

SESSION OF 2022

SUPPLEMENTAL NOTE ON SENATE BILL NO. 358

As Recommended by Senate Committee on
Agriculture and Natural Resources

Brief*

SB 358 would allow financing from the Public Water Supply Loan Fund (PWSLF) for public water supply projects that acquire water through a water transfer. It would further amend the definition of “project” by removing the restriction that project does not include any project related to the diversion or transportation of water acquired through a water transfer.

[*Note:* The PWSLF is housed within the Kansas Department of Health and Environment (KDHE) and is used to provide low interest loans to municipalities, rural water districts, and wholesale public water supply districts, who use moneys from the PWSLF to invest in new and replacement infrastructure projects for the delivery of drinking water.]

Background

The bill was introduced by the Senate Committee on Agriculture and Natural Resources at the request of Representative Wasinger on behalf of the City of Hays.

[*Note:* A companion bill, HB 2480, has been introduced in the House.]

*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>

Senate Committee on Agriculture and Natural Resources

In the Senate Committee hearing, Representative Wasinger and a representative of the City of Hays provided **proponent** testimony on the bill, stating the bill would allow the cities of Hays and Russell to develop a sustainable source of water through a transfer from water rights owned by the cities.

Written-only proponent testimony was provided by representatives of the City of Russell and the League of Kansas Municipalities.

Neutral testimony was provided by a representative of KDHE, stating the agency anticipates projects falling under the updated definition will be infrequent, and the agency could manage the projects with existing resources.

No **opponent** testimony was provided.

The Senate Committee recommended the bill be placed on the Consent Calendar.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, KDHE states enactment of the bill could result in a fiscal effect in FY 2023 and in future years, because it would broaden the eligibility of loan applicants and could result in increased expenditures from the Public Water Supply Loan Fund and increased revenues from repayment on the loans. However, the potential fiscal effect can not be estimated. KDHE does not anticipate many loan applications because water transfers are rare. KDHE states there would not be any additional costs to process new loan issuances or manage any revenue from repayments. Any fiscal effect associated with the bill is not reflected in *The FY 2023 Governor's Budget Report*.

Water; Public Water Supply Loan Fund; public water supply; water transfer