

January 24, 2024

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

Dear Representative Minnix:

SUBJECT: Fiscal Note for HB 2526 by House Committee on Water

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2526 is respectfully submitted to your committee.

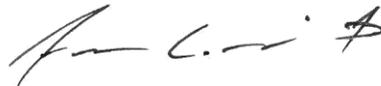
HB 2526 would amend current laws relating to dams, levees, and other water obstructions. The bill would remove dam inspection fees and authorize the Chief Engineer in the Department of Agriculture to collect annual permit fees to construct, modify, or add to a hazard Class C, Class B, or Class A dam. The application fee for a permit to construct a hazard dam that does not qualify for the exemption would be \$5,000 for Class C, \$3,000 for Class B, and \$1,500 for Class A. The application fee for a permit to modify or add to a hazard dam that does not qualify for the exemption would be \$3,000 for Class C, \$2,000 for Class B, and \$1,000 for Class A. The bill would additionally require the Chief Engineer, or authorized representative, to conduct a safety inspection of hazard Class C and Class B dams every three years and Class A dams that do not qualify for the exception at least every 10 years. Previous law required a licensed professional engineer qualified in design, construction, maintenance, and operation of dams to conduct inspections.

The bill would additionally establish a post-construction permit fee to construct, modify, or add to a water obstruction or to change or diminish the course, current, or cross section of a stream if an entity fails to obtain a permit pre-construction. The fee would be based on the watershed area with less than five square miles set at \$200, between five and 50 square miles set at \$400, and more than 50 square miles set at \$1,000. The bill would additionally establish civil penalties not less than \$100 and not more than \$1,000 per violation of laws, rules, and regulations of dams and other water obstruction safety.

Estimated State Fiscal Effect			
	FY 2024	FY 2025	FY 2026
Expenditures			
State General Fund	--	--	--
Fee Fund(s)	--	\$714,000	\$714,000
Federal Fund	--	\$34,584	\$34,584
Total Expenditures	--	\$748,584	\$748,584
Revenues			
State General Fund	--	--	--
Fee Fund(s)	--	\$714,000	\$714,000
Federal Fund	--	--	--
Total Revenues	--	\$714,000	\$714,000
FTE Positions	--	6.00	6.00

The Department of Agriculture states the bill would expand the responsibilities of the Division of Water Resources, which would require additional staff to perform inspections and enforcement relating to dam and water obstruction safety. The agency estimates that an additional 6.00 FTE licensed engineers would be required for annual total expenditures of \$748,584 (\$90,000 base salary plus benefits of \$34,764 per FTE position). The agency estimates that the revised fee structure would generate approximately \$714,000 in new revenue, which would not be enough to cover the anticipated expenditures. As a result, the revenue shortfall of \$34,584 would be covered by using existing federal grant funds that would be allowable for the new initiative. The Department would anticipate similar expenditures in FY 2026. Any fiscal effect associated with HB 2526 is not reflected in *The FY 2025 Governor’s Budget Report*.

Sincerely,



Adam C. Proffitt
 Director of the Budget

cc: Lita Biggs, Department of Agriculture