



To: House Energy and Utilities
From: Kim Winn, Deputy Director
Date: February 9, 2012
Re: Opposition to HB 2661

Thank you for the opportunity to appear today regarding HB 2661. We are concerned that the proposed language in this bill would have far reaching impact on nearly all cities in Kansas.

It is not uncommon for cities to transfer surplus from various utility services to the general fund. This is specifically authorized in statute and reflects the acknowledgment that city utilities are not isolated services. City services are often interdependent and part of a package of services provided by cities. For example, having appropriate water supply and pressure provided by the water utility is critical to the mission of the fire department.

Allowing cities to transfer the surplus from utility services to the general fund helps to keep local budgets balanced. Without the ability to transfer such surplus, some cities would find themselves in a position where they would have to raise property taxes to make up the difference.

Finally, the decision with regard to rate structures and budgets at the local level is a determination best left to locally elected officials. HB 2661 interferes with these local decisions and we respectfully request that you do not recommend it favorably for passage.

I would be happy to stand for questions at the appropriate time and I look forward to working with the Committee on this and other matters of mutual concern.