

*As Amended by Senate Committee*

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*Session of 2014*

**SENATE BILL No. 453**

By Committee on Ways and Means

4-2

1 AN ACT concerning education funding; relating to mineral production;  
2 creating the mineral production education fund; abolishing the oil and  
3 gas valuation depletion trust fund; concerning local effort; making and  
4 concerning appropriations for fiscal year 2017; amending K.S.A. 2013  
5 Supp. 19-101a, **19-271**, 72-6410, 72-6431-and, 79-4227 **and 79-4231**  
6 and repealing the existing sections; also repealing K.S.A. 2013 Supp.  
7 19-271, **as amended by section 5 of this act**, and 79-4231, **as amended**  
8 **by section 9 of this act**.  
9

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

11 Section 1.

12 DEPARTMENT OF EDUCATION

13 (a) There is appropriated for the above agency from the following  
14 special revenue fund or funds for the fiscal year ending June 30, 2017, all  
15 moneys now or hereafter lawfully credited to and available in such fund or  
16 funds, except that expenditures other than refunds authorized by law and  
17 transfers to other state agencies shall not exceed the following:  
18 Mineral production education fund.....No limit

19 New Sec. 2. (a) There is hereby established in the state treasury the  
20 mineral production education fund which shall be administered by the  
21 department of education. **On and after July 1, 2016**, all moneys received  
22 from that are to be credited to the mineral production education fund  
23 pursuant to the provisions of K.S.A. 79-4227, and amendments thereto,  
24 shall be deposited in the state treasury in accordance with the provisions of  
25 K.S.A. 75-4215, and amendments thereto, and shall be credited to the  
26 mineral production education fund. All expenditures from the mineral  
27 production education fund shall be for school district finance. All  
28 expenditures from the mineral production education fund shall be made in  
29 accordance with appropriation acts upon warrants of the director of  
30 accounts and reports issued pursuant to vouchers approved by the  
31 commissioner of education or the designee of the commissioner.

32 (b) On January 15 and July 15 of each year, the director of accounts  
33 and reports shall transfer a sum equal to the total amount of moneys  
34 credited to the mineral production education fund during the six months  
35 next preceding the date of transfer, from the mineral production education  
36 fund to the state school district finance fund.

1      New Sec. 3. On July 1, 2016, the director of accounts and reports  
2 shall transfer all moneys in the oil and gas valuation depletion trust fund to  
3 the state general fund. On July 1, 2016, all liabilities of the oil and gas  
4 valuation depletion trust fund are hereby transferred to and imposed on the  
5 state general fund, and the oil and gas valuation depletion trust fund is  
6 hereby abolished.

7      ~~New Sec. 4. On July 1, 2016, any moneys in each county's county oil~~  
8 ~~and gas valuation depletion trust fund established pursuant to K.S.A. 2013~~  
9 ~~Supp. 19-271, as such statute existed prior to July 1, 2016, which have not~~  
10 ~~been authorized for release to the county general fund by the director of~~  
11 ~~taxation pursuant to subsection (b) of K.S.A. 2013 Supp. 79-4231, as such~~  
12 ~~statute existed prior to July 1, 2016, or have not been released from a~~  
13 ~~county's county oil and gas valuation depletion trust fund to the county~~  
14 ~~general fund by the county treasurer pursuant to subsection (b) of K.S.A.~~  
15 ~~2013 Supp. 19-271, as such statute existed prior to July 1, 2016, are hereby~~  
16 ~~authorized for release and shall be released by the county treasurer to the~~  
17 ~~county general fund for expenditure as directed by the board.~~

18      Sec. 5. 4. On and after July 1, 2016, K.S.A. 2013 Supp. 19-101a is  
19 hereby amended to read as follows: 19-101a. (a) The board of county  
20 commissioners may transact all county business and perform all powers of  
21 local legislation and administration it deems appropriate, subject only to  
22 the following limitations, restrictions or prohibitions:

23            (1) Counties shall be subject to all acts of the legislature which apply  
24 uniformly to all counties.

25            (2) Counties may not affect the courts located therein.

26            (3) Counties shall be subject to acts of the legislature prescribing  
27 limits of indebtedness.

28            (4) In the exercise of powers of local legislation and administration  
29 authorized under provisions of this section, the home rule power conferred  
30 on cities to determine their local affairs and government shall not be  
31 superseded or impaired without the consent of the governing body of each  
32 city within a county which may be affected.

