

## HOUSE BILL No. 2692

By Committee on Vision 2020

2-8

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1 AN ACT concerning sales and use taxation; relating to distribution of  
2 revenue; the state water plan fund; amending K.S.A. 70a-105 and 82a-  
3 951 and K.S.A. 2011 Supp. 2-1205, 2-2204, 65-163, 75-5133, 79-3620,  
4 79-3710, 79-4804, 82a-734, 82a-1801 and 82a-2101 and repealing the  
5 existing sections; also repealing K.S.A. 79-3647 and K.S.A. 2011 Supp.  
6 82a-953a and 82a-954.

7

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

9 Section 1. K.S.A. 82a-951 is hereby amended to read as follows: 82a-  
10 951. (a) On and after July 1, 1989, there is hereby created, in the state  
11 treasury, the state water plan fund. All moneys in the state water plan fund  
12 shall be expended in accordance with appropriations acts for  
13 implementation of the state water plan formulated pursuant to K.S.A. 82a-  
14 903 *et seq.*, and amendments thereto. Such moneys shall be used only for  
15 the establishment and implementation of water-related projects or  
16 programs, and related technical assistance, and shall not be used for: (1)  
17 Replacing full time equivalent positions of any state agency; or (2)  
18 recreational projects which do not meet one or more of the long-range  
19 goals, objectives and considerations set forth in the state water resource  
20 planning act.

21 (b) *On or before June 30 of each fiscal year, the Kansas water*  
22 *authority shall determine the dollar amount estimated to be necessary for*  
23 *the fiscal year following the fiscal year commencing on July 1 for water*  
24 *related projects or programs and related technical assistance and shall*  
25 *certify such amount to the state treasurer.*

26 ~~(b)~~ (c) On or before December 1 of each year, the Kansas water  
27 authority shall submit to the governor and the legislature a report setting  
28 out: (1) An account of all moneys expended from the state water plan fund  
29 during such fiscal year; and (2) a five-year capital development plan for  
30 state water plan projects.

31 Sec. 2. K.S.A. 2011 Supp. 79-3620 is hereby amended to read as  
32 follows: 79-3620. (a) All revenue collected or received by the director of  
33 taxation from the taxes imposed by this act shall be remitted to the state  
34 treasurer in accordance with the provisions of K.S.A. 75-4215, and  
35 amendments thereto. Upon receipt of each such remittance, the state  
36 treasurer shall deposit the entire amount in the state treasury, less amounts

1 withheld as provided in subsection (b) and amounts credited as provided in  
2 subsection (c), (d) ~~and~~, (e) *and* (f), to the credit of the state general fund.

3 (b) A refund fund, designated as "sales tax refund fund" not to exceed  
4 \$100,000 shall be set apart and maintained by the director from sales tax  
5 collections and estimated tax collections and held by the state treasurer for  
6 prompt payment of all sales tax refunds including refunds authorized  
7 under the provisions of K.S.A. 79-3635, and amendments thereto. Such  
8 fund shall be in such amount, within the limit set by this section, as the  
9 director shall determine is necessary to meet current refunding  
10 requirements under this act. In the event such fund as established by this  
11 section is, at any time, insufficient to provide for the payment of refunds  
12 due claimants thereof, the director shall certify the amount of additional  
13 funds required to the director of accounts and reports who shall promptly  
14 transfer the required amount from the state general fund to the sales tax  
15 refund fund, and notify the state treasurer, who shall make proper entry in  
16 the records.

17 (c) (1) The state treasurer shall credit  $\frac{5}{98}$  of the revenue collected or  
18 received from the tax imposed by K.S.A. 79-3603, and amendments  
19 thereto, at the rate of 4.9%, and deposited as provided in subsection (a),  
20 exclusive of amounts credited pursuant to subsection (d), in the state  
21 highway fund.

22 (2) The state treasurer shall credit  $\frac{5}{106}$  of the revenue collected or  
23 received from the tax imposed by K.S.A. 79-3603, and amendments  
24 thereto, at the rate of 5.3%, and deposited as provided in subsection (a),  
25 exclusive of amounts credited pursuant to subsection (d), in the state  
26 highway fund.

27 (3) On July 1, 2006, the state treasurer shall credit  $\frac{19}{265}$  of the revenue  
28 collected and received from the tax imposed by K.S.A. 79-3603, and  
29 amendments thereto, at the rate of 5.3%, and deposited as provided by  
30 subsection (a), exclusive of amounts credited pursuant to subsection (d), in  
31 the state highway fund.

32 (4) On July 1, 2007, the state treasurer shall credit  $\frac{13}{106}$  of the revenue  
33 collected and received from the tax imposed by K.S.A. 79-3603, and  
34 amendments thereto, at the rate of 5.3%, and deposited as provided by  
35 subsection (a), exclusive of amounts credited pursuant to subsection (d), in  
36 the state highway fund.

37 (5) On July 1, 2010, the state treasurer shall credit 11.427% of the  
38 revenue collected and received from the tax imposed by K.S.A. 79-3603,  
39 and amendments thereto, at the rate of 6.3%, and deposited as provided by  
40 subsection (a), exclusive of amounts credited pursuant to subsection (d), in  
41 the state highway fund.

42 (6) On July 1, 2011, the state treasurer shall credit 11.26% of the  
43 revenue collected and received from the tax imposed by K.S.A. 79-3603,

1 and amendments thereto, at the rate of 6.3%, and deposited as provided by  
2 subsection (a), exclusive of amounts credited pursuant to subsection (d), in  
3 the state highway fund.

4 (7) On July 1, 2012, the state treasurer shall credit ~~11.233%~~ 9.646%  
5 of the revenue collected and received from the tax imposed by K.S.A. 79-  
6 3603, and amendments thereto, at the rate of 6.3%, and deposited as  
7 provided by subsection (a), exclusive of amounts credited pursuant to  
8 subsection (d), in the state highway fund, as well as such revenue collected  
9 and received at the rate of 6.3%, after June 30, 2013.

10 (8) On July 1, 2013, and thereafter, the state treasurer shall credit  
11 ~~18.421%~~ 16.667% of the revenue collected and received from the tax  
12 imposed by K.S.A. 79-3603, and amendments thereto, at the rate of 5.7%,  
13 and deposited as provided by subsection (a), exclusive of amounts credited  
14 pursuant to subsection (d), in the state highway fund.

15 (d) The state treasurer shall credit all revenue collected or received  
16 from the tax imposed by K.S.A. 79-3603, and amendments thereto, as  
17 certified by the director, from taxpayers doing business within that portion  
18 of a STAR bond project district occupied by a STAR bond project or  
19 taxpayers doing business with such entity financed by a STAR bond  
20 project as defined in K.S.A. 2011 Supp. 12-17,162, and amendments  
21 thereto, that was determined by the secretary of commerce to be of  
22 statewide as well as local importance or will create a major tourism area  
23 for the state or the project was designated as a STAR bond project as  
24 defined in K.S.A. 2011 Supp. 12-17,162, and amendments thereto, to the  
25 city bond finance fund, which fund is hereby created. The provisions of  
26 this subsection shall expire when the total of all amounts credited  
27 hereunder and under subsection (d) of K.S.A. 79-3710, and amendments  
28 thereto, is sufficient to retire the special obligation bonds issued for the  
29 purpose of financing all or a portion of the costs of such STAR bond  
30 project.

