

February 24, 2014

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

Dear Senator Powell:

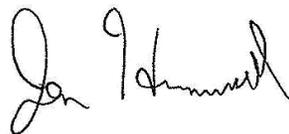
SUBJECT: Fiscal Note for SB 412 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 412 is respectfully submitted to your committee.

Currently, the Kansas Water Office has the authority to issue bonds for water related projects. SB 412 would transfer that authority to the Kansas Development Finance Authority with oversight and approval of the State Finance Council. The bill would also authorize the bonds to be repaid by appropriations from the State General Fund, in addition to any appropriate special revenue fund.

Revenue bonds repaid by the State General Fund generally carry lower interest costs. The fiscal effect of the passage of SB 412 would be limited to lower interest rate charges and lower overall costs for the state because the bonds would be backed by the State General Fund, as the authority for bond issuances already exists. Currently, there is a bond package proposed to be issued by the Kansas Water Office for \$25.0 million for the dredging of John Redmond Reservoir. This bond is reflected in *The FY 2015 Governor's Budget Report*.

Sincerely,



Jon Hummell,
Interim Director of the Budget

cc: Mark Heim, Agriculture
Pam Fink, DofA
Susan Metzger, Water Office
Bonnie Gauntt, KDFFA