

SESSION OF 2004

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2484

As Amended by House Committee on
Taxation

Brief*

HB 2484, as amended, would allow those public water supply systems which did not previously avail themselves of an option to impose a clean water drinking fee in exchange for obtaining a sales tax exemption to again have that opportunity on and after January 1, 2005.

The bill also would provide a permanent change in the disposition of clean water drinking fee revenues beginning January 1, 2007. Under current law, the revenues are to be distributed to the State General Fund (SGF) and State Highway Fund (SHF) in the same proportion as sales tax receipts. Beginning January 1, 2007, all clean water drinking fees would be deposited in the State Water Plan Fund (SWPF) and would be required to be used to protect and renovate lakes used as sources for public water supply systems; and in providing water conservation programs, mapping of water systems, energy reduction for water treatment operations, and on-site technical and other assistance for public water supply systems.

Background

Proponents included Representative Tom Sloan and the Kansas Rural Water Association.

The committee amended the bill to decelerate from January 1, 2006, to January 1, 2007, the new proposed disposition of revenues; and to amend the current disposition of revenues to acknowledge that the state sales tax rate was raised from 4.9 to 5.3 percent in 2002.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Based on fiscal information provided by the Department of Revenue, the amended version of the bill would have the following impact:

(\$ in millions)

	<u>SGF</u>	<u>SHF</u>	<u>SWPF</u>
FY 2007	(\$1.400)	(\$0.075)	\$1.475
FY 2008	(\$2.800)	(\$0.150)	\$2.950
FY 2009	(\$2.800)	(\$0.150)	\$2.950