31 (e) All revenue certified by the director of taxation as having been  
32 collected or received from the tax imposed by subsection (c) of K.S.A. 79-  
33 3603, and amendments thereto, on the sale or furnishing of gas, water,  
34 electricity and heat for use or consumption within the intermodal facility  
35 district described in this subsection, shall be credited by the state treasurer  
36 to the state highway fund. Such revenue may be transferred by the  
37 secretary of transportation to the rail service improvement fund pursuant to  
38 law. The provisions of this subsection shall take effect upon certification  
39 by the secretary of transportation that a notice to proceed has been  
40 received for the construction of the improvements within the intermodal  
41 facility district, but not later than December 31, 2010, and shall expire  
42 when the secretary of revenue determines that the total of all amounts  
43 credited hereunder and pursuant to subsection (e) of K.S.A. 79-3710, and

1 amendments thereto, is equal to \$53,300,000, but not later than December  
2 31, 2045. Thereafter, all revenues shall be collected and distributed in  
3 accordance with applicable law. For all tax reporting periods during which  
4 the provisions of this subsection are in effect, none of the exemptions  
5 contained in K.S.A. 79-3601 *et seq.*, and amendments thereto, shall apply  
6 to the sale or furnishing of any gas, water, electricity and heat for use or  
7 consumption within the intermodal facility district. As used in this  
8 subsection, "intermodal facility district" shall consist of an intermodal  
9 transportation area as defined by subsection (oo) of K.S.A. 12-1770a, and  
10 amendments thereto, located in Johnson county within the polygonal-  
11 shaped area having Waverly Road as the eastern boundary, 191<sup>st</sup> Street as  
12 the southern boundary, Four Corners Road as the western boundary, and  
13 Highway 56 as the northern boundary, and the polygonal-shaped area  
14 having Poplar Road as the eastern boundary, 183<sup>rd</sup> Street as the southern  
15 boundary, Waverly Road as the western boundary, and the BNSF mainline  
16 track as the northern boundary, that includes capital investment in an  
17 amount exceeding \$150 million for the construction of an intermodal  
18 facility to handle the transfer, storage and distribution of freight through  
19 railway and trucking operations.

20 *(f) (1) On July 1, 2012, the state treasurer shall transfer 1.587% of*  
21 *the revenue collected and received from the tax imposed by K.S.A. 79-*  
22 *3603, and amendments thereto, at the rate of 6.3%, and deposited as*  
23 *provided by subsection (a), exclusive of the amounts credited pursuant to*  
24 *subsection (d), to the state water plan fund.*

25 *(2) On July 1, 2013, and thereafter; the state treasurer shall transfer*  
26 *1.754% of the revenue from the tax imposed by K.S.A. 79-3603, and*  
27 *amendments thereto, at the rate of 5.7%, and deposited as provided by*  
28 *subsection (a), exclusive of the amounts credited pursuant to subsection*  
29 *(d), to the state water fund.*

30 Sec. 3. K.S.A. 2011 Supp. 79-3710 is hereby amended to read as  
31 follows: 79-3710. (a) All revenue collected or received by the director  
32 under the provisions of this act shall be remitted to the state treasurer in  
33 accordance with the provisions of K.S.A. 75-4215, and amendments  
34 thereto. Upon receipt of each such remittance, the state treasurer shall  
35 deposit the entire amount in the state treasury, less amounts set apart as  
36 provided in subsection (b) and amounts credited as provided in subsection  
37 (c), (d) ~~and~~, (e) *and* (f), to the credit of the state general fund.

38 (b) A revolving fund, designated as "compensating tax refund fund"  
39 not to exceed \$10,000 shall be set apart and maintained by the director  
40 from compensating tax collections and estimated tax collections and held  
41 by the state treasurer for prompt payment of all compensating tax refunds.  
42 Such fund shall be in such amount, within the limit set by this section, as  
43 the director shall determine is necessary to meet current refunding

1 requirements under this act.

2 (c) (1) The state treasurer shall credit  $\frac{5}{98}$  of the revenue collected or  
3 received from the tax imposed by K.S.A. 79-3703, and amendments  
4 thereto, at the rate of 4.9%, and deposited as provided in subsection (a),  
5 exclusive of amounts credited pursuant to subsection (d), in the state  
6 highway fund.

7 (2) The state treasurer shall credit  $\frac{5}{106}$  of the revenue collected or  
8 received from the tax imposed by K.S.A. 79-3703, and amendments  
9 thereto, at the rate of 5.3%, and deposited as provided in subsection (a),  
10 exclusive of amounts credited pursuant to subsection (d), in the state  
11 highway fund.

12 (3) On July 1, 2006, the state treasurer shall credit  $\frac{19}{265}$  of the revenue  
13 collected or received from the tax imposed by K.S.A. 79-3703, and  
14 amendments thereto, at the rate of 5.3%, and deposited as provided by  
15 subsection (a), exclusive of amounts credited pursuant to subsection (d), in  
16 the state highway fund.

17 (4) On July 1, 2007, the state treasurer shall credit  $\frac{13}{106}$  of the revenue  
18 collected or received from the tax imposed by K.S.A. 79-3703, and  
19 amendments thereto, at the rate of 5.3%, and deposited as provided by  
20 subsection (a), exclusive of amounts credited pursuant to subsection (d), in  
21 the state highway fund.

22 (5) On July 1, 2010, the state treasurer shall credit 11.427% of the  
23 revenue collected and received from the tax imposed by K.S.A. 79-3703,  
24 and amendments thereto, at the rate of 6.3%, and deposited as provided by  
25 subsection (a), exclusive of amounts credited pursuant to subsection (d), in  
26 the state highway fund.

27 (6) On July 1, 2011, the state treasurer shall credit 11.26% of the  
28 revenue collected and received from the tax imposed by K.S.A. 79-3703,  
29 and amendments thereto, at the rate of 6.3%, and deposited as provided by  
30 subsection (a), exclusive of amounts credited pursuant to subsection (d), in  
31 the state highway fund.

32 (7) On July 1, 2012, the state treasurer shall credit ~~11.233%~~ 9.646%  
33 of the revenue collected and received from the tax imposed by K.S.A. 79-  
34 3703, and amendments thereto, at the rate of 6.3%, and deposited as  
35 provided by subsection (a), exclusive of amounts credited pursuant to  
36 subsection (d), in the state highway fund, as well as such revenue collected  
37 and received at the rate of 6.3%, after June 30, 2013.

38 (8) On July 1, 2013, and thereafter, the state treasurer shall credit  
39 ~~18.421%~~ 16.667% of the revenue collected and received from the tax  
40 imposed by K.S.A. 79-3703, and amendments thereto, at the rate of 5.7%,  
41 and deposited as provided by subsection (a), exclusive of amounts credited  
42 pursuant to subsection (d), in the state highway fund.

