

March 19, 2014

The Honorable Dennis Hedke, Chairperson  
House Committee on Energy and Environment  
Statehouse, Room 581-W  
Topeka, Kansas 66612

Dear Representative Hedke:

SUBJECT: Fiscal Note for HB 2763 by House Committee on Appropriations

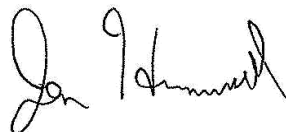
In accordance with KSA 75-3715a, the following fiscal note concerning HB 2763 is respectfully submitted to your committee.

HB 2763 would create a funding structure that would allow for an expansion of the state's seismic monitoring network, as established by the Kansas Geological Survey (KGS) of the University of Kansas. During FY 2015 and FY 2016, the Director of Accounts and Reports would make a quarterly transfer of \$30,000 on the 15th of July, October, January, and April from the Abandoned Oil and Gas Well Fund of the Kansas Corporation Commission (KCC) to the Geological Survey Account of the University of Kansas. For FY 2016, the quarterly transfer process would remain except that the amount would be \$25,000.

The passage of HB 2763 would reduce fee revenue by \$120,000 in FY 2015 and by \$100,000 in FY 2016 for the KCC. Because the Abandoned Oil and Gas Well Fund is used to plug abandoned wells, the reductions to available fee revenue in both years would reduce the number of wells plugged by 23 in FY 2015 and by 18 in FY 2016.

The bill would also show a corresponding increase in expenditures for the KGS of \$120,000 in FY 2015 and \$100,000 in FY 2016 to be used to expand the monitoring network. Any fiscal effect associated with HB 2763 is not reflected in *The FY 2015 Governor's Budget Report*.

Sincerely,



Jon Hummell,  
Interim Director of the Budget

cc: Tom Day, KCC  
Theresa Gordzica, KU  
Susan Metzger, Water Office