

SESSION OF 2004

**SUPPLEMENTAL NOTE ON SUBSTITUTE
FOR SENATE BILL NO. 539**

As Reported Without Recommendation by
Senate Committee on Ways and Means

Brief*

Sub. for SB 539 provides bonding authority for water-related infrastructure projects to the Kansas Water Office, the State Conservation Commission, the Department of Agriculture and the Department of Wildlife and Parks. The debt would be retired from the following sources or combination of sources: 1) revenue from water supply contracts with water users benefitting from the construction or purchase of a large reservoir project, 2) revenue from the Water Assurance Program, 3) gifts, loans, or grants-in-aid, 4) the State Water Plan Fund.

Projects funded through revenue bonds may be recommended to the Legislature and the Governor by one or more of the water-related agencies listed above. Before bond issuance, the project shall be reviewed under the water planning process and approved by the Kansas Water Authority. Bond issuance shall also be approved by the Governor and the Legislature.

Background

Representatives from the Kansas Water Office, the Department of Wildlife and Parks, the Department of Agriculture, the State Conservation Commission, and Pawnee Watershed District testified in favor of the original bill. The Assistant Director of the Kansas Water Office reported that this funding mechanism may be used to finance projects such as the purchase of additional water storage space in Wilson Reservoir or Keith Sebelius Lake, the purchase of Circle K Ranch, the purchase of water rights through the Irrigation Transition

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Assistance Program, or for the construction of Horse Thief Reservoir.

Representatives from the Kansas Farm Bureau, the Kansas Grain and Feed Association, the City of Kinsley, the Kansas Livestock Association, and a Kinsley businessman testified against the original bill.

The Kansas Water Office provided substitute language clarifying the mechanism for project approval for bond financing.