43 (d) The state treasurer shall credit all revenue collected or received

1 from the tax imposed by K.S.A. 79-3703, and amendments thereto, as  
2 certified by the director, from taxpayers doing business within that portion  
3 of a redevelopment district occupied by a redevelopment project that was  
4 determined by the secretary of commerce to be of statewide as well as  
5 local importance or will create a major tourism area for the state as defined  
6 in K.S.A. 12-1770a, and amendments thereto, to the city bond finance  
7 fund created by subsection (d) of K.S.A. 79-3620, and amendments  
8 thereto. The provisions of this subsection shall expire when the total of all  
9 amounts credited hereunder and under subsection (d) of K.S.A. 79-3620,  
10 and amendments thereto, is sufficient to retire the special obligation bonds  
11 issued for the purpose of financing all or a portion of the costs of such  
12 redevelopment project.

13 This subsection shall not apply to a project designated as a special bond  
14 project as defined in subsection (z) of K.S.A. 12-1770a, and amendments  
15 thereto.

16 (e) All revenue certified by the director of taxation as having been  
17 collected or received from the tax imposed by subsection (c) of K.S.A. 79-  
18 3603, and amendments thereto, on the sale or furnishing of gas, water,  
19 electricity and heat for use or consumption within the intermodal facility  
20 district described in this subsection, shall be credited by the state treasurer  
21 to the state highway fund. Such revenue may be transferred by the  
22 secretary of transportation to the rail service improvement fund pursuant to  
23 law. The provisions of this subsection shall take effect upon certification  
24 by the secretary of transportation that a notice to proceed has been  
25 received for the construction of the improvements within the intermodal  
26 facility district, but not later than December 31, 2010, and shall expire  
27 when the secretary of revenue determines that the total of all amounts  
28 credited hereunder and pursuant to subsection (e) of K.S.A. 79-3620, and  
29 amendments thereto, is equal to \$53,300,000, but not later than December  
30 31, 2045. Thereafter, all revenues shall be collected and distributed in  
31 accordance with applicable law. For all tax reporting periods during which  
32 the provisions of this subsection are in effect, none of the exemptions  
33 contained in K.S.A. 79-3601 *et seq.*, and amendments thereto, shall apply  
34 to the sale or furnishing of any gas, water, electricity and heat for use or  
35 consumption within the intermodal facility district. As used in this  
36 subsection, "intermodal facility district" shall consist of an intermodal  
37 transportation area as defined by subsection (oo) of K.S.A. 12-1770a, and  
38 amendments thereto, located in Johnson county within the polygonal-  
39 shaped area having Waverly Road as the eastern boundary, 191<sup>st</sup> Street as  
40 the southern boundary, Four Corners Road as the western boundary, and  
41 Highway 56 as the northern boundary, and the polygonal-shaped area  
42 having Poplar Road as the eastern boundary, 183<sup>rd</sup> Street as the southern  
43 boundary, Waverly Road as the western boundary, and the BNSF mainline

1 track as the northern boundary, that includes capital investment in an  
2 amount exceeding \$150 million for the construction of an intermodal  
3 facility to handle the transfer, storage and distribution of freight through  
4 railway and trucking operations.

5 *(f) (1) On July 1, 2012, the state treasurer shall transfer 1.587% of*  
6 *the revenue collected and received from the tax imposed by K.S.A. 79-*  
7 *3703, and amendments thereto, at the rate of 6.3%, and deposited as*  
8 *provided by subsection (a), exclusive of the amounts credited pursuant to*  
9 *subsection (d), to the state water plan fund.*

10 *(2) On July 1, 2013, and thereafter, the state treasurer shall transfer*  
11 *1.754% of the revenue from the tax imposed by K.S.A. 79-3703, and*  
12 *amendments thereto, at the rate of 5.7%, and deposited as provided by*  
13 *subsection (a), exclusive of the amounts credited pursuant to subsection*  
14 *(d), to the state water fund.*

15 New Sec. 4. On June 30 of any year in which the amount of revenue  
16 credited to the state water plan fund pursuant to the provisions of K.S.A.  
17 79-3620 and 79-3710, and amendments thereto, exceeds the amount  
18 certified by the Kansas water authority pursuant to the provisions of  
19 K.S.A. 82a-951, and amendments thereto, upon notification of such  
20 certification the state treasurer shall transfer such excess amount from the  
21 state water plan fund to the state highway fund pursuant to law. No such  
22 transfer shall occur if the Kansas water authority certifies that the amount  
23 of such revenue credited to the state water plan fund does not exceed such  
24 amount certified by the Kansas water authority.

25 Sec. 5. K.S.A. 2011 Supp. 2-1205 is hereby amended to read as  
26 follows: 2-1205. An inspection fee shall be collected upon all commercial  
27 fertilizers sold, offered or exposed for sale, or distributed in Kansas, which  
28 shall be at a rate per ton of 2,000 pounds fixed by rules and regulations  
29 adopted by the secretary of agriculture, except that such rate shall not  
30 exceed \$1.67 per ton of 2,000 pounds. The secretary of agriculture may  
31 adopt rules and regulations establishing the inspection fee rate under this  
32 section. Each person registering any commercial fertilizer shall pay the  
33 inspection fee on such commercial fertilizer sold, offered or exposed for  
34 sale, or distributed in Kansas. Each such person shall keep adequate  
35 records showing the tonnage of each commercial fertilizer shipped to or  
36 sold, offered or exposed for sale, or distributed in Kansas. The secretary,  
37 and duly authorized representatives of the secretary, shall have authority to  
38 examine such records and other pertinent records necessary to verify the  
39 statement of tonnage.

40 Each person registering any commercial fertilizer shall file an affidavit  
41 semiannually, with the secretary, within 30 days after each January 1 and  
42 each July 1, showing the tonnage of commercial fertilizer sold or  
43 distributed in Kansas for the preceding six-month period. Each such

1 person shall pay to the secretary the inspection fee due for such six-month  
2 period, except that the registrant shall not be required to pay the inspection  
3 fee or report the tonnage of commercial fertilizers or fertilizer materials  
4 sold and shipped directly to fertilizer manufacturers or mixers. The  
5 fertilizer manufacturers or mixers shall keep adequate records of the  
6 commercial fertilizers sold or distributed in this state, and report to the  
7 secretary the tonnage and pay the inspection fee due. If the affidavit is not  
8 filed and the inspection fee is not paid within the 30-day period, or if the  
9 report of tonnage is false, the secretary may revoke the registrations filed  
10 by such person. If the affidavit is not filed and the inspection fee is not  
11 paid within the 30-day period, or any extension thereof granted by the  
12 secretary, a penalty of \$10 per day shall be assessed against the registrant,  
13 except that on and after July 1, 2015, a penalty of \$5 per day shall be  
14 assessed against the registrant, and the inspection fee and penalty shall  
15 constitute a debt and become the basis for a judgment against such person.  
16 The secretary may grant a reasonable extension of time.

