COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3912-01
Bill No.: Perfected HB 1635
Subject: Water Service: Certain Cities
Type: Original
Date: March 21, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on All State Funds	**$0**	**$0**	**$0**

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on All Federal Funds	**$0**	**$0**	**$0**

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	**($265,000)**	**($318,000)**	**($318,000)**

Numbers within parentheses: ( ) indicate costs or losses.
This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Natural Resources** assumes no fiscal impact.

Officials of the **Kansas City Manager's Office** stated that at 6% per annum the cost to the City would be approximately $318,000 annually.

FISCAL IMPACT - State Government	FY 2003 (10 Mo.)	FY 2004	FY 2005
	$0	$0	$0

FISCAL IMPACT - Local Government	FY 2003 (10 Mo.)	FY 2004	FY 2005
Cost to City of Kansas City paying of 6% interest on water deposits	($265,000)	($318,000)	($318,000)
ESTIMATED NET EFFECT TO LOCAL GOVERNMENT	**($265,000)**	**($318,000)**	**($318,000)**

FISCAL IMPACT - Small Business

Small business who have water deposits with the City Water Department would be paid 6% annually on the amount of their water deposit.

DESCRIPTION

This bill requires deposits for water service or meters held by water corporations serving Kansas City to accrue interest at 6% per year if the customer is not in arrears and the deposit has been held for more than two years.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Natural Resources
Kansas City Manager's Office

NOT RESPONDING

Jackson County Executive

Mickey Wilson, CPA
Acting Director
March 21, 2002