

January 18, 2012

The Honorable Larry Powell, Chairperson  
House Committee on Agriculture and Natural Resources  
Statehouse, Room 149-S  
Topeka, Kansas 66612

Dear Representative Powell:

**SUBJECT:** Fiscal Note for HB 2451 by House Committee on Agriculture and Natural Resources

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2451 is respectfully submitted to your committee.

HB 2451 would amend current law to establish that all appropriations of water must be for some beneficial purpose. Any water right would be considered abandoned and would terminate when, without due and sufficient cause, no lawful, beneficial use of water has been made for five successive years. Before any water right would be declared abandoned, the Chief Engineer of the Division of Water Resources of the Department of Agriculture would be required to conduct a hearing, with notice being given to the owner at least 30 days before the hearing. A verified report of the Chief Engineer would be considered evidence of the abandonment and termination of a water right.

The bill would also require that the Chief Engineer notify by certified mail, return receipt requested, any owner of property for which no lawful, beneficial use of water under a water right has been reported for three successive years. The owner would be notified that the right would be terminated if that time period increases to five years. The provisions of the bill would not apply to a water right that has not been declared abandoned and terminated before the effective date of this bill, if the five years of successive nonuse occurred exclusively and entirely before January 1, 1990.

According to the bill, any groundwater right, which has as its local supply an aquifer area that has been closed to new appropriations by rule, regulation, or order of the Chief Engineer, shall be considered to have due and sufficient cause for nonuse and shall not be defined as abandoned.

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Estimated State Fiscal Effect				
	FY 2012 SGF	FY 2012 All Funds	FY 2013 SGF	FY 2013 All Funds
Revenue	--	--	--	--
Expenditure	--	--	\$3,000	\$3,000
FTE Pos.	--	--	--	--

The Department of Agriculture indicates that passage of the bill would increase State General Fund expenditures by \$3,000 in FY 2013 because the agency would be required to send certified mail notification to owners of water rights in areas closed to new appropriations. Any fiscal effect associated with HB 2451 is not reflected in *The FY 2013 Governor's Budget Report*.

Sincerely,



Steven J. Anderson, CPA, MBA  
Director of the Budget

cc: Mark Heim, Agriculture