17 The secretary of agriculture is hereby authorized and empowered to  
18 reduce the inspection fee by adopting rules and regulations under this  
19 section whenever the secretary determines that the inspection fee is  
20 yielding more than is necessary for the purpose of administering the  
21 provisions of this act as listed below and the plant pest act. The secretary is  
22 hereby authorized and empowered to increase the inspection fee by  
23 adopting rules and regulations under this section when it finds that such is  
24 necessary to produce sufficient revenues for the purposes of administering  
25 the provisions of this act, except that the inspection fee shall not be  
26 increased in excess of the maximum fee prescribed by this section. The  
27 secretary shall remit all moneys received by or for the secretary under  
28 article 12 of chapter 2 of Kansas Statutes Annotated, and amendments  
29 thereto, to the state treasurer in accordance with the provisions of K.S.A.  
30 75-4215, and amendments thereto. Upon receipt of each such remittance,  
31 the state treasurer shall deposit the entire amount in the state treasury and  
32 shall credit such remittance as follows: (1) An amount equal to ~~\$1.40 per~~  
33 ~~ton shall be credited to the state water plan fund created by K.S.A. 82a-~~  
34 ~~951, and amendments thereto; (2) an amount equal to \$.04 per ton shall be~~  
35 credited to the fertilizer research fund; and ~~(3) (2) the remainder shall be~~  
36 credited to the fertilizer fee fund. All expenditures from the fertilizer fee  
37 fund shall be made in accordance with appropriation acts upon warrants of  
38 the director of accounts and reports issued pursuant to vouchers approved  
39 by the secretary of agriculture or by a person or persons designated by the  
40 secretary.

41 Sec. 6. K.S.A. 2011 Supp. 2-2204 is hereby amended to read as  
42 follows: 2-2204. (a) Every agricultural chemical which is distributed, sold  
43 or offered for sale within this state or delivered for transportation or



1 transported in intrastate commerce or between points within this state  
2 through any point outside this state shall be registered by the secretary.  
3 The secretary shall have the authority to classify or designate as restricted-  
4 use any pesticide registered for sale, use or distribution in the state of  
5 Kansas, according to rules and regulations promulgated by the secretary.  
6 The secretary may adopt rules and regulations to allow products to be  
7 registered for a period not to exceed three years. All registration of  
8 products shall expire on December 31 of the year the registration is set to  
9 expire, unless such registration shall be renewed, in which event expiration  
10 date shall be extended for each year of renewal registration, or until  
11 otherwise terminated. Products which have the same formula, and are  
12 manufactured by the same person, the labeling of which contains the same  
13 claims, and the labels of which bear a designation identifying the product  
14 as the same agricultural chemical may be registered as a single product  
15 and additional names and labels shall be added by supplement statements  
16 during the current period of registration. Within the discretion of the  
17 secretary, or an authorized representative of the secretary, a change in the  
18 labeling or formulas of an agricultural chemical may be made within the  
19 current period of registration without requiring a reregistration of the  
20 product. Any agricultural chemical imported into this state which is subject  
21 to the provisions of any federal act providing for the registration and  
22 which has been duly registered under the provisions of such federal act, in  
23 the discretion of the secretary, may be exempted from registration under  
24 this act when such agricultural chemical is sold or distributed in the  
25 unbroken immediate container in which such agricultural chemical was  
26 originally shipped.

27 (b) The registrant shall file with the secretary, a statement including:  
28 (1) The name and address of the registrant and the name and address of the  
29 person whose name will appear on the label if other than the registrant; (2)  
30 the name of the agricultural chemical; (3) a complete copy of the labeling  
31 accompanying the agricultural chemical and a statement of all claims  
32 made and to be made for it and a statement of directions for use; and (4) if  
33 requested by the secretary, or an authorized representative of the secretary,  
34 a full description of the tests made and the results thereof upon which the  
35 claims are based.

36 (c) The secretary may require the registrant to submit a copy of the  
37 product label registered by the EPA under the provisions of FIFRA.

38 (d) Any time the registrant modifies the label, the modified label shall  
39 be submitted to the secretary for review and approval prior to  
40 implementing the new label in Kansas.

41 (e) On the date of registration, the registrant shall pay a fee fixed by  
42 rules and regulations adopted by the secretary of agriculture. Such fee  
43 shall equal an amount per registered agricultural chemical, not to exceed

1 \$150 per year. Such fee shall be deposited in the state treasury and credited  
2 as follows: ~~(1) An amount equal to \$100 for each year of registration shall~~  
3 ~~be credited to the state water plan fund created by K.S.A. 82a-951, and~~  
4 ~~amendments thereto; and (2) the remainder shall be credited to the~~  
5 agricultural chemical fee fund to be used for carrying out the provisions of  
6 this act. The annual fee for each agricultural chemical registered which is  
7 in effect on the day preceding the effective date of this act shall continue in  
8 effect until the secretary of agriculture adopts rules and regulations fixing  
9 a different fee therefor under this subsection. The secretary of agriculture  
10 is hereby authorized and empowered, whenever it determines that the fee  
11 imposed by this subsection and paid into the state treasury as provided by  
12 law is yielding more revenue than is required for the purposes to which  
13 such fee is devoted by law, to reduce the fee imposed by this subsection  
14 for such period as the secretary shall deem justified by adopting rules and  
15 regulations under this subsection but not for less than one year. In the  
16 event that the secretary, after reducing such fee, finds that sufficient  
17 revenues are not being produced by such reduced fee, the secretary is  
18 authorized and empowered by adopting rules and regulations under this  
19 subsection, to restore in full or in part such fee to an amount which, in the  
20 judgment of the secretary, will produce sufficient revenues for the  
21 purposes as provided in this section, but not exceeding the maximum  
22 amount of the fee imposed by this subsection.

23 (f) The secretary, or an authorized representative of the secretary,  
24 whenever it is deemed essential in the administration of this act, may  
25 require the submission of the complete formula or any other data in  
26 support of the registration for any pesticide. The complete formula and any  
27 other trade secrets submitted to support the registration application shall be  
28 considered as confidential. If it appears to the secretary, or an authorized  
29 representative of the secretary, that the composition of the product is such  
30 as to warrant the proposed claims for the product and if the product and its  
31 labeling and other material required to be submitted comply with the  
32 requirements of this act, the secretary shall register the product.

33 (g) If it does not appear to the secretary, or an authorized  
34 representative of the secretary, that the product is such as to warrant the  
35 proposed claims for it or if the product and its labeling and other material  
36 required to be submitted do not comply with the provisions of this act, the  
37 secretary shall notify the registrant of the manner in which the product,  
38 labeling, or other material required to be submitted fail to comply with the  
39 act and rules and regulations adopted pursuant thereto so as to afford the  
40 registrant an opportunity to make the necessary corrections. If, upon  
41 receipt of such notice, the registrant does not make the required changes  
42 within 30 days, the secretary may deny registration of the product. In  
43 addition, the secretary may deny registration of a product if the application

1 for registration fails to comply with this act or any rule or regulation  
2 adopted pursuant thereto. If the secretary denies a registration, the  
3 registrant may request a hearing in accordance with the provisions of the  
4 Kansas administrative procedure act.

5 (h) Any pesticide registration canceled or suspended under the  
6 provisions of FIFRA shall be considered to be canceled or suspended  
7 under provisions of the agricultural chemical act of 1947, unless such  
8 cancellation is due to the nonpayment of registration fees required under  
9 FIFRA.

