

## HOUSE BILL No. 2986

By Committee on Appropriations

3-24

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9 AN ACT concerning water; relating to certain fees imposed on sale and  
10 appropriation of water; providing for certain studies relating thereto;  
11 making and concerning appropriations for the fiscal years ending June  
12 30, 2009 and June 30, 2010 for the Kansas water office; amending  
13 K.S.A. 76-338 and repealing the existing section.  
14

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

16 New Section 1. (a) On and after January 1, 2009, there is hereby im-  
17 posed a drinking water protection initiative fee at the rate of:

18 (1) \$.02 per 1,000 gallons of water sold at retail by a public water supply  
19 system and delivered through mains, lines or pipes;

20 (2) \$.02 per 1,000 gallons of water appropriated for industrial use pur-  
21 suant to a permit, based on the actual amount of water appropriated for  
22 industrial use during the preceding calendar year as reported to the chief  
23 engineer of the division of water resources of the Kansas department of  
24 agriculture in accordance with the provisions of K.S.A. 82a-732, and  
25 amendments thereto, except for Kansas river assurance districts which  
26 shall be assessed an additional fee of \$.01 per 1,000 gallons.

27 (b) The fees imposed by subsection (a)(1) shall be paid quarterly by  
28 each public water supplier and shall be transmitted to the department of  
29 revenue not later than 45 days following the end of each calendar quarter.  
30 The public water supplier may collect the fee directly from each con-  
31 sumer to which water is sold at retail or may pay the amount owed to the  
32 director of taxation from moneys available in its operating or other fund  
33 for that purpose. The fees imposed by subsection (a)(2) shall be paid  
34 quarterly by the owner of the permit and shall be transmitted to the  
35 director of taxation not later than 45 days following the end of each quar-  
36 ter. If any retailer or permit owner fails to pay the fee required to be  
37 collected and paid under this section, there shall be added, to the unpaid  
38 balance of the fee, a penalty as prescribed under K.S.A. 79-3615, and  
39 amendments thereto, for the late payment of sales tax, plus interest at  
40 the rate prescribed by subsection (a) of K.S.A. 79-2968, and amendments  
41 thereto.

42 (c) The director of taxation shall administer, enforce and collect the  
43 fees imposed by subsection (a) of this section. All laws and rules and

1 regulations of the secretary of revenue relating to the administration,  
2 enforcement and collection of the retailers' sales tax shall apply to such  
3 fee insofar as they can be made applicable, and the secretary of revenue  
4 shall adopt such additional rules and regulations as necessary for the ef-  
5 ficient and effective administration, enforcement and collection of these  
6 fees.

7 (d) The Kansas department of wildlife and parks and the Kansas water  
8 office shall submit a report delineating which fees shall be paid by re-  
9 creational users in order to sustain the state's reservoirs and lakes. Such  
10 report shall be made to the legislature by January 1, 2010.

11 New Sec. 2. (a) There is hereby created in the state treasury the Kansas  
12 drinking water protection initiative fund. All moneys received or collected  
13 by the director of taxation for fees assessed as provided in section 1, and  
14 amendments thereto, shall be remitted to the state treasurer, in accord-  
15 ance with the provisions of K.S.A. 75-4215, and amendments thereto.  
16 Upon receipt of the remittance, the state treasurer shall deposit the entire  
17 amount in the state treasury and credit it to the Kansas drinking water  
18 protection initiative fund.

19 (b) Moneys in the Kansas drinking water protection initiative fund shall  
20 be expended for projects designated by this act.

21 (c) On or before the 10th of each month, the director of accounts and  
22 reports shall transfer from the state general fund to the Kansas drinking  
23 water protection initiative fund interest earnings based on:

24 (1) The average daily balance of moneys in the Kansas drinking water  
25 protection initiative fund for the preceding month; and

26 (2) the net earnings rate for the pooled money investment portfolio for  
27 the preceding month.

