

February 17, 2026

The Honorable Leo Delperdang, Chairperson
House Committee on Energy, Utilities and Telecommunications
300 SW 10th Avenue, Room 582-N
Topeka, Kansas 66612

Dear Representative Delperdang:

SUBJECT: Fiscal Note for HB 2636 by House Committee on Energy, Utilities and Telecommunications

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2636 is respectfully submitted to your committee.

HB 2636 would establish requirements for development, construction, modification, maintenance, operation, and decommissioning of industrial energy facilities beginning July 1, 2026. The bill would further require a decommission plan and adequate financial assurance for decommissioning. The bill would also require existing industrial energy facilities to register with the Kansas Corporation Commission (KCC) and provide certain information to include the number and locations in Kansas; whether the owner would plan to develop or construct any new facilities and where; the size, dimensions, energy generation or storage capacity, average electric output and future electric output; and the names and address of facility owners.

HB 2636 would authorize county commissioners to permit or deny construction of an industrial energy facility within the county under certain parameters including provisions in cases of petition. The bill would grant the KCC full power, authority, and jurisdiction to approve and issue orders, adopt rules and regulations, issue fees and penalties, establish setback distance parameters, and implement agricultural mitigation protocols in coordination with the Kansas Department of Agriculture.

Estimated State Fiscal Effect			
	FY 2026	FY 2027	FY 2028
Expenditures			
State General Fund	--	--	--
Fee Fund(s)	\$100,000	\$200,000	\$200,000
Federal Fund	--	--	--
Total Expenditures	\$100,000	\$200,000	\$200,000
Revenues			
State General Fund	--	--	--
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Revenues	--	--	--
FTE Positions	1.00	1.00	1.00

KCC indicates that the enactment of the bill would increase expenditures by \$100,000 in FY 2026 and \$200,000 in FY 2027 and FY 2028 for the ongoing cost to hire a 1.00 Engineer FTE position and possibly retain consultants. However, these estimates would depend on the number of applications coming in each year and could vary accordingly.

The Citizens' Utility Ratepayer Board (CURB) indicates that enactment of the bill would not have a fiscal effect on operations because retail services and rates would not be involved. If CURB would have to intervene, the fiscal effect is currently unclear.

The Kansas Department of Agriculture indicates the enactment of the bill would increase expenditures for staff and consulting resources for development of agricultural impact mitigation protocols in collaboration with KCC. However, the agency indicates it could absorb any increases with existing resources.

The Judiciary indicates enactment of the bill could increase the number of cases filed in district courts because it allows KCC rulings to be subject to the Kansas Judicial Review Act. This could increase the time spent by district court judicial and nonjudicial personnel in processing, researching, and hearing cases. The bill could also result in the collection of supervision fees, docket fees, and fines, which would be deposited into the State General Fund. However, the Judiciary states that a precise fiscal effect cannot be determined.

The Kansas Secretary of State indicates that the enactment of the bill would not have a significant fiscal effect on its operations. Any fiscal effect associated with HB 2636 is not reflected in *The FY 2027 Governor's Budget Report*.

The Kansas Association of Counties indicates that the enactment of the bill could affect projects that are being developed, but not yet approved, which could affect the negotiation of payment in lieu of taxes agreements that have not yet been signed. The effect is unknown and a precise estimate is not currently available. The League of Kansas Municipalities indicates that the enactment of the bill would not have a fiscal effect on city operations.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", with a stylized flourish at the end.

Adam C. Proffitt
Director of the Budget

cc: Lynn Retz, Kansas Corporation Commission
Shonda Rabb, Citizens Utility Ratepayer Board
Lita Biggs, Department of Agriculture
Wendi Stark, League of Kansas Municipalities
Bruce Chladny, Kansas Association of Counties
Trisha Morrow, Judiciary
Jennifer Cook, Office of the Secretary of State