

SESSION OF 2018

SUPPLEMENTAL NOTE ON SENATE BILL NO. 185

As Recommended by Senate Committee on
Commerce

Brief*

SB 185 would allow the board of county commissioners of any county that has established a redevelopment district that includes property located within a federal enclave to authorize the installation, maintenance, and operation of utilities to serve the redevelopment district. Utilities would include water, sewer, electricity, gas, telecommunications, and rail services.

If a redevelopment authority board has been established by the county to oversee the redevelopment district, the abilities described above could be delegated by the county to the redevelopment authority board.

Any franchise for utilities authorized by the bill would be required to be adopted by resolution; could not be exclusively granted to any person, firm, or corporation; and would be limited in time to no more than 20 years.

The bill would allow for franchise fees up to 6 percent of a customer's gross charges for utility service. Collected fees would be restricted to pay for the costs of installation, maintenance, and operation of the utilities.

The bill would be in effect upon publication in the *Kansas Register*.

*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>

Background

The bill was introduced by the Senate Committee on Commerce at the request of Senator Givens. In the Senate Committee hearing, testimony in support of the bill was provided by Senator Goddard and a representative of the Great Plains Redevelopment Authority, who indicated these redevelopment districts are hampered in their economic development efforts because of their inability to establish utility franchises. No opponent testimony was offered.

Written-only testimony was offered by Day & Zimmerman, Inc., a tenant of a relevant redevelopment district, which stated the importance of continued access to affordable and reliable utilities but declined to comment on the specific proposal included in the bill.

According to the fiscal note prepared by the Division of the Budget on the bill, the Kansas Association of Counties estimates enactment of the bill would have no fiscal effect. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2019 Governor's Budget Report*.