsor and ROZ County, a letter informing them that they have been put on the waitlist for the Sponsor and will be provided the contact information for the Sponsor.

If funding is available, the applicant will be sent a letter, copying the Sponsor and the ROZ County of their Approval for the program and the time frame they can expect to receive their first ROZ distribution.

Sponsors will be invoiced by KDC for the Sponsorship dollars due with payment due by September 30<sup>th</sup> for the October-December participant distribution. If at any time the Sponsor wants an updated report on participants, they just need to send a request for the updated report to the Program Manager.

Payments are processed from October to December each year at KDC.

In October, ROZ Support Staff will create payment vouchers for each approved participant and send them to KDC Fiscal for processing.

Support staff will record the date the ROZ distribution was issued to the participant in the Salesforce database.

ROZ Participants are required to submit their Proof of Payment to the ROZ Staff within 30 days of their annual distribution being received.

After 30 days have passed from the date of ROZ Distribution the ROZ Support Staff will send a reminder letter to the Participant, copying the Sponsor, notifying them that their ROZ Proof of Payment is past due.

After 45 days have passed from the date of ROZ Distribution the ROZ Support Staff will send a follow-up reminder letter to the Participant, copying the Sponsor, notifying them that their ROZ Proof of Payment is past due.

After 60 days have passed a final reminder letter will be sent by Support Staff indicating that the Participant has 7 days to remit their ROZ Proof of Payment or they will be disqualified from the program for noncompliance with the Rural Opportunity Zone Participant Agreement, copying the Sponsor and the ROZ County.

If after 7 days, the ROZ Proof of Payment has not been submitted the Support Staff will send the Noncompliant list to the Program Manager.

The Program Manager will contact the Participant by phone to attempt to resolve the issue one more time. After 7 days of no response, the Program Manager will disqualify the participant from the program, and ROZ Staff will send a failure to comply letter informing the Participant of their removal from the program copying the Sponsor.

Once the Proof of Payment has been received the Support Staff will file the Proof of Payment in the Participants digital file labeling the document, "Fiscal\_Year (FY20xx).Last Name.POP"

## STATUS DEFINITIONS FOR DATABASE

**New-** New Application has been submitted but not reviewed

**Incomplete** – Application has been received but some information is missing, or supplemental documents have not been sent in

**No Response** – If after 14 days the supplemental documents or missing information has not been received and the agency has received no communication from the applicant regarding the missing items

**Pending** – Application and supplemental documents have been received and are ready for the Program Manager's review

**Qualified Waiting Funding** –means the Program Manager has reviewed the application and supplemental documents and found the applicant meets the program criteria and can be moved from the waitlist as funding become available.

**Approved** – Applicant is approved for participation in the program and has a sponsor

**Completed** – This means the Participant completed all 5 years of the program

**Withdrawn** – This means the applicant voluntarily withdrew their application from the county before collecting all benefit

**Withdrawn Never received funding** – This means the applicant voluntarily withdrew their application before receiving any funding

**Denied** – Applicant did not meet the criteria for the program in the county they applied for

**Disqualified** – The Participant had received at least one payment but did not continue to meet the criteria of the program



## Funding Priority CY2021/FY2022 - State Waitlist

Applications will be approved based on State Funding availability, then by Sponsor Funding availability. Due to limited State Funding for CY2021/FY2022 application approvals for new fully funded applicants will be as follows:

1. County Sponsor Applications: These approved first come first serve with Counties who have sent their resolutions in the earliest for that calendar year being processed first. Then processed by Applicant material receipt date.
2. City Sponsorship Applications: These will be prioritized by the County Resolution date, then the City resolution date, then processed by Applicant material receipt date.
3. Employer/Foundation Sponsor Applications: These will be prioritized by the County Resolution date for the ROZ County in which the applicant lives and the Applicant material receipt date.

## TECHNICAL ASSISTANCE

Normal office hours are 8 a.m. to 5 p.m. Questions will be handled by telephone as scheduling allows. Questions should be submitted by e-mail to [kdc\\_roz@ks.gov](mailto:kdc_roz@ks.gov). Every effort will be made to respond to e-mails promptly.

For questions regarding completion of the **Kansas Rural Opportunity Zone Application form**, call the Community Development Division at the Kansas Department of Commerce at (785) 207-4755. The mailing address is 1000 S.W. Jackson St., Suite 100, Topeka, KS 66612-1354. Or send us a Chat message directly from the KDC home page.

For questions **regarding tax issues or the completion of the appropriate tax forms**, contact the Kansas Department of Revenue, Taxpayer Assistance Bureau at (785) 296-3070. Its mailing address is Kansas Department of Revenue, Taxpayer Assistance Bureau, P.O. Box 12001, Topeka, KS 66612-2001.