33            (5) Counties may not legislate on social welfare administered under  
34 state law enacted pursuant to or in conformity with public law No. 271 –  
35 74<sup>th</sup> congress, or amendments thereof.

36            (6) Counties shall be subject to all acts of the legislature concerning  
37 elections, election commissioners and officers and their duties as such  
38 officers and the election of county officers.

39            (7) Counties shall be subject to the limitations and prohibitions  
40 imposed under K.S.A. 12-187 to 12-195, inclusive, and amendments  
41 thereto, prescribing limitations upon the levy of retailers' sales taxes by  
42 counties.

43            (8) Counties may not exempt from or effect changes in statutes made

1 nonuniform in application solely by reason of authorizing exceptions for  
2 counties having adopted a charter for county government.

3       (9) No county may levy ad valorem taxes under the authority of this  
4 section upon real property located within any redevelopment project area  
5 established under the authority of K.S.A. 12-1772, and amendments  
6 thereto, unless the resolution authorizing the same specifically authorized  
7 a portion of the proceeds of such levy to be used to pay the principal of  
8 and interest upon bonds issued by a city under the authority of K.S.A. 12-  
9 1774, and amendments thereto.

10     (10) Counties shall have no power under this section to exempt from  
11 any statute authorizing or requiring the levy of taxes and providing  
12 substitute and additional provisions on the same subject, unless the  
13 resolution authorizing the same specifically provides for a portion of the  
14 proceeds of such levy to be used to pay a portion of the principal and  
15 interest on bonds issued by cities under the authority of K.S.A. 12-1774,  
16 and amendments thereto.

17     (11) Counties may not exempt from or effect changes in the  
18 provisions of K.S.A. 19-4601 through 19-4625, and amendments thereto.

19     (12) Except as otherwise specifically authorized by K.S.A. 12-1,101  
20 through 12-1,109, and amendments thereto, counties may not levy and  
21 collect taxes on incomes from whatever source derived.

22     (13) Counties may not exempt from or effect changes in K.S.A. 19-  
23 430, and amendments thereto.

24     (14) Counties may not exempt from or effect changes in K.S.A. 19-  
25 302, 19-502b, 19-503, 19-805 or 19-1202, and amendments thereto.

26     (15) Counties may not exempt from or effect changes in K.S.A. 19-  
27 15,139, 19-15,140 and 19-15,141, and amendments thereto.

28     (16) Counties may not exempt from or effect changes in the  
29 provisions of K.S.A. 12-1223, 12-1225, 12-1225a, 12-1225b, 12-1225c  
30 and 12-1226, and amendments thereto, or the provisions of K.S.A. 12-  
31 1260 through 12-1270 and 12-1276, and amendments thereto.

32     (17) Counties may not exempt from or effect changes in the  
33 provisions of K.S.A. 19-211, and amendments thereto.

34     (18) Counties may not exempt from or effect changes in the  
35 provisions of K.S.A. 19-4001 through 19-4015, and amendments thereto.

36     (19) Counties may not regulate the production or drilling of any oil or  
37 gas well in any manner which would result in the duplication of regulation  
38 by the state corporation commission and the Kansas department of health  
39 and environment pursuant to chapter 55 and chapter 65 of the Kansas  
40 Statutes Annotated, and amendments thereto, and any rules and regulations  
41 adopted pursuant thereto. Counties may not require any license or permit  
42 for the drilling or production of oil and gas wells. Counties may not  
43 impose any fee or charge for the drilling or production of any oil or gas

