

March 18, 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 2304 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2304 is respectfully submitted to your committee.

HB 2304 would create the Local Conservation Lending Program to be administered by the Kansas Department of Health and Environment (KDHE). Any individual, limited liability agricultural company, limited agricultural partnership, or family farm corporation involved in farming or livestock production would be considered an eligible borrower for the program. The bill would also define “eligible financial institutions,” “conservation practices,” “projects” and “project applications.” KDHE would authorize a linked deposit, as certified by the Secretary, using long-term investment funds available in the Kansas Water Pollution Control Revolving Fund (KWPCRF), or from other available funding sources. HB 2304 would also specify the application and loan approval process. The loans authorized under the bill would not constitute a debt or liability of the state or KDHE. The invested funds and their interest earnings would be deposited back into the KWPCRF upon repayment of project loans.

Estimated State Fiscal Effect				
	FY 2015 SGF	FY 2015 All Funds	FY 2016 SGF	FY 2016 All Funds
Revenue	--	--	--	\$1,000
Expenditure	--	--	--	\$10,000
FTE Pos.	--	--	--	--

The passage of HB 2304 would increase federal fund expenditures by \$10,000 and revenue by \$1,000 in FY 2016 for KDHE. The revenue increase is based on an annual interest rate of 0.1 percent applied to the \$1.0 million annual investment of federal funds. Expenditures

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would include printing, travel and administrative costs associated with the promotion of the program. Any fiscal effect associated with HB 2304 is not reflected in *The FY 2016 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", followed by a horizontal line extending to the right.

Shawn Sullivan,  
Director of the Budget

cc: Aaron Dunkel, KDHE