

SENATE SUBSTITUTE for HOUSE BILL No. 2133

AN ACT concerning state funds; relating to moneys recovered from water litigation; relating to funding for local health departments; amending K.S.A. 65-242, 82a-1801 and 82a-1802 and K.S.A. 2010 Supp. 82a-1803, 82a-1804 and 82a-1805 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 65-242 is hereby amended to read as follows: 65-242. For the purpose of insuring that adequate public health services are available to all inhabitants of the state of Kansas, the state shall assist in the financing of the operation of local health departments. Subject to appropriations therefor, state financial assistance shall be distributed to local health departments as follows:

(a) First, each local health department shall, upon application therefor, receive \$7,000. If sufficient funds are not available to make this distribution, then the funds which are available shall be divided equally among those local health departments making application therefor.

(b) Second, if any funds are available after the distribution required in subsection (a), the secretary shall distribute such funds as follows:

(1) A figure equal to the total amount of state financial assistance available for distribution, before deduction for the distribution in subsection (a), shall be determined.

(2) The figure determined in paragraph (1) of this subsection shall be allocated to local health departments making application for assistance based on the proportion that the population of the county or counties comprising the local health department applying for such assistance bears to the total population of all counties comprising local health departments which have applied for such financial assistance.

(3) If any local health department making application for assistance would receive an amount equal to or less than \$7,000 using the formula in paragraph (2) of this subsection, then such department shall be paid in accordance with subsection (a) only. If any local health department making application for assistance would receive more than \$7,000 using the formula in paragraph (2) of this subsection, then such department shall be paid based on the proportion that the population served by the county or counties comprising such local health department bears to the total population of all counties comprising local health departments which have made application for assistance, except for departments receiving funds under subsection (a), except that in no case shall the assistance distributed under this subsection (b) to a local health department exceed the amount that the local health department receives from local tax revenues for the county fiscal year in which the state financial assistance is paid.

(c) If local tax revenues allotted to a local health department for a fiscal year fall below the level of local tax revenues allotted to the local health department for the preceding fiscal year, the amount of state financial assistance under this act for which such local health department is eligible for the fiscal year shall be reduced by a ~~dollar amount~~ *percentage* equal to the ~~dollar amount~~ *percentage* of reduction in local tax revenue for that fiscal year.

Sec. 2. K.S.A. 82a-1801 is hereby amended to read as follows: 82a-1801. (a) ~~Amounts~~ *All moneys* recovered by the state of Kansas from a ~~settlement, judgment or decree in the litigation brought in 1985 by the state of Kansas against the state~~ *the states of Colorado or Nebraska* to resolve disputes arising under the Arkansas river compact *or the Republican river compact* shall be deposited in the state treasury and credited as follows:

(1) ~~Until the aggregate amount of moneys credited to the interstate water litigation fund equals the aggregate of all amounts certified by the attorney general under subsection (b), 100% shall be credited to the interstate water litigation fund~~ *All moneys received from the state of Colorado in any litigation arising under the Arkansas river compact shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of such remittance, the state treasurer shall credit:*

(A) *To the interstate water litigation fund, the amount equal to the total of 5% of the aggregate moneys received from the state of Colorado in such litigation plus the amount equal to the aggregate of any expenses incurred by the state, which are attributable to the deposit from any such litigation arising under the Arkansas river compact;*

(B) *one-third of all moneys remaining recovered from the state of Colorado in such litigation to the state water plan fund for use for water*

conservation projects, with priority given to conservation projects that directly enhance the ability of the state of Kansas to remain in compliance with the Arkansas river compact; and

(C) two-thirds of all moneys remaining recovered from the state of Colorado in such litigation to the Arkansas river water conservation projects fund.

~~(2) When the aggregate amount of moneys credited to the interstate water litigation fund equals the aggregate of all amounts certified by the attorney general under subsection (b), 33 1/3% shall be credited to the state water plan fund for use for water conservation projects and 66 2/3% shall be credited to the water conservation projects fund~~ *All moneys received from the state of Nebraska in any litigation arising under the Republican river compact shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of such remittance, the state treasurer shall credit:*

(A) To the interstate water litigation fund, the amount equal to the total of 5% of the aggregate moneys received from the state of Nebraska in such litigation plus an amount equal to the aggregate of any expenses incurred by the state, which are attributable to the deposit from any such litigation arising under the Republican river compact;

(B) one-third of all moneys remaining recovered from the state of Nebraska in such litigation to the state water plan fund for use for water conservation projects, with priority given to conservation projects that directly enhance the ability of the state of Kansas to remain in compliance with the Republican river compact; and

(C) two-thirds of all moneys remaining recovered from the state of Nebraska in such litigation to the Republican river water conservation projects—Nebraska moneys fund.