- 1 well.
- 2 (20) Counties may not exempt from or effect changes in K.S.A. 79-  
3 41a04, and amendments thereto.
- 4 (21) Counties may not exempt from or effect changes in K.S.A. 79-  
5 1611, and amendments thereto.
- 6 (22) Counties may not exempt from or effect changes in K.S.A. 79-  
7 1494, and amendments thereto.
- 8 (23) Counties may not exempt from or effect changes in subsection  
9 (b) of K.S.A. 19-202, and amendments thereto.
- 10 (24) Counties may not exempt from or effect changes in subsection  
11 (b) of K.S.A. 19-204, and amendments thereto.
- 12 (25) Counties may not levy or impose an excise, severance or any  
13 other tax in the nature of an excise tax upon the physical severance and  
14 production of any mineral or other material from the earth or water.
- 15 (26) Counties may not exempt from or effect changes in K.S.A. 79-  
16 2017 or 79-2101, and amendments thereto.
- 17 (27) Counties may not exempt from or effect changes in K.S.A. 2-  
18 3302, 2-3305, 2-3307, 2-3318, 17-5904, 17-5908, 47-1219, 65-171d, 65-  
19 1,178 through 65-1,199, 65-3001 through 65-3028, and amendments  
20 thereto.
- 21 (28) Counties may not exempt from or effect changes in K.S.A. 2013  
22 Supp. 80-121, and amendments thereto.
- 23 (29) Counties may not exempt from or effect changes in K.S.A. 19-  
24 228, and amendments thereto.
- 25 (30) Counties may not exempt from or effect changes in the wireless  
26 enhanced 911 act, in the VoIP enhanced 911 act or in the provisions of  
27 K.S.A. 12-5301 through 12-5308, and amendments thereto.
- 28 (31) Counties may not exempt from or effect changes in K.S.A. 2013  
29 Supp. 26-601, and amendments thereto.
- 30 (32) (A) Counties may not exempt from or effect changes in the  
31 Kansas liquor control act except as provided by paragraph (B).
- 32 (B) Counties may adopt resolutions which are not in conflict with the  
33 Kansas liquor control act.
- 34 (33) (A) Counties may not exempt from or effect changes in the  
35 Kansas cereal malt beverage act except as provided by paragraph (B).
- 36 (B) Counties may adopt resolutions which are not in conflict with the  
37 Kansas cereal malt beverage act.
- 38 (34) Counties may not exempt from or effect changes in the Kansas  
39 lottery act.
- 40 (35) Counties may not exempt from or effect changes in the Kansas  
41 expanded lottery act.
- 42 (36) Counties may neither exempt from nor effect changes to the  
43 eminent domain procedure act.

1       (37) Any county granted authority pursuant to the provisions of  
2 K.S.A. 19-5001 through 19-5005, and amendments thereto, shall be  
3 subject to the limitations and prohibitions imposed under K.S.A. 19-5001  
4 through 19-5005, and amendments thereto.

5       (38) Except as otherwise specifically authorized by K.S.A. 19-5001  
6 through 19-5005, and amendments thereto, counties may not exercise any  
7 authority granted pursuant to K.S.A. 19-5001 through 19-5005, and  
8 amendments thereto, including the imposition or levy of any retailers' sales  
9 tax.

10     (39) ~~Counties may not exempt from or effect changes in K.S.A. 2013  
11 Supp. 19-271, and amendments thereto.~~

12     (b) Counties shall apply the powers of local legislation granted in  
13 subsection (a) by resolution of the board of county commissioners. If no  
14 statutory authority exists for such local legislation other than that set forth  
15 in subsection (a) and the local legislation proposed under the authority of  
16 such subsection is not contrary to any act of the legislature, such local  
17 legislation shall become effective upon passage of a resolution of the  
18 board and publication in the official county newspaper. If the legislation  
19 proposed by the board under authority of subsection (a) is contrary to an  
20 act of the legislature which is applicable to the particular county but not  
21 uniformly applicable to all counties, such legislation shall become  
22 effective by passage of a charter resolution in the manner provided in  
23 K.S.A. 19-101b, and amendments thereto.

24     (c) Any resolution adopted by a county which conflicts with the  
25 restrictions in subsection (a) is null and void.

26     *Sec. 5. On and after July 1, 2014, K.S.A. 2013 Supp. 19-271 is  
27 hereby amended to read as follows: 19-271. (a) The board of county  
28 commissioners of each county shall establish a county oil and gas  
29 valuation depletion trust fund if the county is to receive moneys from the  
30 oil and gas valuation depletion trust fund created under the provisions  
31 of K.S.A. 2013 Supp. 79-4231, and amendments thereto. The county  
32 treasurer shall be responsible for the administration of such fund.*

33     (b) Upon receipt of an authorization for distribution of county oil and  
34 gas valuation depletion trust fund moneys pursuant to K.S.A. 2013 Supp.  
35 79-4231, and amendments thereto, the county treasurer shall release 20%  
36 of the moneys credited to such county's trust account to the county general  
37 fund for expenditure as directed by the board *On and after July 1, 2014,*  
38 *the moneys in the county's oil and gas valuation depletion trust fund shall*  
39 *be expended as directed by the board.*

