

January 19, 2016

The Honorable Larry Powell, Chairperson  
Senate Committee on Natural Resources  
Statehouse, Room 237-E  
Topeka, Kansas 66612

Dear Senator Powell:

**SUBJECT:** Fiscal Note for SB 322 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 322 is respectfully submitted to your committee.

SB 322 would establish a filing fee for applications to appropriate surface water that would otherwise leave the state if the water will be transferred out of one basin into another.

According to the Kansas Department of Agriculture, passage of SB 322 could result in notable revenue losses to the agency. The agency provided an example assuming an application for 1.0 million acre feet. Under the current fee structure, the fee would equal \$200,240. Passage of SB 322 would establish the fee at \$1,400, resulting in a revenue loss of \$198,840. The bill contains a provision allowing the chief engineer to assess an additional fee if additional expenses are incurred in reviewing an application; however, it is not anticipated that assessment of this fee would offset the overall revenue loss. The agency is unable to estimate the fiscal effect of passage of the bill, as that would depend on the number of applications of this type that are received. While it is not anticipated that there would be a large number of these applications, the agency indicates that each application would involve a great deal of staff time due to the complexity of interstate water issues. Any fiscal effect associated with SB 322 is not reflected in *The FY 2017 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,  
Director of the Budget

cc: Katie Mitchell, Water Office  
Justin Law, Agriculture