(3) All moneys received from the state of Colorado in any litigation arising under the Republican river compact shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of such remittance, the state treasurer shall credit:

(A) To the interstate water litigation fund, the amount equal to the total of 5% of the aggregate moneys received from the state of Colorado in such litigation plus an amount equal to the aggregate of any expenses incurred by the state, which are attributable to the deposit from any such litigation arising under the Republican river compact;

(B) one-third of all moneys remaining recovered from the state of Colorado in such litigation to the state water plan fund for use for water conservation projects, with priority given to conservation projects that directly enhance the ability of the state of Kansas to remain in compliance with the Republican river compact; and

(C) two-thirds of all moneys remaining recovered from the state of Colorado in such litigation to the Republican river water conservation projects—Colorado moneys fund.

(b) The attorney general shall certify to the director of accounts and reports any expenses incurred by the state in ~~the any~~ litigation brought ~~in~~ 1985 by the state of Kansas against the ~~state~~ states of Colorado or Nebraska to resolve disputes arising under the Arkansas river compact or the Republican river compact and in preparation for such litigation.

Sec. 3. K.S.A. 82a-1802 is hereby amended to read as follows: 82a-1802. (a) There is hereby established in the state treasury the interstate water litigation fund, to be administered by the attorney general.

(b) Revenue from the following sources shall be credited to the interstate water litigation fund:

(1) Amounts provided for by K.S.A. 82a-1801, *and amendments thereto*; and

(2) moneys received from any source by the state in the form of gifts, grants, reimbursements or appropriations for use for the purposes of the fund.

(c) From the moneys first credited to the interstate water litigation fund, persons or entities that contributed moneys to the court cost fund account of the office of the attorney general for use in the litigation described in subsection (b)(1) shall be reimbursed the amount contributed. The balance of moneys credited to the fund shall be expended only for the purpose of paying expenses incurred by the state in:

(1) Current or future litigation or preparation for future litigation with another state, the federal government or an Indian nation to resolve a dispute concerning water; or

(2) monitoring or enforcing compliance with the terms of an interstate water compact or a settlement, judgment or decree in past or future litigation to resolve a dispute with another state, the federal government or an Indian nation concerning water.

(d) Interest attributable to moneys in the interstate water litigation fund shall be credited to the state general fund as provided by K.S.A. 75-4210a, and amendments thereto.

(e) All expenditures from the interstate water litigation fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the attorney general or a person designated by the attorney general.

~~(f) Unless the attorney general certifies to the director of accounts and reports as of June 30, 2001, that there is on-going litigation or preparation for litigation between the state of Kansas and another state, the federal government or an Indian nation to resolve a dispute concerning water, on July 1, 2001: (1) The director of accounts and reports shall transfer and credit all moneys in the interstate water litigation fund to the state general fund; and (2) the interstate water litigation fund shall thereupon be abolished.~~

Sec. 4. K.S.A. 2010 Supp. 82a-1803 is hereby amended to read as follows: 82a-1803. (a) There is hereby established in the state treasury the water conservation projects fund, to be administered by the director of the Kansas water office. *The water conservation projects fund is hereby redesignated as the Arkansas river water conservation projects fund.*

(b) Revenue from the following sources shall be credited to the *Arkansas river* water conservation projects fund:

(1) Amounts provided for by K.S.A. 82a-1801, *and amendments thereto*; and

(2) moneys received from any source by the state in the form of gifts, grants, reimbursements or appropriations for use for the purposes of the fund.

(c) Moneys credited to the *Arkansas river* water conservation projects fund ~~may~~ shall be expended only for the purpose of paying all or a portion of the costs of the following water management, conservation, administration conservation projects, utilization efficiency, administrative requirements and delivery projects, and similar types of projects, in those areas of the state lying in the upper Arkansas river basin and directly impacted by the provisions of the Arkansas river compact between this state and the state of Colorado:

(d) *The types of projects that may be funded under subsection (a)(1) of K.S.A. 82a-1801, and amendments thereto, include:*

(1) Efficiency improvements to canals or laterals owned by a ditch company or projects to improve the operational efficiency or management of such canals or laterals;

(2) water use efficiency devices, tailwater systems or irrigation system efficiency upgrades;

(3) water measurement flumes, meters, gauges, data collection platforms or related monitoring equipment;

(4) artificial recharge or purchase of water rights for stream recovery or aquifer restoration;

(5) maintenance of the Arkansas river channel; or

(6) monitoring and enforcement of Colorado's compliance with the Arkansas river compact.