40     (c) Moneys credited to the county oil and gas valuation depletion  
41 trust fund shall be subject to the provisions of K.S.A. 79-2925 through 79-  
42 2937, and amendments thereto. *In making the budgets of such county,*  
43 *the amounts credited to, and the amount on hand in, such fund and the*

1     *amount expended therefrom shall be shown thereon for the information  
2     of the taxpayers of such county. Moneys in such fund may be invested in  
3     accordance with the provisions of K.S.A. 10-131, and amendments  
4     thereto, with interest thereon credited to such fund.*

5     Sec. 6. ***On and after July 1, 2014***, K.S.A. 2013 Supp. 72-6410 is  
6     hereby amended to read as follows: 72-6410. (a) "State financial aid"  
7     means an amount equal to the product obtained by multiplying base state  
8     aid per pupil by the adjusted enrollment of a district.

9         (b) (1) "Base state aid per pupil" means an amount of state financial  
10     aid per pupil. Subject to the other provisions of this subsection, the amount  
11     of base state aid per pupil is \$4,433 in school year 2008-2009 and \$4,492  
12     in school year 2009-2010 and each school year thereafter.

13         (2) The amount of base state aid per pupil is subject to reduction  
14     commensurate with any reduction under K.S.A. 75-6704, and amendments  
15     thereto, in the amount of the appropriation from the state general fund for  
16     general state aid. If the amount of appropriations for general state aid is  
17     insufficient to pay in full the amount each district is entitled to receive for  
18     any school year, the amount of base state aid per pupil for such school year  
19     is subject to reduction commensurate with the amount of the insufficiency.

20         (c) "Local effort" means the sum of ~~an amount equal to the proceeds  
21     from the tax levied under authority of K.S.A. 72-6431, and amendments  
22     thereto, and~~ an amount equal to any unexpended and unencumbered  
23     balance remaining in the general fund of the district, except amounts  
24     received by the district and authorized to be expended for the purposes  
25     specified in K.S.A. 72-6430, and amendments thereto, and an amount  
26     equal to any unexpended and unencumbered balances remaining in the  
27     program weighted funds of the district, except any amount in the  
28     vocational education fund of the district if the district is operating an area  
29     vocational school, and an amount equal to any remaining proceeds from  
30     taxes levied under authority of K.S.A. 72-7056 and 72-7072, and  
31     amendments thereto, prior to the repeal of such statutory sections, and an  
32     amount equal to the amount deposited in the general fund in the current  
33     school year from amounts received in such year by the district under the  
34     provisions of subsection (a) of K.S.A. 72-1046a, and amendments thereto,  
35     and an amount equal to the amount deposited in the general fund in the  
36     current school year from amounts received in such year by the district  
37     pursuant to contracts made and entered into under authority of K.S.A. 72-  
38     6757, and amendments thereto, and an amount equal to the amount  
39     credited to the general fund in the current school year from amounts  
40     distributed in such year to the district under the provisions of articles 17  
41     and 34 of chapter 12 of Kansas Statutes Annotated, *and amendments  
42     thereto, and under the provisions of articles 42 and 51 of chapter 79 of  
43     Kansas Statutes Annotated, and amendments thereto, and an amount equal*

1 to the amount of payments received by the district under the provisions of  
2 K.S.A. 72-979, and amendments thereto, and an amount equal to the  
3 amount of a grant, if any, received by the district under the provisions of  
4 K.S.A. 72-983, and amendments thereto, and an amount equal to 70% of  
5 the federal impact aid of the district.

6 (d) "Federal impact aid" means an amount equal to the federally  
7 qualified percentage of the amount of moneys a district receives in the  
8 current school year under the provisions of title I of public law 874 and  
9 congressional appropriations therefor, excluding amounts received for  
10 assistance in cases of major disaster and amounts received under the low-  
11 rent housing program. The amount of federal impact aid defined herein as  
12 an amount equal to the federally qualified percentage of the amount of  
13 moneys provided for the district under title I of public law 874 shall be  
14 determined by the state board in accordance with terms and conditions  
15 imposed under the provisions of the public law and rules and regulations  
16 thereunder.

