

SESSION OF 2023

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2159

As Recommended by House Committee on
Agriculture and Natural Resources

Brief*

HB 2159 would direct the Secretary of Health and Environment (Secretary) to deposit the following fees in the Water Program Management Fund (Water Fund):

- Water well contractor application and license fees;
- Class 1 and Class 5 underground injection control well permitting, monitoring, testing, inspection, and regulation fees; and
- Fees, charges, or penalties from the certification of operators for water supply system and wastewater treatment facilities.

The bill would authorize the Secretary to remit revenue from the fees to the State Treasurer who, upon receipt of the funds, must deposit the entirety of the funds to the credit of the Water Fund. [Note: Current law requires remittance to the State General Fund (SGF).]

The bill would require the Secretary to adopt rules and regulations to establish fees for:

- The permitting, monitoring, testing, inspecting, and regulating of Class 1 underground injection control wells. The fees could not exceed the following, but would require the Secretary to allow for a reduction

*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>

in such fees for facilities already subject to these fees:

- \$6,500 per active, hazardous waste injection well;
 - \$4,500 per active, non-hazardous waste injection well; or
 - \$1,000 per any hazardous or non-hazardous waste injection well in monitoring or inactive status;
- The permitting, monitoring, testing, inspecting, and regulating of Class 5 underground injection wells, which could not exceed \$2,000 per well.

The bill would authorize the Secretary to remit revenue from the new fees to the State Treasurer who, upon receipt of the funds, would deposit the entirety of the funds to the credit of the Subsurface Hydrocarbon Storage Fund (Hydrocarbon Fund).

Background

The bill was introduced by the House Committee on Agriculture and Natural Resources at the request of a representative of the Kansas Department of Health and Environment (KDHE).

House Committee on Agriculture and Natural Resources

In the House Committee hearing, representatives of KDHE and ONEOK provided **proponent** testimony, stating the bill would provide the authority to ensure KDHE can maintain its strong programs and give the regulatory community certainty in expectations and conduct.

No other testimony was provided.

Fiscal Information

According to the fiscal note prepared by the Division of Budget on the bill, KDHE estimates enactment of the bill would reduce SGF revenues by approximately \$102,000 due to the fees going to the Water Fund. KDHE estimates the new fees for underground injection control Class 1 and 5 wells are estimated to generate \$205,000 in new revenues to the Hydrocarbon Fund.

The Kansas Association of Counties and the Kansas League of Municipalities do not estimate any fiscal effect for local governments.

Any fiscal effect associated with the bill is not reflected in *The FY 2024 Governor's Budget Report*.

Kansas Department of Health and Environment; Water Program Management Fund; Subsurface Hydrocarbon Storage Fund; waste injection well; underground injection control well