

SESSION OF 2009

SUPPLEMENTAL NOTE ON SENATE BILL NO. 80

As Amended by House Committee of the Whole

Brief*

SB 80 relates to the sale or relinquishment of certain public utilities. Details of the bill follow.

Sale of Utilities by Cities of the Third Class

A portion of the bill SB 80 relates to the sale of electric light or waterworks plants, electric transmission lines, or water, gas or electric distribution systems by cities of the third class. The bill would reduce the number of favorable votes needed to approve the sale, *from* a majority of the qualified electors *to* a majority of qualified electors who vote in the election.

Relinquishment of Natural Gas Utilities to Kansas Corporation Commission

The bill would add natural gas public utilities to a statute allowing a city to relinquish its regulatory powers over a privately owned utility. Under current law a city may relinquish to the Kansas Corporation Commission (KCC) its regulatory authority over only a privately owned water public utility; the bill would add natural gas utilities as another type the control over which may be relinquished to the KCC. The statute requires the KCC to assume jurisdiction and control upon receipt of an ordinance relinquishing jurisdiction of the utility.

The bill would become effective upon publication in the *Kansas Register*.

*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>

Background

The original bill dealt only with the sale of certain utilities by cities of the third class. The Senate Committee on Ethics and Elections approved a technical amendment to this bill, and the House Committee on Elections amended its effective date. The House Committee of the Whole then amended the bill to insert the contents of HB 2027 as introduced, which would allow any city to relinquish jurisdiction over a privately owned natural gas utility to the KCC.

Proponents of the original bill included representatives of Atmos Energy, Black Hills Energy, and Kansas Gas Service. No opponents testified at the Senate Committee hearing.

According to the fiscal note, passage of SB 80 as introduced would have no effect on cities. Also, it is estimated the bill would have no fiscal effect on the operations of the Secretary of State. The fiscal note further indicates a request for information was sent to the Kansas Corporation Commission; however, no information was received at the time the fiscal note was written.

In the fiscal note on HB 2027 as introduced, the Kansas Corporation Commission (KCC) indicates the fiscal effect of the bill would be negligible. Were such a relinquishment to take place, the KCC has the statutory authority to mitigate any fiscal effect by assessing the public utility with quarterly and direct assessments.