## COUNTY ELIGIBILITY DATES

<b>County</b>	<b>Established date</b>	<b>County Start Date</b>
Allen County	7/1/2013	9/17/2013
Anderson County	7/1/2013	4/21/2014
Atchison County	5/27/2021	Never Opted In
Barber County	7/1/2011	7/1/2011
Barton County	5/27/2021	Never Opted In
Bourbon County	7/1/2013	9/16/2013
Brown County	7/1/2013	11/4/2013
Butler County	Not ROZ	Not ROZ
Chase County	7/1/2014	Never Opted In
Chautauqua County	7/1/2011	10/31/2011
Cherokee County	7/1/2013	2/9/2015
Cheyenne County	7/1/2011	7/29/2011
Clark County	7/1/2011	7/8/2011
Clay County	7/1/2013	8/19/2013
Cloud County	7/1/2011	8/29/2011
Coffey County	7/1/2013	12/23/2013
Comanche County	7/1/2011	8/20/2013
Cowley County	5/27/2021	Never Opted In
Crawford County	5/27/2021	Never Opted In
Decatur County	7/1/2011	7/19/2011
Dickinson County	5/27/2021	Never Opted In
Doniphan County	7/1/2013	8/19/2013
Douglas County	Not ROZ	Not ROZ
Edwards County	7/1/2011	7/18/2011
Elk County	7/1/2011	7/30/2012
Ellis County	5/27/2021	Never Opted In
Ellsworth County	7/1/2013	10/14/2013
Finney County	5/27/2021	Never Opted In
Ford County	5/27/2021	Never Opted In
Franklin County	5/27/2021	Never Opted In
Geary County	5/27/2021	Never Opted In
Gove County	7/1/2011	12/12/2011
Graham County	7/1/2011	7/1/2011
Grant County	7/1/2013	7/1/2013
Gray County	7/1/2013	7/1/2013
Greeley County	7/1/2011	7/1/2011
Greenwood County	7/1/2011	7/25/2011
Hamilton County	7/1/2011	7/1/2011

Harper County	7/1/2011	7/11/2011
Harvey County	5/27/2021	Never Opted In
Haskell County	7/1/2013	9/9/2013
Hodgeman County	7/1/2011	7/1/2011
Jackson County	7/1/2014	4/2/2018
Jefferson County	5/27/2021	Never Opted In
Jewell County	7/1/2011	10/17/2011
Johnson County	Not ROZ	Not ROZ
Kearny County	7/1/2011	7/1/2011
Kingman County	7/1/2011	7/1/2011
Kiowa County	7/1/2011	8/20/2012
Labette County	7/1/2013	2/16/2015
Lane County	7/1/2011	7/1/2011
Leavenworth County	Not ROZ	Not ROZ
Lincoln County	7/1/2011	8/22/2011
Linn County	7/1/2013	4/7/2014
Logan County	7/1/2011	2/21/2017
Lyon County	5/27/2021	Never Opted In
Marion County	7/1/2011	9/26/2011
Marshall County	7/1/2013	11/25/2013
McPherson County	5/27/2021	Never Opted In
Meade County	7/1/2014	7/1/2016
Miami County	5/27/2021	Never Opted In
Mitchell County	7/1/2011	7/1/2011
Montgomery County	7/1/2013	6/9/2014
Morris County	7/1/2013	8/13/2013
Morton County	7/1/2011	7/1/2011
Nemaha County	7/1/2013	7/1/2013
Neosho County	7/1/2013	10/4/2013
Ness County	7/1/2011	7/1/2011
Norton County	7/1/2011	7/25/2011
Osage County	5/27/2021	Never Opted In
Osborne County	7/1/2011	9/23/2013
Ottawa County	7/1/2013	8/26/2013
Pawnee County	7/1/2011	1/23/2012
Phillips County	7/1/2011	9/6/2011
Potawatomie County	5/27/2021	Never Opted In
Pratt County	7/1/2011	7/1/2011
Rawlins County	7/1/2011	8/31/2011
Reno County	Not ROZ	Not ROZ
Republic County	7/1/2011	12/17/2012

Rice County	7/1/2013	8/5/2013
Riley County	Not ROZ	Not ROZ
Rooks County	7/1/2011	7/1/2011
Rush County	7/1/2011	8/8/2011
Russell County	7/1/2011	7/1/2011
Saline County	Not ROZ	Not ROZ
Scott County	7/1/2011	7/1/2011
Sedgwick County	Not ROZ	Not ROZ
Seward County	5/27/2021	Never Opted In
Shawnee County	Not ROZ	Not ROZ
Sheridan County	7/1/2011	10/21/2013
Sherman County	7/1/2011	7/12/2011
Smith County	7/1/2011	7/18/2011
Stafford County	7/1/2011	7/25/2011
Stanton County	7/1/2011	4/1/2013
Stevens County	7/1/2013	8/19/2013
Sumner County	7/1/2013	8/22/2016
Thomas County	7/1/2011	7/18/2011
Trego County	7/1/2011	7/1/2011
Wabaunsee County	7/1/2014	5/7/2018
Wallace County	7/1/2011	7/1/2011
Washington County	7/1/2011	7/7/2014
Wichita County	7/1/2011	11/4/2013
Wilson County	7/1/2011	12/19/2011
Woodson County	7/1/2011	7/1/2011
Wyandotte County	Not ROZ	Not ROZ