Moneys credited to the fund may be expended to reimburse costs of projects described by this subsection that were required by the division of water resources and commenced on or after July 1, 1994.

~~(d) Any person or entity may apply to the director of the Kansas water office for the expenditure of moneys in the water conservation projects fund for the purposes provided by this section. The director of the Kansas water office and the chief engineer of the division of water resources of the Kansas department of agriculture shall review and approve each proposed project for which moneys in the fund will be expended. In reviewing and approving proposed projects, the director and the chief engineer shall give priority to:~~
(1) Projects that achieve the greatest water conservation efficiency for the

general good; and (2) projects that have been required by the division of water resources. Upon such review and approval, the director of the Kansas water office shall request the legislature to appropriate, as a line item, moneys from the fund to pay all or a portion of the costs of the specific project, except that any project for which an aggregate of less than \$10,000 will be expended from the fund shall not require a line item appropriation.

~~(e) Interest attributable to moneys in the water conservation projects fund shall be credited to the state general fund as provided by K.S.A. 75-4210a and amendments thereto.~~

~~(f) All expenditures from the water conservation projects fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the director of the Kansas water office or a person designated by the director of the Kansas water office.~~

Sec. 5. K.S.A. 2010 Supp. 82a-1804 is hereby amended to read as follows: 82a-1804. ~~(a) Moneys recovered by the state of Kansas from the states of Nebraska or Colorado to resolve disputes arising under the Republican river compact shall be deposited in the state treasury and credited as follows:~~

~~(1) 100% of moneys from both Nebraska and Colorado shall be credited to the interstate water litigation fund created by K.S.A. 82a-1802, and amendments thereto. Whenever moneys are credited to the interstate water litigation fund pursuant to this subsection (a)(1), the director of accounts and reports shall transfer all such moneys from the interstate water litigation fund to the interstate water litigation reserve account of the state general fund until the balance in the interstate water litigation reserve account of the state general fund equals \$20,000,000. The attorney general shall certify to the director of accounts and reports any expenses incurred by the state in any litigation brought by the state of Kansas against the states of Nebraska or Colorado to resolve disputes arising under the Republican river compact and in preparation for such litigation.~~

~~(2) Once the balance in the interstate water litigation reserve account of the state general fund equals \$20,000,000, all moneys remaining recovered from Nebraska shall be credited to the Republican river water conservation projects—Nebraska moneys fund as directed by subsection (b) of this section, and all moneys remaining recovered from Colorado shall be credited to the Republican river water conservation projects—Colorado moneys fund as directed by subsection (c) of this section.~~

~~(b)(a) There is hereby established in the state treasury the Republican river water conservation projects—Nebraska moneys fund to be administered by the director of the Kansas water office.~~

~~(1) One third of the money deposited to this fund shall be credited to the state water plan fund for use for water conservation projects, with priority given to conservation projects that directly enhance the ability of the state of Kansas to remain in compliance with the Republican river compact; and~~

~~(b) Revenue from the following sources shall be credited to the Republican river water conservation projects—Nebraska moneys fund:~~

~~(1) Amounts provided for by K.S.A. 82a-1801, and amendments thereto; and~~

~~(2) moneys received from any source by the state in the form of gifts, grants, reimbursements or appropriations for use for the purposes of the fund.~~

~~(2)(c) two thirds of the money deposited in this Moneys credited to the Republican river water conservation projects—Nebraska moneys fund shall be expended only for conservation projects, utilization efficiency, administrative requirements and delivery projects, and similar types of projects set forth in subsection ~~(d)~~ (g), in those areas of the state lying in the lower Republican river basin between the Kansas/Nebraska border and Milford dam in all or parts of Clay, Cloud, Dickinson, Geary, Jewell, Mitchell, Republic, Riley, Smith and Washington counties.~~

~~(e)(d) There is hereby established in the state treasury the Republican river water conservation projects—Colorado moneys fund to be administered by the director of the Kansas water office.~~

~~(1) One third of the money deposited to this fund shall be credited to the state water plan fund for use for water conservation projects; and~~

(e) Revenue from the following sources shall be credited to the Republican river water conservation projects—Colorado moneys fund:

(1) Amounts provided for by K.S.A. 82a-1801, and amendments thereto; and

(2) moneys received from any source by the state in the form of gifts, grants, reimbursements or appropriations for use for purposes of the fund.