17 Sec. 7. ***On and after July 1, 2014***, K.S.A. 2013 Supp. 72-6431 is  
18 hereby amended to read as follows: 72-6431. (a) The board of each district  
19 shall levy an ad valorem tax upon the taxable tangible property of the  
20 district in the school years specified in subsection (b) for the purpose of:

21 (1) Financing that portion of the district's general fund budget which  
22 is not financed from any other source provided by law;

23 (2) paying a portion of the costs of operating and maintaining public  
24 schools in partial fulfillment of the constitutional obligation of the  
25 legislature to finance the educational interests of the state; and

26 (3) with respect to any redevelopment district established prior to July  
27 1, 1997, pursuant to K.S.A. 12-1771, and amendments thereto, paying a  
28 portion of the principal and interest on bonds issued by cities under  
29 authority of K.S.A. 12-1774, and amendments thereto, for the financing of  
30 redevelopment projects upon property located within the district.

31 (b) The tax required under subsection (a) shall be levied at a rate of  
32 20 mills in the school year 2013-2014 and school year 2014-2015.

33 (c) The proceeds from the tax levied by a district under authority of  
34 this section, except the proceeds of such tax levied for the purpose of  
35 paying a portion of the principal and interest on bonds issued by cities  
36 under authority of K.S.A. 12-1774, and amendments thereto, for the  
37 financing of redevelopment projects upon property located within the  
38 district, shall be ~~deposited in the general fund of the district remitted to the~~  
39 ~~state treasurer in accordance with the provisions of K.S.A. 75-4215, and~~  
40 ~~amendments thereto. Upon receipt of each such remittance, the state~~  
41 ~~treasurer shall deposit the entire amount in the state treasury to the credit~~  
42 ~~of the state school district finance fund.~~

43 (d) ~~On June 6 of each year, the amount, if any, by which a district's~~

1 local effort exceeds the amount of the district's state financial aid, as  
2 determined by the state board, shall be remitted to the state treasurer. Upon  
3 receipt of any such remittance, the state treasurer shall deposit the same in  
4 the state treasury to the credit of the state school district finance fund.

5 (e) No district shall proceed under K.S.A. 79-1964, 79-1964a or 79-  
6 1964b, and amendments thereto.

7 Sec. 8. K.S.A. 2013 Supp. 79-4227 is hereby amended to read as  
8 follows: 79-4227. (a) All revenue collected or received by the director  
9 from the tax imposed by this act shall be remitted to the state treasurer in  
10 accordance with the provisions of K.S.A. 75-4215, and amendments  
11 thereto. Upon receipt of each such remittance, the state treasurer shall  
12 deposit the entire amount in the state treasury. The state treasurer shall first  
13 credit such amount as the director shall order to the mineral production tax  
14 refund fund created under subsection (b) of this section. Except as  
15 otherwise provided by this section, the state treasurer shall credit the  
16 remainder of such amounts as follows: (1) Seven percent to the special  
17 county mineral production tax fund created under subsection (c) of this  
18 section; and (2) the remainder shall be credited to the state general fund.  
19 On and after July 1, 2012, and thereafter, except as otherwise provided by  
20 this section, the state treasurer shall credit the remainder of such amounts  
21 for oil and gas for any county which had \$100,000 or more in receipts of  
22 the excise tax upon the severance and production of oil and gas as follows:  
23 (1) Seven percent to the special county mineral production tax fund  
24 created under subsection (c); (2) 12.41% to the oil and gas valuation  
25 depletion trust fund; and (3) the remainder shall be credited to the state  
26 general fund. Any revenue collected or received from the tax imposed by  
27 this act during fiscal year 2013 shall be credited as provided in this section  
28 as in existence on the effective date of this act. On and after July 1, 2013,  
29 through June 30, 2014, the state treasurer shall credit the remainder of  
30 such amounts for oil and gas for any county which had \$100,000 or more  
31 in receipts of the excise tax upon the severance and production of oil and  
32 gas as follows: (1) Seven percent to the special county mineral production  
33 tax fund created under subsection (c); (2) 6% to the oil and gas valuation  
34 depletion trust fund; and (3) the remainder shall be credited to the state  
35 general fund. On and after July 1, 2014, through June 30, 2015, the state  
36 treasurer shall credit the remainder of such amounts for oil and gas for any  
37 county which had \$100,000 or more in receipts of the excise tax upon the  
38 severance and production of oil and gas as follows: (1) Seven percent to  
39 the special county mineral production tax fund created under subsection  
40 (c); (2) 8% to the oil and gas valuation depletion trust fund; and (3) the  
41 remainder shall be credited to the state general fund *Second, the state*  
42 *treasurer shall credit 7% of the remainder of such amounts to the*  
43 *special county mineral production tax fund created in subsection (c).*

