



February 2, 2026

REVISED

The Honorable Jim Minnix, Chairperson
House Committee on Water
300 SW 10th Avenue, Room 218-N
Topeka, Kansas 66612

Dear Representative Minnix:

SUBJECT: Revised Fiscal Note for HB 2462 by House Committee on Water

In accordance with KSA 75-3715a, the following revised fiscal note concerning HB 2462 is respectfully submitted to your committee.

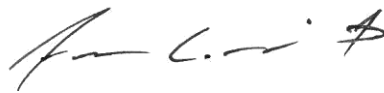
HB 2462 would require the Secretary of Health and Environment to adopt rules and regulations allowing for the direct and indirect potable reuse of treated wastewater on or before July 1, 2028. "Direct potable reuse" would mean using an advanced treatment processes to produce finished drinking water through the utilization of a water source that contains treated wastewater that has not passed through an environmental buffer. "Indirect potable reuse" would mean the planned delivery or discharge of treated wastewater to an environmental buffer, such as ground or surface waters, for the development of, or as a supplement to, a drinking water supply.

Since the original fiscal effect statement was issued, the Kansas Department of Health and Environment has provided new information on the fiscal effect of this bill. The agency states that enactment of HB 2462 could increase State General Fund expenditures by \$180,600 for FY 2027 and FY 2028 and \$80,600 in future years. No additional revenue is anticipated. The agency states that there are no federal requirements or guidelines for developing indirect or direct potable reuse regulations, so intensive research and pilot projects would be needed. In addition, the agency would need to coordinate robust technical stakeholder engagement and develop technical studies to ensure safe implementation. The agency estimates 1.00 Environmental Specialist position would be needed to fulfill the requirements of the bill, with salary and benefits estimated at \$80,000. The position would also require approximately \$600 for computer and communications needs. KDHE states that at least one contract would be needed for research and assessment of existing technology, standards, and regulations developed by other states. The agency anticipates

the contract would be approximately \$100,000 per year for at least two years each but cannot determine an exact cost without developing a scope for the contracts and conducting the request for proposal process.

The Kansas Water Office indicates that enactment of the bill would not result in a fiscal effect for the agency. The Kansas Association of Counties does not believe the bill would impact counties as they do not directly handle water systems. The League of Kansas Municipalities reports the bill, as written, does not appear to have a fiscal effect on cities. Any fiscal effect associated with HB 2462 is not reflected in *The FY 2027 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", followed by a stylized flourish.

Adam C. Proffitt
Director of the Budget

cc: Debra Jones, Kansas Water Office
Amy Penrod, Department of Health & Environment
Jay Hall, Kansas Association of Counties
Wendi Stark, League of Kansas Municipalities