

February 3, 2015

The Honorable Sharon Schwartz, Chairperson  
House Committee on Agriculture and Natural Resources  
Statehouse, Room 149-S  
Topeka, Kansas 66612

Dear Representative Schwartz:

**SUBJECT:** Fiscal Note for HB 2156 by House Committee on Agriculture and Natural Resources

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2156 is respectfully submitted to your committee.

HB 2156 would change the rate of interest charged to a local entity by the state for purchase of storage in a Class I project under the Multipurpose Small Lakes Act, as administered by the Kansas Water Office (KWO.) Currently the accrual rate is the greater of Pooled Money Investment Board (PMIB) repurchase agreements minus either 5.00 or 4.00 percent. With low PMIB rates, the current accrual rate is 4.00 percent. The bill would change the interest rate to the PMIB rate of 4.00 percent.

Estimated State Fiscal Effect				
	FY 2015 SGF	FY 2015 All Funds	FY 2016 SGF	FY 2016 All Funds
Revenue	--	--	--	(\$59,383)
Expenditure	--	--	--	--
FTE Pos.	--	--	--	--

Although there are ongoing discussions between the KWO and the City of Alma, the KWO indicates that the passage of HB 2156 would reduce revenue by (\$59,383) to agency fee funds because of the purchase of water storage in Mill Creek Lake by the City of Alma. Any fiscal effect associated with HB 2156 is not reflected in *The FY 2016 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,  
Director of the Budget

cc: Justin Law, Agriculture  
Susan Metzger, Water Office