

SESSION OF 2012

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2588

As Recommended by House Committee on
Energy and Utilities

Brief*

HB 2588 would give the governing body of a water district the authority to issue revenue bonds in order to repay any outstanding bonds, warrants or loans owed to the Kansas Department of Health and Environment or to the United States Department of Agriculture. This bill also would give a water district the authority to issue revenue bonds for the refinancing of up to 95 percent of the original cost of any project.

Additionally, the reference to federal statute in KSA 82a-619 would be changed by this bill to reflect the repeal of previous statute and replacement by new statute.

Background

A representative of the Kansas Rural Water Association testified in support of the bill. He stated that both public wholesale water supply districts and rural water districts currently are authorized to borrow money by entering into loans and issuing revenue bonds, but this bill would give the districts clear authority to issue revenue bonds to repay outstanding loans. He also pointed out that, with long term interest rates at historic lows, now is an opportune time for these districts to repay certain outstanding loans by issuing revenue bonds.

There was no testimony in opposition to the bill.

*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>

The fiscal note prepared by the Division of Budget indicates that the bill would have negligible fiscal effect.