

## REPORTS OF STANDING COMMITTEES

MADAM PRESIDENT:

The Committee on **Ways and Means** recommends **SB 453** be amended on page 1, in line 20, after "education." by inserting "On and after July 1, 2016,"; also in line 20, by striking "received from" and inserting "that are to be credited to the mineral production education fund pursuant to the provisions of";

On page 2, by striking all in lines 4 through 14;

On page 5, following line 22, by inserting:

"Sec. 5. On and after July 1, 2014, K.S.A. 2013 Supp. 19-271 is hereby amended to read as follows: 19-271. (a) The board of county commissioners of each county shall establish a county oil and gas valuation depletion trust fund if the county is to receive moneys from the oil and gas valuation depletion trust fund created under the provisions of K.S.A. 2013 Supp. 79-4231, and amendments thereto. The county treasurer shall be responsible for the administration of such fund.

~~(b) Upon receipt of an authorization for distribution of county oil and gas valuation depletion trust fund moneys pursuant to K.S.A. 2013 Supp. 79-4231, and amendments thereto, the county treasurer shall release 20% of the moneys credited to such county's trust account to the county general fund for expenditure as directed by the board. On and after July 1, 2014, the moneys in the county's oil and gas valuation depletion trust fund shall be expended as directed by the board.~~

~~(c) Moneys credited to the county oil and gas valuation depletion trust fund shall be subject to the provisions of K.S.A. 79-2925 through 79-2937, and amendments thereto. In~~

making the budgets of such county, the amounts credited to, and the amount on hand in, such fund and the amount expended therefrom shall be shown thereon for the information of the taxpayers of such county. Moneys in such fund may be invested in accordance with the provisions of K.S.A. 10-131, and amendments thereto, with interest thereon credited to such fund.";

Also on page 5, in line 23, after "6." by inserting "On and after July 1, 2014,";

On page 6, in line 35, after "7." by inserting "On and after July 1, 2014,";

On page 8, in line 16, before "The" by inserting "Second, the state treasurer shall credit 7% of the remainder of such amounts to the special county mineral production tax fund created in subsection (c). Finally,"; by striking all in line 21; in line 22, by striking all before "12.41%"; in line 23, by striking "(3)" and inserting "(2)"; in line 29, by striking all after "(1)"; in line 30, by striking all before "20%"; in line 31, by striking "(3)" and inserting "(2)";

On page 9, following line 21, by inserting:

"Sec. 9. On and after July 1, 2014, K.S.A. 2013 Supp. 79-4231 is hereby amended to read as follows: 79-4231. (a) There is hereby created in the state treasury the oil and gas valuation depletion trust fund. The director of taxation shall administer the oil and gas valuation depletion trust fund. All amounts credited to the oil and gas valuation depletion trust fund pursuant to the provisions of K.S.A. 79-4227, and amendments thereto, less the administration fee imposed under subsection ~~(e)~~ (b), shall be credited to a separate trust account which shall be established within such fund for each county which in any fiscal year had \$100,000 or more in receipts of the excise tax upon the severance and production of oil and gas. Each county's trust account shall be credited in the proportion that the amount of oil and gas valuation depletion trust fund receipts collected from that county bears to the total amount of moneys credited to the oil and gas valuation depletion trust fund pursuant to K.S.A. 79-4227, and amendments thereto. Commencing July 1, 2012, and thereafter on an annual basis, the director of taxation shall certify to the director of accounts and reports the amount due the county from

the county's oil and gas depletion trust account on October 1 based on all amounts credited thereto, and the director of accounts and reports shall draw a warrant upon the state treasurer in favor of each such county for the amount credited to such county's trust account. Upon receipt of such warrant, the treasurer of the county shall credit the same to the oil and gas valuation depletion trust fund of the county established in K.S.A. 2013 Supp. 19-271, and amendments thereto. Except that the director of taxation shall transfer all of the moneys credited to the Wilson county trust account to the Wilson county capital improvement fund in any such tax year until the payment of all costs of financing projects authorized pursuant to K.S.A. 2013 Supp. 74-8961, and amendments thereto, has been completed, and at that time the provisions of this subsection related to distributions to the Wilson county treasurer shall be applicable as provided in this subsection.

~~(b) For any tax year that the oil and gas leasehold ad valorem valuation of any county, which has a trust account established and maintained in a county oil and gas valuation depletion trust fund as provided by K.S.A. 2013 Supp. 19-271, and amendments thereto, is less than 50% of the oil and gas leasehold ad valorem valuation of such county for the second succeeding tax year which commences January 1 following the end of the fiscal year in which the county had \$100,000 or more in receipts of the excise tax upon the production of oil and gas, as certified by the property valuation division, on or before January 15 of the year following such tax year, the director of taxation shall certify the oil and gas leasehold ad valorem valuation amounts for each county and shall authorize the county treasurer to release 20% of the moneys credited to such county's oil and gas valuation depletion trust fund to the county general fund of such county. In any year in which a county's oil and gas leasehold valuation is 50% or more of the oil and gas leasehold valuation of such county for tax year as described in this subsection, such county shall not receive an authorization for distribution of trust fund moneys pursuant to this section for such tax year.~~

~~(e)~~—The director of taxation shall impose and collect an administration fee for the

administration of the oil and gas valuation depletion trust fund, this section and the provisions of K.S.A. 2013 Supp. 79-4227, and amendments thereto, equal to 2% of the amount credited to the oil and gas valuation depletion trust fund. The administration fee shall be imposed and collected prior to crediting any amount to any trust account established and maintained for a county in the oil and gas valuation depletion trust fund. All amounts collected for the administration fee shall be transferred from the oil and gas valuation depletion trust fund to the state general fund.

~~(d)~~(c) All moneys credited to the oil and gas valuation depletion trust fund upon the effective date of this act shall be distributed to each county not later than 30 days following the effective date of this act for deposit in the county's oil and gas valuation depletion trust fund established pursuant to the provisions of K.S.A. 2013 Supp. 19-271, and amendments thereto.

Sec. 10. K.S.A. 2013 Supp. 79-4227 is hereby repealed.";

Also on page 9, in line 22, before "K.S.A." by inserting "On and after July 1, 2014,"; also in line 22, after "Supp." by inserting "19-271,"; also in line 22, by striking "79-4227" and inserting "79-4231"; in line 25, after "271" by inserting ", as amended by section 5 of this act,"; also in line 25, after "79-4231" by inserting ", as amended by section 9 of this act,"; in line 27, by striking "statute book" and inserting "Kansas register";

And by renumbering sections accordingly;

On page 1, in the title, in line 5, after "19-101a," by inserting "19-271,"; also in line 5, by striking the first "and " and inserting a comma; also in line 5, after "79-4227" by inserting "and 79-4231"; in line 6, after "19-271" by inserting ", as amended by section 5 of this act,"; in line 7, after "4231" by inserting ", as amended by section 9 of this act"; and the bill be passed as amended.

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Chairperson