

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4879-01
Bill No.: HB 2120
Subject: Utilities; Water Resources and Water Districts
Type: Original
Date: January 21, 2020

Bill Summary: This proposal establishes provisions relating to water safety and security.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue	(\$66,634)	(\$71,549)	(\$72,305)
Total Estimated Net Effect on General Revenue	(\$66,634)	(\$71,549)	(\$72,305)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Natural Resources (DNR)** assume the following regarding this proposal:

§§640.142, 640.144, & 640.145

The proposed legislation would require the Department's Division of State Parks to design a valve and hydrant inspection program for 49 permitted water systems containing an unknown number of components. Therefore, the division may need one additional FTE (Technical Assistant IV) to include continuing operating expenses. This position would travel to 49 state parks to accurately locate and identify each valve, hydrant, and components using a GIS location and mapping system. This position would also be responsible for designing a plan and performing the annual testing and flushing of every hydrant and valve, scheduling the repair or replacement of components, overseeing all maintenance, inspections, testing, and maintaining all records to meet the reporting requirements.

1 - Technical Assistant IV (at \$36,888 annually) would be required.

The Division of State Parks does not have the existing budget authority to absorb the cost for the proposed legislation.

Oversight does not have any information to the contrary in regards to DNR's assumptions; therefore, Oversight will reflect DNR's costs on the fiscal note.

Officials from the **City of Kansas City** assume the proposal will have no fiscal impact on their organization. Exceptions have been created in various provisions of the proposal for cities with populations in excess of 30,000.

Oversight notes that the City of Kansas City has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for the City of Kansas City.

Oversight notes that cities with a population of less than 30,000 could incur costs to upgrade their water systems and perform the required inspections listed in this proposal; therefore, Oversight will reflect an "unknown" cost to local political subdivisions.

ASSUMPTION (continued)

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other cities and water districts were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
GENERAL REVENUE FUND			
<u>Cost - DNR</u>			
Personal services	(\$30,740)	(\$37,257)	(\$37,629)
Fringe benefits	(\$19,809)	(\$23,893)	(\$24,017)
Expense and equipment	(\$16,085)	(\$10,399)	(\$10,659)
<u>Total Costs - DNR</u>	<u>(\$66,634)</u>	<u>(\$71,549)</u>	<u>(\$72,305)</u>
Total FTE Change - DNR	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$66,634)</u>	<u>(\$71,549)</u>	<u>(\$72,305)</u>
Estimated Net FTE Change to the General Revenue Fund	1 FTE	1 FTE	1 FTE
<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
LOCAL CITY-OWNED UTILITIES/WATER DISTRICTS			
<u>Cost - Update water systems and perform inspections</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL CITY-OWNED UTILITIES/WATER DISTRICTS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

FISCAL IMPACT - Small Business

There may be a direct fiscal impact to those public water systems that meet the definition of a small business as a result of this proposal. This may include not only those systems that will be regulated, but also any small business that may have to adjust water rates to allow the water system to comply with this bill.

FISCAL DESCRIPTION

This proposal establishes provisions relating to water safety and security.

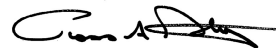
This legislation is federally mandated and duplicative of the American Water and Infrastructure Act (AWIA). It would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Natural Resources
City of Kansas City



Julie Morff
Director
January 21, 2020



Ross Strope
Assistant Director
January 21, 2020