

SESSION OF 2026

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2558

As Recommended by House Committee on
Water

Brief*

HB 2558 would increase transfer amounts from the State General Fund (SGF) to the State Water Plan Fund (SWPF), extend the sunset for certain transfers from the SGF to the SWPF, and revise provisions governing unencumbered balance thresholds in specific funds.

The bill would be in effect upon publication in the *Kansas Register*.

Increased Transfer Amounts

The bill would increase the transfer amount of \$35.0 million to \$60.0 million from the SGF to the SWPF on July 1, 2026; July 1, 2027; July 1, 2028; July 1, 2029; and July 1, 2030, and require the Director of Accounts and Reports to make the transfers.

For each fiscal year transfer, the bill would require:

- \$15.5 million to be transferred from the SWPF to the Water Technical Assistance Fund; and
- \$22.5 million to be transferred from the SWPF to the Water Projects Grant Fund.

[*Note*: Current law states \$5.5 million is transferred from the SWPF to the Water Technical Assistance Fund and \$12.5

*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 <https://klrd.gov/>

million is transferred from the SWPF to the Water Projects Grant Fund.]

Sunset

The bill would extend the sunset of these transfers from July 1, 2028, to July 1, 2031.

Unencumbered Balances in Funds

The bill would increase the threshold on the unencumbered balance of the Water Technical Assistance Fund from \$15.0 million to \$36.0 million, above which excess moneys could be recommended for appropriation by the Kansas Water Authority for the same purposes as any other moneys in the SWPF are appropriated.

The bill would also increase the threshold on the Water Projects Grant Fund from \$35.0 million to \$50.0 million, above which the Director of the Kansas Water Office (KWO) would be required to certify the excess amount to the Director of Accounts and Reports, and upon certification, transfer the certified excess amount from the Water Projects Grant Fund to the SGF.

Background

The bill was introduced by the House Committee on Water at the request of Representative Minnix.

House Committee on Water

In the House Committee hearing, **proponent** testimony was provided by representatives of Groundwater Management District No. 1, Kansas Livestock Association, Kansas Municipal Utilities, and League of Kansas Municipalities. The proponents stated that even though the

2024 HB 2302 Program grants have been successful, the need for funding continues to outweigh the appropriated funding, and water users, especially stockwater users and small, rural communities, appreciate that attention is being spent on their water infrastructure needs.

Written-only proponent testimony was provided by representatives of the City of Humboldt; Kansas Agribusiness Retailers Association, Kansas Grain and Feed Association, and Renew Kansas Biofuels Association; and WaterOne—Johnson County Water District No. 1.

Neutral testimony was provided by the Executive Director of the KWO on behalf of the Kansas Department of Agriculture (KDA), Kansas Department of Health and Environment (KDHE), and KWO, which included the results of the funding allocated by 2024 HB 2302 Program grants.

No other testimony was provided.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, the KWO, KDA, and KDHE indicate that enactment of the bill would not increase operational expenditures or immediately increase FTE positions.

The additional funding would be expended for uses laid out in statute, but an exact funding split between agencies cannot be estimated. The KWO indicates that enactment of the bill could require additional staff in future years to support and administer the enhanced grant fund appropriations but anticipates they could be supported using existing SWPF resources.

The *FY 2027 Governor's Budget Report* includes a transfer from the SGF to the SWPF for FY 2027 totaling \$35.0 million and transfers from the SWPF to the Water

Technical Assistance Fund and the Water Projects Grant Fund totaling \$5.0 million and \$12.0 million, respectively.

Water; appropriations; State Water Plan Fund; Water Technical Assistance Fund; Water Projects Grant Fund; Kansas Water Authority; Kansas Water Office