~~(2)(f) two-thirds of the money deposited in this~~ Moneys credited to the Republican river water conservation projects—Colorado moneys fund shall be expended only for conservation projects, utilization efficiency, administrative requirements and delivery projects, and similar types of projects set forth in subsection ~~(d)~~(g), in those areas of the state lying in the upper Republican river basin in northwest Kansas in all or parts of Cheyenne, Decatur, Norton, Phillips, Rawlins, Sheridan, Sherman and Thomas counties.

~~(d)~~(g) The types of projects that may be funded under ~~subsections (b) and (c)~~ paragraphs (2) and (3) of subsection (a) of K.S.A. 82a-1801, and amendments thereto, include:

(1) Efficiency improvements to canals or laterals managed and paid for by an irrigation district or projects to improve the operational efficiency or management of such canals or laterals;

(2) water use efficiency upgrades;

(3) implementation of water conservation of irrigation and other types of water uses;

(4) implementation of water management plans or actions by water rights holders;

(5) water measurement flumes, meters, gauges, data collection platforms or related monitoring equipment and upgrades;

(6) artificial recharge, funding a water transition assistance program; the purchase of water rights for stream recovery or aquifer restoration and cost share for state or federal conservation programs that save water;

(7) maintenance of the channel and the tributaries of the Republican river;

(8) reservoir maintenance or the purchase, lease, construction or other acquisition of existing or new storage space in reservoirs;

(9) purchase, lease or other acquisition of a water right; and

(10) expenses incurred to construct and operate off-stream storage.

Sec. 6. K.S.A. 2010 Supp. 82a-1805 is hereby amended to read as follows: 82a-1805. (a) (1) Any person or entity may apply to the director of the Kansas water office for expenditure of moneys in the Arkansas river water conservation projects fund for the purposes set forth in paragraph (1) of subsection (a) of K.S.A. 82a-1801, and amendments thereto.

(2) Any person or entity may apply to the director of the Kansas water office for expenditure of moneys in the Republican river water conservation projects—Nebraska moneys fund and the Republican river water conservation projects—Colorado moneys fund for the purposes set forth in ~~subsection (b) and (c)~~ paragraphs (2) and (3) of subsection (a) of K.S.A. ~~2010 Supp. 82a-1804~~ 82a-1801, and amendments thereto.

(b) The director of the Kansas water office and the chief engineer of the Kansas department of agriculture, division of water resources shall review and approve each proposed project for which moneys in either fund will be expended. In reviewing and approving proposed projects the director and the chief engineer shall give priority to: (1) Projects needed to achieve or maintain compliance with the *Arkansas river compact* or the Republican river compact; (2) projects that achieve greatest water conservation efficiency for the general good; and (3) projects that have been required by the division of water resources. Upon such review and approval, the director of the Kansas water office shall request the legislature to appropriate, as a line item, moneys from either fund to pay all or a portion of the costs for a specific project, except that any project which an aggregate of less than \$10,000 will be expended from either fund shall not require a line item appropriation.

~~(b)~~(c) Interest attributable to moneys in the *Arkansas river water conservation projects fund*, Republican river water conservation projects—Nebraska moneys fund and the Republican river water conservation projects—Colorado moneys fund shall be credited to the state general fund as provided by K.S.A. 75-4210a, and amendments thereto.

~~(c)~~(d) All expenditures from the *Arkansas river water conservation*

projects fund, Republican river water conservation projects—Nebraska moneys fund and the Republican river water conservation projects—Colorado moneys fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the director of the Kansas water office or a designee of the director of the Kansas water office.

Sec. 7. K.S.A. 65-242, 82a-1801 and 82a-1802 and K.S.A. 2010 Supp. 82a-1803, 82a-1804 and 82a-1805 are hereby repealed.

Sec. 8. This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the HOUSE, and passed that body

HOUSE concurred in
SENATE amendments _____

Speaker of the House.

Chief Clerk of the House.

Passed the SENATE
as amended _____

President of the Senate.

Secretary of the Senate.

APPROVED _____

Governor.