

February 3, 2015

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 64 by Senate Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning SB 64 is respectfully submitted to your committee.

SB 64 would change the rate of interest charged to a local entity by the state for purchase of storage in a Class I project under the Multipurpose Small Lakes Act, as administered by the Kansas Water Office (KWO.) Currently the accrual rate is the greater of Pooled Money Investment Board (PMIB) repurchase agreements minus either 5.00 or 4.00 percent. With low PMIB rates, the current accrual rate is 4.00 percent. The bill would change the interest rate to the PMIB rate of 4.00 percent.

Estimated State Fiscal Effect				
	FY 2015 SGF	FY 2015 All Funds	FY 2016 SGF	FY 2016 All Funds
Revenue	--	--	--	(\$59,383)
Expenditure	--	--	--	--
FTE Pos.	--	--	--	--

Although there are ongoing discussions between the KWO and the City of Alma, the KWO indicates that the passage of SB 64 would reduce revenue by (\$59,383) to agency fee funds because of the purchase of water storage in Mill Creek Lake by the City of Alma. Any fiscal effect associated with SB 64 is not reflected in *The FY 2016 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Susan Metzger, Water Office