

SESSION OF 2019

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2085

As Amended by Senate Committee on
Agriculture and Natural Resources

Brief*

HB 2085, as amended, would clarify if a rural water district (RWD) has available capacity, the board of a RWD must adhere to the benefit unit reinstatement requirements in current law. Current law establishes no time frame or “trigger” to allow a RWD to offer forfeited benefit units to prospective users.

The bill would also increase the maximum repayment period from 20 years to 40 years for loans provided by the Secretary of Health and Environment to municipalities for the payment of all or part of a project associated with a public water supply system.

Background

The bill was introduced by the House Committee on Agriculture at the request of Representative Highland.

At the House Committee hearing, representatives of the Kansas Rural Water Association (KRWA) and RWD #2 testified in favor of the bill. The KRWA representative stated the organization was generally in favor of the bill, but suggested the reinstatement period be based on a RWD’s capacity instead of a fixed period of time. The KRWA representative stated this change would enable a RWD to exercise greater flexibility in managing forfeited benefit units. In addition, the representative of RWD #2 stated current law

*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>

would require RWD #2 to reserve its system's capacity indefinitely in anticipation of a request for reinstatement from a property owner with a previously forfeited benefit unit. Further, the RWD #2 representative stated the lack of flexibility in the current law could deny prospective users needed services, which could result in a loss of revenue for the RWD because they are a fee-based utility.

No neutral or opponent testimony was provided.

The House Committee amended the bill to clarify if a RWD has available capacity, the RWD must adhere to benefit reinstatement requirements and removed language that would have created a one-year reinstatement period.

At the hearing in the Senate Committee on Agriculture and Natural Resources, a representative of the KWRA testified in favor of the bill.

No neutral or opponent testimony was provided.

The Senate Committee amended the bill to increase the maximum loan repayment period from 20 years to 40 years for loans made by the Secretary of Health and Environment to municipalities for projects associated with a public water supply system.

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Kansas Association of Counties states there would be no fiscal effect on Kansas counties.