

January 25, 2022

The Honorable Dan Kerschen, Chairperson  
Senate Committee on Agriculture and Natural Resources  
Statehouse, Room 144-S  
Topeka, Kansas 66612

Dear Senator Kerschen:

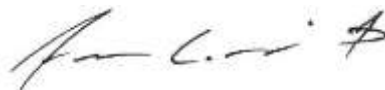
**SUBJECT:** Fiscal Note for SB 358 by Senate Committee on Agriculture and Natural Resources

In accordance with KSA 75-3715a, the following fiscal note concerning SB 358 is respectfully submitted to your committee.

SB 358 would remove the prohibition of water supply projects from using the Public Water Supply State Revolving Loan Fund, if the projects involved a water transfer as defined by KSA 82a-1501, et seq.

The Kansas Department of Health and Environment states enactment of SB 358 could result in a fiscal effect in FY 2023 and in future years because it would broaden the eligibility of loan applicants and could result in increased expenditures from the Public Water Supply State Revolving Loan Fund and increased revenues from repayment on the loans. However, the potential fiscal effect could not be estimated. The agency does not anticipate many loan applications because water transfers are rare. The agency states there would not be any additional costs to process new loan issuances or manage any revenue from repayments. Any fiscal effect associated with SB 358 is not reflected in *The FY 2023 Governor's Budget Report*.

Sincerely,



Adam Proffitt  
Director of the Budget

cc: Dan Thimmesch, Health & Environment