10 (i) If the secretary determines that a registered product fails to meet  
11 the claims made on its label, the secretary may suspend or revoke the  
12 product registration after a hearing in accordance with the provisions of  
13 the Kansas administrative procedure act. In addition, if the secretary  
14 determines that a registered product or its labeling fails to comply with this  
15 act, or a rule or regulation adopted pursuant to this act, the secretary may  
16 suspend or revoke the product registration after a hearing in accordance  
17 with the provisions of the Kansas administrative procedure act.

18 (j) In order to protect the public, the secretary, or a duly authorized  
19 representative of the secretary, on the secretary's own motion, may at any  
20 time, after written notice to the registrant, suspend or revoke the  
21 registration of an agricultural chemical. Any person so notified shall be  
22 given an opportunity for a hearing in accordance with the provisions of the  
23 Kansas administrative procedure act with regard to the secretary's  
24 contemplated action, before any registration is suspended or revoked.

25 (k) Notwithstanding any other provisions of this act, registration is  
26 not required in the case of an agricultural chemical shipped from one plant  
27 within this state to another plant within this state operated by the same  
28 person.

29 (l) Any information required to be filed pursuant to this section, may  
30 be filed electronically pursuant to rules and regulations promulgated by the  
31 secretary.

32 Sec. 7. K.S.A. 70a-105 is hereby amended to read as follows: 70a-  
33 105. (a) The proceeds derived from the sale of any state property under the  
34 provisions of article 1 of chapter 70a of Kansas Statutes Annotated shall be  
35 paid to the state treasurer by the director of taxation. The state treasurer  
36 shall deposit the entire amount in the state treasury and credit it to the sand  
37 royalty fund which is hereby created. At the end of each fiscal year, the  
38 amounts payable to the drainage districts and counties from the proceeds  
39 derived from sand taken from the bed of any navigable stream shall be  
40 paid from the sand royalty fund to drainage districts and counties as  
41 provided by K.S.A. 82a-309, and amendments thereto.

42 (b) All necessary and reasonable expenses incurred by the director of  
43 taxation in carrying out the provisions of this act shall be paid from the

1 sand royalty fund. ~~On or before the 15th day of each month, the director of~~  
2 ~~accounts and reports shall transfer moneys in the sand royalty fund to the~~  
3 ~~state water plan fund created by K.S.A. 82a-951 and amendments thereto~~  
4 ~~in an amount certified monthly by the director of taxation as equal to the~~  
5 ~~moneys in the sand royalty fund at the end of the preceding month in~~  
6 ~~excess of those needed for: (1) Payment of such expenses incurred by the~~  
7 ~~director of taxation; and (2) annual payments to drainage districts and~~  
8 ~~counties as provided by K.S.A. 82a-309 and amendments thereto.~~

9 Sec. 8. K.S.A. 2011 Supp. 79-4804 is hereby amended to read as  
10 follows: (a) After the transfer of moneys pursuant to K.S.A. 2011 Supp.  
11 79-4806, and amendments thereto, an amount equal to 85% of the balance  
12 of all moneys credited to the state gaming revenues fund shall be  
13 transferred and credited to the state economic development initiatives  
14 fund. Expenditures from the state economic development initiatives fund  
15 shall be made in accordance with appropriations acts for the financing of  
16 such programs supporting and enhancing the existing economic foundation  
17 of the state and fostering growth through the expansion of current, and the  
18 establishment and attraction of new, commercial and industrial enterprises  
19 as provided by this section and as may be authorized by law and not less  
20 than  $\frac{1}{2}$  of such money shall be distributed equally among the  
21 congressional districts of the state. Except as provided by subsection (g),  
22 all moneys credited to the state economic development initiatives fund  
23 shall be credited within the fund, as provided by law, to an account or  
24 accounts of the fund which are created by this section.

25 (b) There is hereby created the Kansas capital formation account in  
26 the state economic development initiatives fund. All moneys credited to  
27 the Kansas capital formation account shall be used to provide, encourage  
28 and implement capital development and formation in Kansas.

29 (c) There is hereby created the Kansas economic development  
30 research and development account in the state economic development  
31 initiatives fund. All moneys credited to the Kansas economic development  
32 research and development account shall be used to promote, encourage  
33 and implement research and development programs and activities in  
34 Kansas and technical assistance funded through state educational  
35 institutions under the supervision and control of the state board of regents  
36 or other Kansas colleges and universities.

37 (d) There is hereby created the Kansas economic development  
38 endowment account in the state economic development initiatives fund.  
39 All moneys credited to the Kansas economic development endowment  
40 account shall be accumulated and invested as provided in this section to  
41 provide an ongoing source of funds which shall be used for economic  
42 development activities in Kansas, including but not limited to continuing  
43 appropriations or demand transfers for programs and projects which shall

1 include, but are not limited to, specific community infrastructure projects  
2 in Kansas that stimulate economic growth.

3 (e) Except as provided in subsection (f), the director of investments  
4 may invest and reinvest moneys credited to the state economic  
5 development initiatives fund in accordance with investment policies  
6 established by the pooled money investment board under K.S.A. 75-4232,  
7 and amendments thereto, in the pooled money investment portfolio. All  
8 moneys received as interest earned by the investment of the moneys  
9 credited to the state economic development initiatives fund shall be  
10 deposited in the state treasury and credited to the Kansas economic  
11 development endowment account of such fund.

12 (f) Moneys credited to the Kansas economic development  
13 endowment account of the state economic development initiatives fund  
14 may be invested in government guaranteed loans and debentures as  
15 provided by law in addition to the investments authorized by subsection  
16 (e) or in lieu of such investments. All moneys received as interest earned  
17 by the investment under this subsection of the moneys credited to the  
18 Kansas economic development endowment account shall be deposited in  
19 the state treasury and credited to the Kansas economic development  
20 endowment account of the state economic development initiatives fund.

21 ~~(g) In each fiscal year, the director of accounts and reports shall make~~  
22 ~~transfers in equal amounts on July 15 and January 15 which in the~~  
23 ~~aggregate equal \$2,000,000 from the state economic development~~  
24 ~~initiatives fund to the state water plan fund created by K.S.A. 82a-951, and~~  
25 ~~amendments thereto, except that the aggregate amount of the transfers on~~  
26 ~~such dates during state fiscal year 2004 shall not exceed \$1,900,000. No~~  
27 ~~other moneys credited to the state economic development initiatives fund~~  
28 ~~shall be used for: (1) Water-related projects or programs, or related~~  
29 ~~technical assistance; or (2) any other projects or programs, or related~~  
30 ~~technical assistance, which meet one or more of the long-range goals,~~  
31 ~~objectives and considerations set forth in the state water resource planning~~  
32 ~~act.~~

33 Sec. 9. K.S.A. 2011 Supp. 82a-734 is hereby amended to read as  
34 follows: 82a-734. (a) An operator will notify the chief engineer of the  
35 location and area extent of any existing or proposed sand and gravel pit to  
36 be excavated, expanded or operated by the operator.

37 (b) The net evaporation of water exposed as the result of the opening  
38 or operation of sand and gravel pits shall be construed to be a beneficial  
39 use or diversion of water for the purposes of the Kansas water  
40 appropriation act, K.S.A. 82a-701 *et seq.*, and amendments thereto, if the  
41 sand and gravel pit is opened or operated in a township where the average  
42 annual potential net evaporation is greater than 18 inches per year, as  
43 determined by the chief engineer.