1   **Finally, the state treasurer shall credit the remainder of such amounts**  
2   **collected or received from the tax imposed by this act during fiscal years**  
3   **2013, 2014 and 2015 for oil and gas for any county which had \$100,000**  
4   **or more in receipts of the excise tax upon the severance and production of**  
5   **oil and gas as follows: (1) Seven percent to the special county mineral**  
6   **production tax fund created under subsection (e); (2) 12.41% to the oil**  
7   **and gas valuation depletion trust fund; and (3) (2) the remainder shall be**  
8   **credited to the state general fund. The state treasurer shall credit the**  
9   **remainder of such amounts collected or received from the tax imposed by**  
10   **this act during fiscal year 2016, and thereafter, and distributed during**  
11   **fiscal year 2017, and thereafter, for oil and gas for any county which had**  
12   **\$100,000 or more in receipts of the excise tax upon the severance and**  
13   **production of oil and gas as follows: (1) Seven percent to the special**  
14   **county mineral production tax fund created under subsection (e); (2) 20%**  
15   **to the mineral production education fund created in section 2, and**  
16   **amendments thereto; and (3) (2) the remainder shall be credited to the**  
17   **state general fund.**

18   (b) A refund fund designated as "mineral production tax refund fund"  
19   not to exceed \$50,000 is hereby created for the prompt payment of all tax  
20   refunds. The mineral production tax refund fund shall be in such amount,  
21   within the limit set by this section, as the director shall determine is  
22   necessary to meet current refunding requirements under this act.

23   (c) There is hereby created a special county mineral production tax  
24   fund. On December 1, 1983, and quarterly thereafter, the director of  
25   taxation shall distribute all moneys credited to such fund to the county  
26   treasurers of all counties in which taxes were levied under K.S.A. 79-4217,  
27   and amendments thereto, for the severing and producing of coal, oil or gas  
28   from property within the county, in the proportion that the taxes levied  
29   upon production in each county bears to the total of all of such taxes levied  
30   in all of such counties. Such distribution shall be based on returns filed,  
31   with any adjustments or corrections thereto made by the director of  
32   taxation.

33   (d) The secretary of revenue shall make provision for the  
34   determination of the counties within which taxes are levied under K.S.A.  
35   79-4217, and amendments thereto, for the severance of coal, oil or gas and  
36   shall certify the same to the director of accounts and reports.

37   (e) The director of accounts and reports shall draw warrants on the  
38   state treasurer payable to the county treasurer of each county entitled to  
39   payment from the special county mineral production tax fund upon  
40   vouchers approved by the director of taxation. Upon receipt of such  
41   warrant, each county treasurer shall credit 50% of the amount thereof to  
42   the county general fund and shall distribute the remaining 50% thereof to  
43   the treasurer of each school district all or any portion of which is located

1 within the county in the proportion that the assessed value of coal, oil and  
2 gas properties within each district bears to the total of the assessed value of  
3 all coal, oil and gas properties within the county. Such assessed valuation  
4 shall be determined upon the basis of the most recent November 1 tax roll.  
5 The treasurer of each school district shall credit the entire amount of the  
6 moneys so received to the general fund of the school district.

