

March 18, 2014

The Honorable Pat Apple, Chairperson
Senate Committee on Utilities
Statehouse, Room 224-E
Topeka, Kansas 66612

Dear Senator Apple:

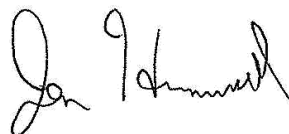
SUBJECT: Fiscal Note for SB 428 by Senate Committee on Assessment and Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 428 is respectfully submitted to your committee.

SB 428 would limit the franchise fee that a city may impose upon a utility to 5.0 percent of the gross receipts derived from the service provided within a city's corporate boundaries.

The fiscal effect of the passage of SB 428 on the Kansas Corporation Commission would be negligible. The League of Kansas Municipalities indicates that the bill could have a fiscal effect for any city that now has a franchise fee that exceeds 5.0 percent or plans to implement such a fee. The League does not have an estimate of how many cities have a higher cap on fees; however, there are some cities that do, and they would be directly affected by the bill by realizing less fee income.

Sincerely,



Jon Hummell,
Interim Director of the Budget

cc: Tom Day, KCC
Larry Baer, LKM