1 (c) If the chief engineer determines that an existing or proposed sand  
2 and gravel pit operation is a beneficial use of water, the operator shall  
3 apply to the chief engineer for a permit to appropriate water in accordance  
4 with the Kansas water appropriation act or otherwise acquire ownership or  
5 control of sufficient water rights, or by other methods pursuant to rules and  
6 regulations adopted by the chief engineer, or both, to offset net evaporation  
7 for the operation.

8 (d) (1) The period of time allowed to complete construction of  
9 diversion works pursuant to an approved application to appropriate water  
10 for the purpose of net evaporation from a sand and gravel pit operation  
11 shall be reasonable and consistent with the proposed use, but not less than  
12 five years. The chief engineer may allow extension of such period by not  
13 to exceed two five-year extensions if it can be shown that the operation  
14 requires the additional time for the operator to satisfy the operator's market  
15 demand in the area. The two five-year extensions may be granted at the  
16 same time, to run consecutively, if the applicant submits to the chief  
17 engineer a written development plan.

18 (2) The period of time allowed to perfect an approved application to  
19 appropriate water for the purpose of net evaporation from a sand and  
20 gravel pit operation shall be not less than 20 years and, for good cause  
21 shown, the chief engineer may allow one or more 10-year extensions of  
22 such period. The chief engineer shall consider the time needed until  
23 exhaustion of proven reserves, closure in accordance with the surface land  
24 reclamation and mining act, K.S.A. 49-601 *et seq.*, and amendments  
25 thereto, and the availability of water for the proposed use, but in no case  
26 shall allow longer than 60 years for perfection.

27 (3) Nothing herein shall require an extension of time to construct  
28 diversion works or to perfect a water right if there is demonstrable  
29 impairment of a use under an existing water right from the same source of  
30 supply, as determined pursuant to K.S.A. 82a-711, and amendments  
31 thereto.

32 (4) Upon examination of the diversion works for sand and gravel  
33 operations, the chief engineer or the chief engineer's duly authorized  
34 representative shall, within 90 days of the examination, notify the  
35 applicant if there was a failure to construct the diversion works at the  
36 authorized location or any deficiency of the terms and conditions of the  
37 permit. This notice will provide steps necessary to gain compliance with  
38 state law. If the chief engineer fails to examine the diversion works within  
39 two years of the notice of completion for any sand and gravel operation  
40 diversion works, the applicant shall not be required to forfeit priority date  
41 as a result of failure to construct a diversion works at the authorized  
42 location or any deficiency of the terms and conditions of the permit.

43 (e) ~~Evaporation from sand and gravel pits, as calculated by the chief~~

1 engineer, will be reported as an industrial use to the director of taxation for  
2 the purpose of assessing the water protection fee pursuant to K.S.A. 82a-  
3 954, and amendments thereto.

4 (f) This section shall be part of and supplemental to the Kansas water  
5 appropriations act.

6 Sec. 10. K.S.A. 2011 Supp. 82a-1801 is hereby amended to read as  
7 follows: 82a-1801. (a) All moneys recovered by the state of Kansas from  
8 the states of Colorado or Nebraska to resolve disputes arising under the  
9 Arkansas river compact or the Republican river compact shall be deposited  
10 in the state treasury and credited as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

27       Sec. 11. K.S.A. 2011 Supp. 82a-2101 is hereby amended to read as  
28 follows: 82a-2101. (a) On and after January 1, 2002, there is hereby  
29 imposed a clean drinking water fee at the rate of \$.03 per 1,000 gallons of  
30 water sold at retail by a public water supply system and delivered through  
31 mains, lines or pipes. ~~Such fee shall be paid, administered, enforced and~~  
32 ~~collected in the manner provided for the fee imposed by subsection (a)(1)~~  
33 ~~of K.S.A. 82a-954, and amendments thereto~~ *The director of the Kansas*  
34 *water office shall promulgate rules and regulations for the administration,*  
35 *enforcement and collection of such fee.* The price to the consumer of water  
36 sold at retail by any such system shall not include the amount of such fee.

37       (b) (1) A public water supply system may elect to opt out of the fee  
38 imposed by this section by notifying, before October 1, 2001, the Kansas  
39 water office and the department of revenue of the election to opt out.  
40 Except as provided by subsection (b)(2), such election shall be irrevocable.  
41 Such public water supply system shall continue to pay all applicable sales  
42 tax on direct and indirect purchases of tangible personal property and  
43 services purchased by such system.



1 (2) On and after January 1, 2005, any public water supply system  
2 which elected to opt out of the fee imposed by subsection (a) may elect to  
3 collect such fee as provided by subsection (a) and direct and indirect  
4 purchases of tangible personal property and services by such system shall  
5 be exempt from sales tax as provided by K.S.A. 79-3606, and amendments  
6 thereto. Such election shall be irrevocable.

7 (c) *The director of taxation shall administer, enforce and collect the*  
8 *fees imposed by this section. All laws and rules and regulations of the*  
9 *secretary of revenue relating to the administration, enforcement and*  
10 *collection of the retailers' sales tax shall apply to such fee insofar as they*  
11 *can be made applicable. The secretary shall adopt such additional rules*  
12 *and regulations as necessary for the efficient and effective administration,*  
13 *enforcement and collection thereof.*

14 (d) The director of taxation shall remit to the state treasurer in  
15 accordance with the provisions of K.S.A. 75-4215, and amendments  
16 thereto, all moneys received or collected from the fee imposed pursuant to  
17 this section. Upon receipt thereof, the state treasurer shall deposit the  
18 entire amount in the state treasury and credit it as follows:

19 ~~(1)  $\frac{5}{106}$  of such amount shall be credited to the state highway fund~~  
20 ~~and the remainder to the state general fund; and~~

21 ~~(2) on and after July 1, 2007,  $\frac{5}{106}$  of such amount shall be credited to~~  
22 ~~the state highway fund and the remaining amount shall be credited to the~~  
23 ~~state water plan fund created by K.S.A. 82a-951, and amendments thereto,~~  
24 ~~for use as follows: (A) Not less than 15% shall be used to provide on-site~~  
25 ~~technical assistance for public water supply systems, as defined in K.S.A.~~  
26 ~~65-162a, and amendments thereto, to aid such systems in conforming to~~  
27 ~~responsible management practices and complying with regulations of the~~  
28 ~~United States environmental protection agency and rules and regulations~~  
29 ~~of the department of health and environment; and (B) the remainder shall~~  
30 ~~be used to renovate and protect lakes which are used directly as a source of~~  
31 ~~water for such public water supply systems, so long as where appropriate,~~  
32 ~~watershed restoration and protection practices are planned or in place.~~

33 ~~(d) The state conservation commission shall promulgate rules and~~  
34 ~~regulations in coordination with the Kansas water office establishing the~~  
35 ~~project application evaluation criteria for the use of such moneys under~~  
36 ~~subsection (c)(2)(B).~~

37 Sec. 12. K.S.A. 2011 Supp. 65-163 is hereby amended to read as  
38 follows: 65-163. (a) (1) No person shall operate a public water supply  
39 system within the state without a public water supply system permit from  
40 the secretary. An application for a public water supply system permit shall  
41 be submitted for review and approval prior to construction and shall  
42 include: (A) A copy of the plans and specifications for the construction of  
43 the public water supply system or the extension thereof; (B) a description

1 of the source from which the water supply is to be derived; (C) the  
2 proposed manner of storage, purification or treatment for the supply; and  
3 (D) such other data and information as required by the secretary of health  
4 and environment. No source of water supply in substitution for or in  
5 addition to the source described in the application or in any subsequent  
6 application for which a public water supply system permit is issued shall  
7 be used by a public water supply system, nor shall any change be made in  
8 the manner of storage, purification or treatment of the water supply  
9 without an additional public water supply system permit obtained in a  
10 manner similar to that prescribed by this section from the secretary.