7 *Sec. 9. On and after July 1, 2014, K.S.A. 2013 Supp. 79-4231 is*  
8 *hereby amended to read as follows: 79-4231. (a) There is hereby created*  
9 *in the state treasury the oil and gas valuation depletion trust fund. The*  
10 *director of taxation shall administer the oil and gas valuation depletion*  
11 *trust fund. All amounts credited to the oil and gas valuation depletion*  
12 *trust fund pursuant to the provisions of K.S.A. 79-4227, and*  
13 *amendments thereto, less the administration fee imposed under*  
14 *subsection (e) (b), shall be credited to a separate trust account which*  
15 *shall be established within such fund for each county which in any fiscal*  
16 *year had \$100,000 or more in receipts of the excise tax upon the*  
17 *severance and production of oil and gas. Each county's trust account*  
18 *shall be credited in the proportion that the amount of oil and gas*  
19 *valuation depletion trust fund receipts collected from that county bears*  
20 *to the total amount of moneys credited to the oil and gas valuation*  
21 *depletion trust fund pursuant to K.S.A. 79-4227, and amendments*  
22 *thereto. Commencing July 1, 2012, and thereafter on an annual basis,*  
23 *the director of taxation shall certify to the director of accounts and*  
24 *reports the amount due the county from the county's oil and gas*  
25 *depletion trust account on October 1 based on all amounts credited*  
26 *thereto, and the director of accounts and reports shall draw a warrant*  
27 *upon the state treasurer in favor of each such county for the amount*  
28 *credited to such county's trust account. Upon receipt of such warrant,*  
29 *the treasurer of the county shall credit the same to the oil and gas*  
30 *valuation depletion trust fund of the county established in K.S.A. 2013*  
31 *Supp. 19-271, and amendments thereto. Except that the director of*  
32 *taxation shall transfer all of the moneys credited to the Wilson county*  
33 *trust account to the Wilson county capital improvement fund in any such*  
34 *tax year until the payment of all costs of financing projects authorized*  
35 *pursuant to K.S.A. 2013 Supp. 74-8961, and amendments thereto, has*  
36 *been completed, and at that time the provisions of this subsection related*  
37 *to distributions to the Wilson county treasurer shall be applicable as*  
38 *provided in this subsection.*

39 *(b) For any tax year that the oil and gas leasehold ad valorem*  
40 *valuation of any county, which has a trust account established and*  
41 *maintained in a county oil and gas valuation depletion trust fund as*  
42 *provided by K.S.A. 2013 Supp. 19-271, and amendments thereto, is less*  
43 *than 50% of the oil and gas leasehold ad valorem valuation of such county*

1 for the second succeeding tax year which commences January 1 following  
2 the end of the fiscal year in which the county had \$100,000 or more in  
3 receipts of the excise tax upon the production of oil and gas, as certified by  
4 the property valuation division, on or before January 15 of the year  
5 following such tax year, the director of taxation shall certify the oil and gas  
6 leasehold ad valorem valuation amounts for each county and shall  
7 authorize the county treasurer to release 20% of the moneys credited to  
8 such county's oil and gas valuation depletion trust fund to the county  
9 general fund of such county. In any year in which a county's oil and gas  
10 leasehold valuation is 50% or more of the oil and gas leasehold valuation  
11 of such county for tax year as described in this subsection, such county  
12 shall not receive an authorization for distribution of trust fund moneys  
13 pursuant to this section for such tax year.

14 (e) *The director of taxation shall impose and collect an  
15 administration fee for the administration of the oil and gas valuation  
16 depletion trust fund, this section and the provisions of K.S.A. 2013 Supp.  
17 79-4227, and amendments thereto, equal to 2% of the amount credited to  
18 the oil and gas valuation depletion trust fund. The administration fee  
19 shall be imposed and collected prior to crediting any amount to any trust  
20 account established and maintained for a county in the oil and gas  
21 valuation depletion trust fund. All amounts collected for the  
22 administration fee shall be transferred from the oil and gas valuation  
23 depletion trust fund to the state general fund.*

24 (d) (c) *All moneys credited to the oil and gas valuation depletion  
25 trust fund upon the effective date of this act shall be distributed to each  
26 county not later than 30 days following the effective date of this act for  
27 deposit in the county's oil and gas valuation depletion trust fund  
28 established pursuant to the provisions of K.S.A. 2013 Supp. 19-271, and  
29 amendments thereto.*

30 **Sec. 10. K.S.A. 2013 Supp. 79-4227 is hereby repealed.**

31 **Sec. 9. 11. On and after July 1, 2014, K.S.A. 2013 Supp. 19-271, 72-  
32 6410, 72-6431 and 79-4227 79-4231 are hereby repealed.**

33 **Sec. 10. 12. On and after July 1, 2016, K.S.A. 2013 Supp. 19-101a,  
34 19-271, as amended by section 5 of this act, and 79-4231, as amended by  
35 section 9 of this act, are hereby repealed.**

36 **Sec. 11. 13. This act shall take effect and be in force on and after its  
37 publication in the statute book *Kansas register*.**