

## **Moneys Recovered from Water Litigation; Funding for Local Health Departments**

**Senate Sub. for HB 2133** makes two statutory changes.

First, the bill amends prior law which directed how water litigation moneys recovered by Kansas from Nebraska and Colorado through disputes under the Arkansas River Compact and the Republican River Compact were deposited in the State Treasury and how the moneys were spent on various projects.

According to prior law, moneys received from Colorado under the Arkansas River Compact were deposited in the State Treasury differently than moneys received from Nebraska and Colorado under the Republican River Compact. The bill amends prior law to treat the depositing of moneys from both states under both compacts in the same way.

The bill adds language that all moneys received from either Nebraska or Colorado under any litigation arising under the Arkansas River Compact or the Republican River Compact is to be distributed as follows:

- An amount equal to the total of five percent of the aggregate moneys received from Nebraska or Colorado as a result of litigation, plus the amount equal to the litigation expenses, certified by the Attorney General, incurred by Kansas defending its rights under each Compact will be deposited in the Interstate Water Litigation Fund; and
- After the initial transfer to the Interstate Water Litigation Fund, one-third of all remaining moneys recovered from Nebraska or Colorado will be transferred to the State Water Plan Fund and the remaining two-thirds will be transferred to the Arkansas River Water Conservation Projects Fund, the Republican River Water Conservation Projects Nebraska Moneys Fund, or the Republican River Water Conservation Projects Colorado Moneys Fund.

All moneys transferred to the State Water Plan Fund will be used for water conservation projects, with priority given to those projects which are designed to enhance directly the ability of the State to remain in compliance with the various compacts.

In addition, the bill renames the Water Conservation Projects Fund as the Arkansas River Water Conservation Projects Fund. The bill clarifies prior law to state for what purposes the moneys transferred to the Arkansas River Water Conservation Projects Fund can be spent.

The bill removes the transfer of moneys under the Republican River Compact from the Interstate Water Litigation Fund to the Interstate Water Litigation Reserve Account of the State General Fund and the bill eliminates the \$20 million cap on the account. In addition, the bill eliminates language that references litigation filed by Kansas in 1985 and a sunset provision that expired in June 30, 2001.

The second change made by the bill addresses the way reductions in tax revenue allotted for local public health departments are handled. Prior law required counties to match dollar for dollar state financial assistance to local health departments. When local tax revenue allotted for local health departments falls below the previous fiscal year amount, prior law required that the amount of state financial assistance for these departments for the current fiscal year be reduced by an amount equal to the dollar amount of the reduction in local tax revenue. The bill amends the law so that the reduction would be a percentage equal to the percentage of the local tax revenue allotment reduction rather than a dollar amount.