11 (2) Whenever application is made to the secretary for a public water  
12 supply system permit under the provisions of this section, it shall be the  
13 duty of the secretary to examine the application without delay and, as soon  
14 as possible thereafter, to grant or deny the public water supply system  
15 permit subject to any conditions which may be imposed by the secretary to  
16 protect the public health and welfare.

17 (3) The secretary may adopt rules and regulations establishing a  
18 program of annual certification by public water supply systems that have  
19 staff qualified to approve the extension of distribution systems without the  
20 necessity of securing an additional permit for the extension provided the  
21 plans for the extension are prepared by a professional engineer as defined  
22 by K.S.A. 74-7003, and amendments thereto.

23 (b) (1) Whenever a complaint is made to the secretary by any city of  
24 the state, by a local health officer, or by a county or joint board of health  
25 concerning the sanitary quality of any water supplied to the public within  
26 the county in which the city, local health officer or county or joint board of  
27 health is located, the secretary shall investigate the public water supply  
28 system about which the complaint is made. Whenever the secretary has  
29 reason to believe that a public water supply system within the state is  
30 being operated in violation of an applicable state law or an applicable rule  
31 and regulation of the secretary, the secretary may investigate the public  
32 water supply system.

33 (2) Whenever an investigation of any public water supply system is  
34 undertaken by the secretary, it shall be the duty of the supplier of water  
35 under investigation to furnish to the secretary information to determine the  
36 sanitary quality of the water supplied to the public and to determine  
37 compliance with applicable state laws and rules and regulations. The  
38 secretary may issue an order requiring changes in the source or sources of  
39 the public water supply system or in the manner of storage, purification or  
40 treatment utilized by the public water supply system before delivery to  
41 consumers, or distribution facilities, collectively or individually, as may in  
42 the secretary's judgment be necessary to safeguard the sanitary quality of  
43 the water and bring about compliance with applicable state law and rules

1 and regulations. The supplier of water shall comply with the order of the  
2 secretary.

3 (c) (1) As used in this subsection (c), "municipal water treatment  
4 residues" means any solid, semisolid or liquid residue generated during the  
5 treatment of water in a public water supply system treatment works.

6 (2) A public water supply system may place or store municipal water  
7 treatment residues resulting from sedimentation, coagulation or softening  
8 treatment processes in basins on land under the ownership and control of  
9 the public water supply system operator provided that such storage or  
10 placement is approved and permitted by the secretary under this section as  
11 part of the public water supply system.

12 (3) The secretary shall adopt uniform and comprehensive rules and  
13 regulations for the location, design and operation of such basins. Such  
14 rules and regulations shall require permit applications by the public water  
15 suppliers for such basins to include a copy of the plans and specifications  
16 for the location and construction of each basin, the means of conveyance  
17 of the treatment residues to such basins, the content of treatment residues,  
18 the proposed method of basin operation and closure, the method of any  
19 anticipated expansion and any other data and information required by the  
20 secretary.

21 (4) Whenever complaint is made to the secretary by the mayor of any  
22 city of the state, by a local health officer or by a county or joint board of  
23 health, or whenever an investigation is undertaken at the initiative of the  
24 secretary, relating to any alleged violation of the provisions of the permit  
25 for placement or storage of municipal water treatment residues in such  
26 basins, the public water supply system operator shall furnish all  
27 information the secretary requires. If the secretary finds that there is any  
28 violation of the terms of the permit, that the means of placement and  
29 storage exceed the terms of the permit or that any other condition exists by  
30 reason of the means of placement and storage that may be detrimental to  
31 the health of any inhabitants of the state or to the environment, the  
32 secretary shall have the authority to issue an order amending the permit or  
33 otherwise requiring the operator to perform remedial measures to curtail or  
34 prevent such detrimental conditions.

35 (d) Orders of the secretary under this section, and hearings thereon,  
36 shall be subject to the provisions of the Kansas administrative procedure  
37 act. Any action of the secretary pursuant to this section is subject to review  
38 in accordance with the Kansas judicial review act. The court on review  
39 shall hear the case without delay.

40 (e) The secretary shall establish by rule and regulation a system of  
41 fees for the inspection and regulation of public water supplies. No such fee  
42 shall exceed \$.002 per 1,000 gallons of water sold at retail by a public  
43 water supply system. All such fees shall be paid quarterly ~~in the manner~~

1 ~~provided for fees imposed on retail sales by public water supply systems~~  
2 ~~pursuant to K.S.A. 82a-954, and amendments thereto and the secretary of~~  
3 ~~health and environment shall promulgate rules and regulations for the~~  
4 ~~payment of such fees.~~

5 (f) *The director of taxation shall administer, enforce and collect the*  
6 *fees imposed by this section. All laws and rules and regulations imposed*  
7 *by the secretary of revenue relating to administration, enforcement and*  
8 *collection of the retailers' sales tax shall apply to such fee insofar as they*  
9 *can be made applicable, and the secretary shall adopt such additional*  
10 *rules and regulations as necessary for the efficient and effective*  
11 *administration enforcement and collection thereof.*

12 (g) The secretary shall remit all moneys collected for such fees to the  
13 state treasurer in accordance with the provisions of K.S.A. 75-4215, and  
14 amendments thereto. Upon receipt of each such remittance, the state  
15 treasurer shall deposit the entire amount in the state treasury to the credit  
16 of the public water supply fee fund created by K.S.A. 65-163c, and  
17 amendments thereto.

18 (†) (h) There is hereby created an advisory committee to make  
19 recommendations regarding: (1) Fees to be adopted by the secretary under  
20 subsection (e); (2) means of strengthening on-site technical assistance to  
21 public water supply systems; (3) standards for on-site and classroom water  
22 treatment operator certification programs; (4) other matters concerning  
23 public water supplies; and (5) to advise the secretary regarding  
24 expenditure of moneys in the public water supply fee fund created by  
25 K.S.A. 65-163c, and amendments thereto. Such advisory committee shall  
26 consist of one member appointed by the secretary to represent the  
27 department of health and environment, one member appointed by the  
28 director of the Kansas water office to represent such office and two  
29 members appointed by the secretary as follows: One from three  
30 nominations submitted by the Kansas section of the American waterworks  
31 association, and one from three nominations submitted by the Kansas rural  
32 water association. Members of the advisory committee shall serve without  
33 compensation or reimbursement of expenses. The advisory committee  
34 shall meet at least four times each year on call of the secretary or a  
35 majority of the members of the committee.

