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Janet Stanek, Secretary

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**HB2047 – Amendment to K.S.A. 65-3326
Relating to Loan Repayment Length of Kansas Water Pollution Control Revolving Fund Loans**

House Committee Agriculture and Natural Resources

Kansas Department of Health & Environment Testimony

February 13, 2023

Chairman Rahjes and Members of the Committee:

The Kansas Department of Health and Environment (KDHE) supports HB2047. The KDHE Bureau of Water manages the Kansas Water Pollution Control Revolving Fund which provides financing to municipalities for wastewater and stormwater infrastructure projects. The proposed increase to the maximum loan repayment period from 20 years to 30 years (for loans made after July 1, 2023) found in HB2047, will provide municipalities flexibility in budgeting for annual debt service costs. While a longer repayment period will increase debt service costs over the life of the loan, it will reduce annual debt service costs, allowing for lower user rates that need to be collected throughout the year to repay the loan. The municipality will still have the flexibility to choose a repayment period less than 30 years to save on overall debt service costs, if desired.