

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5790H.02I
Bill No.: HB 2732
Subject: Water Resources and Water Districts; Fees; Political Subdivisions
Type: Original
Date: March 30, 2026

Bill Summary: This proposal changes amount of the fee a political subdivision may impose for water service line repair or replacement.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Local Government	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

FISCAL ANALYSIS

ASSUMPTION

§67.319 – Water Service Line Fees

Officials from the **Department of Natural Resources, Office of the Secretary of State, City of Kansas City, Metropolitan St. Louis Sewer District and Wayne County PWS #2** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight assumes this proposal raises the water service line fee from \$1 to \$2 per month not to exceed \$24 annually that can be charged within a city, town, village, sewer district or water supply district that provides water service to residential properties having four or fewer dwelling units. The fee increase is upon the approval of the majority of voters voting on a proposal to increase the fee and an ordinance to levy such fee. Oversight assumes there may be an increase in revenue to these political subdivisions and will therefore assume a \$0 (no voter approval) or unknown revenue gain (proposal passed by the majority of voters) for this proposal.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other cities, water districts and sewer districts were requested to respond to this proposed legislation but did not. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue Gain</u> – Cities, Towns, Villages, Sewer Districts or Water Supply Districts (§67.319) Potential increase in fees for water service lines p. 3	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>

FISCAL IMPACT – Small Business

No direct fiscal impact on small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

Currently a city, town, village, sewer district, or water supply district may, upon voter approval, levy and impose annually upon water service lines providing water service to residential property within its territory, a fee. The fee is capped at \$1 per month or \$12 annually. This bill increases the maximum allowable fee to \$2 per month or \$24 annually.

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
Office of the Secretary of State

L.R. No. 5790H.021

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City of Kansas City
Metropolitan St. Louis Sewer District
Wayne County PWSD #2



Julie Morff
Director
March 30, 2026



Jessica Harris
Assistant Director
March 30, 2026