January 30, 2012

The Honorable Larry Powell, Chairperson
House Committee on Agriculture and Natural Resources
Statehouse, Room 149-S
Topeka, Kansas 66612

Dear Representative Powell:

SUBJECT: Fiscal Note for HB 2516 by House Committee on Agriculture and Natural Resources

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2516 is respectfully submitted to your committee.

HB 2516 would amend the Water Banking Act of the Department of Agriculture to allow for the permanent extension of the charter of a water bank, upon review of the Chief Engineer of the Division of Water Resources of the Department of Agriculture. The bill would also require that the Kansas Water Office convene a team to evaluate the operation of any water bank once every five years. The team would submit a report of its recommendations to the Governor, the Kansas Water Office, the Kansas Water Authority, the Secretary of Agriculture, the Chief Engineer, the Senate Committee on Natural Resources, and the House Committee on Agriculture and Natural Resources.

The Kansas Water Office does not anticipate additional expenditures resulting from the passage of the bill. Current staff dedicates time to water banking issues so the bill's requirements could be absorbed within existing resources. The Department of Agriculture indicates that the cost of the Chief Engineer to consider one review per year would be approximately $20,000. The Department is not requesting additional funding; however, this consideration by the Chief Engineer would be outside the normal work performed by the Department, and could defer or delay other work of the Department. Any fiscal effect associated with HB 2516 is not reflected in *The FY 2013 Governor's Budget Report*.

Sincerely,

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Mark Heim, Agriculture
     Dawn Palmberg, Water Office