

SESSION OF 2005

**CONFERENCE COMMITTEE REPORT BRIEF  
HOUSE BILL NO. 2045**

As Agreed to March 29, 2005

**Brief \***

The bill would amend three statutes that govern municipal energy agencies. Under Kansas law, municipal energy agencies may be formed by two or more cities to secure electricity for the participating cities.

The bill would repeal the:

- Minimum size requirement for energy agencies' boards of directors and the requirement that board members reside within one of the participating cities;
- Requirement that energy agencies abide by state budget and cash-basis laws; and
- Requirement that municipal energy agencies make filings with the Secretary of State pursuant to the Uniform Commercial Code to perfect a security interest against personal property or fixtures of the agency.

The bill would become effective upon publication in the *Kansas Register*.

**Conference Committee Action**

In Conference Committee, the conferees agreed to remove all of the original provisions of HB 2045 and insert the provisions into HB 2263. The Conference Committee conferees then agreed to insert the provisions of HB 2047 into HB 2045.

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\*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. The conference committee summary report may be accessed on the Internet at <http://www.kslegislature.org>

## **Background**

Under current law, a municipal energy agency's board of directors must consist of at least seven persons, each of whom must live in one of the participating cities. Energy agencies also must abide by state budgeting and cash basis statutes and make certain filings pursuant to the Uniform Commercial Code.

A representative of the Kansas Municipal Energy Agency presented testimony in support of HB 2047 at the House Committee's hearing. As stated in that testimony, the flexibility provided by the latter two amendments described above would enable the agency to more readily meet requirements of participation in the Southwest Power Pool, recently designated by the Federal Energy Regulatory Agency as the Regional Transmission Operator for Kansas and several nearby states. Written testimony in support of HB 2047 was provided by Kansas Municipal Utilities, South Central Municipal Energy Agency, and Kansas Power Pool.

No opponents to HB 2047 presented testimony to the House Committee.

The House Committee amended HB 2047 to make it effective upon publication in the *Kansas Register*.

The Division of the Budget's fiscal note for HB 2047 states that the Corporation Commission, Citizens' Utility Ratepayer Board, and Office of the Secretary of State indicate that enactment of the bill would have no fiscal impact on those agencies. The fiscal note also states that enactment of the bill could reduce administrative costs to the agencies by an indeterminate amount. The House Committee's amendment would result in negligible change to any fiscal impact.