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Steven J. Anderson, CPA, MBA, Director

Division of the Budget

Sam Brownback, Governor

February 1, 2012

The Honorable Carl Holmes, Chairperson House Committee on Energy and Utilities Statehouse, Room 174-W Topeka, Kansas 66612

Dear Representative Carl Holmes:

SUBJECT: Fiscal Note for HB 2526 by House Committee on Energy and Utilities

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2526 is respectfully submitted to your committee.

HB 2526 would require the Kansas Corporation Commission (KCC) to adopt rules and regulations necessary for the supervision and disclosure of any well on which a hydraulic fracturing treatment is performed.

The passage of HB 2526 would have no fiscal effect on the Kansas Corporation Commission for FY 2013. However, should there be a significant increase in industry activity, it is possible that there could be an increase in expenditures in future years.

Sincerely,

Steven J. Anderson, CPA, MBA

Director of the Budget

cc: Tom Day, KCC

Dawn Palmberg, Water Office