

# STATE OF KANSAS



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GOVERNOR JEFF COLYER, M.D.  
LARRY L. CAMPBELL, CHIEF BUDGET OFFICER

February 20, 2018

The Honorable Tom Sloan, Chairperson  
House Committee on Water and Environment  
Statehouse, Room 521-E  
Topeka, Kansas 66612

Dear Representative Sloan:

SUBJECT: Fiscal Note for HB 2732 by House Committee on Water and Environment

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2732 is respectfully submitted to your committee.

HB 2732 would amend the Kansas Water Banking Act to allow the Division of Conservation of the Kansas Department of Agriculture (KDA) to create and administer water banks. The bill sets forth the requirements for submission and approval of a bank charter, as well as administration and ceasing operations. The bill would create the Water Bank Administration Fee Fund into which revenue from water leases would be deposited, and would allow the Chief Engineer of the KDA to exempt any water bank administered by the Division of Conservation from specified rules and regulations.

According to the Kansas Department of Agriculture, enactment of HB 2732 would have no immediate fiscal effect on the agency. However, the KDA is currently unsure of the demand for water banks and is uncertain about how labor intensive each water bank would be. If this program were to be in high demand and very successful, there is the potential for the KDA to need to add 1.00 FTE to administer the program. The agency estimates the cost of salaries and wages for the position and associated costs for contractual services and capital outlay would be \$80,000 to \$85,000 from the Water Bank Administration Fee Fund. Any fiscal effect associated with HB 2732 is not reflected in *The FY 2019 Governor's Budget Report*.

Sincerely,

A handwritten signature in cursive script, appearing to read "L. Campbell".

Larry L. Campbell  
Chief Budget Officer

cc: Justin Law, Agriculture