

March 1, 2012

The Honorable Carl Holmes, Chairperson  
House Committee on Energy and Utilities  
Statehouse, Room 174-W  
Topeka, Kansas 66612

Dear Representative Carl Holmes:

**SUBJECT:** Fiscal Note for HB 2685 by House Committee on Energy and Utilities

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2685 is respectfully submitted to your committee.

HB 2685 would create the Reservoir Improvement District Act and would allow reservoir improvement districts to coordinate construction work that would benefit the sustainability, conservation, and maintenance of the reservoir in the district. Members of reservoir improvement districts would be required to own water rights in the district. Eligible water right holders could petition to form a district if signed by the holders of more than 20.0 percent of the combined quantities of water rights within the proposed district. Once the petition is approved by the Director of the Kansas Water Office (KWO), the steering committee would hold an election for eligible water right holders in the proposed district to vote on the petition. If holders of more than 50.0 percent of the combined quantities of water rights within the proposed district vote in favor, the district would be formed. Once the district is incorporated, the eligible water right holders would elect a three to five member board. The Board would develop a general plan and submit the plan to the KWO. The KWO would be required to approve or disapprove all general plans. The Board could then adopt a resolution that imposes a charge to each eligible water right holder of the district in proportion to each holder's total quantity of water rights to provide funding for the specific projects to be completed in the district according to the general plan.

Passage of the bill would increase State General Fund expenditures for the Kansas Water Office by \$25,000 for each general plan review requested by a reservoir improvement district; however, the Office does not have an estimate of how many reservoir improvement districts would be created. Passage of the bill would have no fiscal effect for the Department of

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Agriculture. Any fiscal effect associated with HB 2685 is not reflected in *The FY 2013 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", with a long horizontal flourish extending to the right.

Steven J. Anderson, CPA, MBA  
Director of the Budget

cc: Mark Heim, Agriculture  
Dawn Palmberg, Water Office