36 Sec. 13. K.S.A. 2011 Supp. 75-5133 is hereby amended to read as  
37 follows: 75-5133. (a) Except as otherwise more specifically provided by  
38 law, all information received by the secretary of revenue, the director of  
39 taxation or the director of alcoholic beverage control from returns, reports,  
40 license applications or registration documents made or filed under the  
41 provisions of any law imposing any sales, use or other excise tax  
42 administered by the secretary of revenue, the director of taxation, or the  
43 director of alcoholic beverage control, or from any investigation conducted

1 under such provisions, shall be confidential, and it shall be unlawful for  
2 any officer or employee of the department of revenue to divulge any such  
3 information except in accordance with other provisions of law respecting  
4 the enforcement and collection of such tax, in accordance with proper  
5 judicial order or as provided in K.S.A. 74-2424, and amendments thereto.

6 (b) The secretary of revenue or the secretary's designee may:

7 (1) Publish statistics, so classified as to prevent identification of  
8 particular reports or returns and the items thereof;

9 (2) allow the inspection of returns by the attorney general or the  
10 attorney general's designee;

11 (3) provide the post auditor access to all such excise tax reports or  
12 returns in accordance with and subject to the provisions of subsection (g)  
13 of K.S.A. 46-1106, and amendments thereto;

14 (4) disclose taxpayer information from excise tax returns to persons  
15 or entities contracting with the secretary of revenue where the secretary  
16 has determined disclosure of such information is essential for completion  
17 of the contract and has taken appropriate steps to preserve confidentiality;

18 (5) provide information from returns and reports filed under article 42  
19 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto,  
20 to county appraisers as is necessary to insure proper valuations of property.  
21 Information from such returns and reports may also be exchanged with any  
22 other state agency administering and collecting conservation or other taxes  
23 and fees imposed on or measured by mineral production;

24 (6) provide, upon request by a city or county clerk or treasurer or  
25 finance officer of any city or county receiving distributions from a local  
26 excise tax, monthly reports identifying each retailer doing business in such  
27 city or county or making taxable sales sourced to such city or county,  
28 setting forth the tax liability and the amount of such tax remitted by each  
29 retailer during the preceding month, and identifying each business location  
30 maintained by the retailer and such retailer's sales or use tax registration or  
31 account number;

32 (7) provide information from returns and applications for registration  
33 filed pursuant to K.S.A. 12-187, and amendments thereto, and K.S.A. 79-  
34 3601, and amendments thereto, to a city or county treasurer or clerk or  
35 finance officer to explain the basis of statistics contained in reports  
36 provided by subsection (b)(6);

37 (8) disclose the following oil and gas production statistics received by  
38 the department of revenue in accordance with K.S.A. 79-4216 *et seq.*, and  
39 amendments thereto: Volumes of production by well name, well number,  
40 operator's name and identification number assigned by the state  
41 corporation commission, lease name, leasehold property description,  
42 county of production or zone of production, name of purchaser and  
43 purchaser's tax identification number assigned by the department of

1 revenue, name of transporter, field code number or lease code, tax period,  
2 exempt production volumes by well name or lease, or any combination of  
3 this information;

4 (9) release or publish liquor brand registration information provided  
5 by suppliers, farm wineries and microbreweries in accordance with the  
6 liquor control act. The information to be released is limited to: Item  
7 number, universal numeric code, type status, product description, alcohol  
8 percentage, selling units, unit size, unit of measurement, supplier number,  
9 supplier name, distributor number and distributor name;

10 (10) release or publish liquor license information provided by liquor  
11 licensees, distributors, suppliers, farm wineries and microbreweries in  
12 accordance with the liquor control act. The information to be released is  
13 limited to: County name, owner, business name, address, license type,  
14 license number, license expiration date and the process agent contact  
15 information;

16 (11) release or publish cigarette and tobacco license information  
17 obtained from cigarette and tobacco licensees in accordance with the  
18 Kansas cigarette and tobacco products act. The information to be released  
19 is limited to: County name, owner, business name, address, license type  
20 and license number;

21 (12) provide environmental surcharge or solvent fee, or both,  
22 information from returns and applications for registration filed pursuant to  
23 K.S.A. 65-34,150 and 65-34,151, and amendments thereto, to the secretary  
24 of health and environment or the secretary's designee for the sole purpose  
25 of ensuring that retailers collect the environmental surcharge tax or solvent  
26 fee, or both;

27 ~~(13) provide water protection fee information from returns and~~  
28 ~~applications for registration filed pursuant to K.S.A. 82a-954, and~~  
29 ~~amendments thereto, to the secretary of the state board of agriculture or the~~  
30 ~~secretary's designee and the secretary of the Kansas water office or the~~  
31 ~~secretary's designee for the sole purpose of verifying revenues deposited to~~  
32 ~~the state water plan fund;~~

33 (+4) provide to the secretary of commerce copies of applications for  
34 project exemption certificates sought by any taxpayer under the enterprise  
35 zone sales tax exemption pursuant to subsection (cc) of K.S.A. 79-3606,  
36 and amendments thereto;

37 (+5) (14) disclose information received pursuant to the Kansas  
38 cigarette and tobacco act and subject to the confidentiality provisions of  
39 this act to any criminal justice agency, as defined in subsection (c) of  
40 K.S.A. 22-4701, and amendments thereto, or to any law enforcement  
41 officer, as defined in K.S.A. 2011 Supp. 21-5111, and amendments thereto,  
42 on behalf of a criminal justice agency, when requested in writing in  
43 conjunction with a pending investigation;

1       ~~(16)~~ (15) provide to retailers tax exemption information for the sole  
2 purpose of verifying the authenticity of tax exemption numbers issued by  
3 the department; and

4       ~~(17)~~ (16) provide information concerning remittance by sellers, as  
5 defined in K.S.A. 2011 Supp. 12-5363, and amendments thereto, of  
6 prepaid wireless 911 fees from returns to the local collection point  
7 administrator, as defined in K.S.A. 2011 Supp. 12-5363, and amendments  
8 thereto, for purposes of verifying seller compliance with collection and  
9 remittance of such fees.

10       (c) Any person receiving any information under the provisions of  
11 subsection (b) shall be subject to the confidentiality provisions of  
12 subsection (a) and to the penalty provisions of subsection (d).

13       (d) Any violation of this section shall be a class A, nonperson  
14 misdemeanor, and if the offender is an officer or employee of this state,  
15 such officer or employee shall be dismissed from office. Reports of  
16 violations of this paragraph shall be investigated by the attorney general.  
17 The district attorney or county attorney and the attorney general shall have  
18 authority to prosecute any violation of this section if the offender is a city  
19 or county clerk or treasurer or finance officer of a city or county.

20       Sec. 14. K.S.A. 70a-105, 79-3647 and 82a-951 and K.S.A. 2011  
21 Supp. 2-1205, 2-2204, 65-163, 75-5133, 79-3620, 79-3710, 79-4804, 82a-  
22 734, 82a-953a, 82a-954, 82a-1801 and 82a-2101 are hereby repealed.

23       Sec. 15. This act shall take effect and be in force from and after its  
24 publication in the statute book.  
25