

January 23, 2023

The Honorable Ken Rahjes, Chairperson
House Committee on Agriculture and Natural Resources
300 SW 10th Avenue, Room 112-N
Topeka, Kansas 66612

Dear Representative Rahjes:

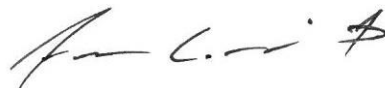
SUBJECT: Fiscal Note for HB 2047 by House Committee on Water

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2047 is respectfully submitted to your committee.

HB 2047 would extend the maximum repayment period from 20 years to 30 years for loans from the Kansas Water Pollution Control Revolving Loan Fund that are initiated after July 1, 2023.

According to the Kansas Department of Health and Environment, enactment of HB 2047 would result in higher revenues for loans paid over 30 years instead of 20 years because service fees are paid every six months based on the outstanding balance of the loan. An exact fiscal effect could not be estimated. The Kansas League of Municipalities states that enactment of the bill could increase the amount of interest a municipality would pay, however, the increased timeframe to repay a revolving loan could provide additional funding for cities to use on other priorities. Any fiscal effect associated with HB 2047 is not reflected in *The FY 2024 Governor's Budget Report*.

Sincerely,



Adam Proffitt
Director of the Budget

cc: Amy Penrod, Department of Health & Environment
Wendi Stark, League of Kansas Municipalities