28 (d) All expenditures from the Kansas drinking water protection initia-  
29 tive fund shall be made in accordance with appropriation acts upon war-  
30 rants of the director of accounts and reports issued pursuant to vouchers  
31 approved by the director of the Kansas water office for the purposes set  
32 forth in this section.

33 New Sec. 3. The director of the Kansas water office shall call into  
34 service by January 1, 2009, and utilize, by the year 2032, all storage space  
35 purchased in the Milford and Perry reservoirs in accordance with the  
36 provisions of the existing contractual agreements between the state of  
37 Kansas and the United States army corps of engineers. Such storage space  
38 shall be used to impound water for present demand, or for anticipated  
39 need for municipal and industrial water supply and for recreation and  
40 other beneficial uses. The director of the Kansas water office shall have  
41 the right to withdraw water from these reservoirs, or to request releases  
42 to be made by the United States army corps of engineers, subject to the  
43 provisions of such contractual agreements. The director shall also have

1 the right to construct all such works, plants, pipelines and appurtenances  
2 as may be necessary and convenient for the purpose of diversion or with-  
3 draws, subject to the provisions of such contractual agreements.

4 New Sec. 4. (a) The director of the Kansas water office may assist in  
5 the funding and implementation of the Wichita aquifer storage and re-  
6 covery project which shall be a part of the city of Wichita's integrated  
7 local water supply plan.

8 (b) The state of Kansas, in partnership with the city of Wichita and the  
9 federal government, shall assist with the operation, maintenance and re-  
10 placement of the Wichita aquifer storage and recovery project. The Wich-  
11 ita aquifer storage and recovery project shall be operated in accordance  
12 with applicable regulations adopted by the city of Wichita. The director  
13 of the Kansas water office may also adopt rules and regulations necessary  
14 to implement the project.

15 (c) The director of the Kansas water office may enter into, or agree to  
16 amendments of, cooperative agreements and other appropriate agree-  
17 ments to carry out the provisions of this section.

18 (d) Before obligating funds for design or construction under the pro-  
19 visions of this section, the director of the Kansas water office shall work  
20 cooperatively with the city of Wichita to use, to the extent possible, plans,  
21 designs and engineering and environmental analyses that have been pre-  
22 pared by the city for the Wichita aquifer storage and recovery project.  
23 The director of the Kansas water office shall assure that such information  
24 is used consistent with applicable federal laws and regulations.

25 New Sec. 5.

26 KANSAS WATER OFFICE

27 There is appropriated for the above agency from the state water plan  
28 fund for the fiscal year or years specified, the following:

29	Secure storage in Milford and Perry reservoirs	
30	For the fiscal year ending June 30, 2009.....	\$1,029,981
31	<i>Provided</i> , That any unencumbered balance in the secure storage in Mil-	
32	ford and Perry reservoirs account in excess of \$100 as of June 30, 2009,	
33	is hereby reappropriated for fiscal year 2010.	
34	For the fiscal year ending June 30, 2010.....	\$2,059,961
35	Wichita aquifer storage and recovery project	
36	For the fiscal year ending June 30, 2009.....	\$500,000
37	<i>Provided</i> , That any unencumbered balance in the Wichita aquifer storage	
38	and recovery project account in excess of \$100 as of June 30, 2009, is	
39	hereby reappropriated for fiscal year 2010.	
40	For the fiscal year ending June 30, 2010.....	\$1,000,000
41	Non-potable water research	
42	For the fiscal year ending June 30, 2009.....	\$100,000
43	<i>Provided</i> , That any unencumbered balance in the non-potable water re-	

1 search account in excess of \$100 as of June 30, 2009, is hereby reappro-  
2 priated for fiscal year 2010.

3 For the fiscal year ending June 30, 2010..... \$200,000

4 Federal reservoir siltation studies

5 For the fiscal year ending June 30, 2009..... \$262,956

6 *Provided*, That any unencumbered balance in the federal reservoir siltation  
7 studies account in excess of \$100 as of June 30, 2009, is hereby  
8 reappropriated for fiscal year 2010.

9 For the fiscal year ending June 30, 2009..... \$525,911

10 Sec. 6. K.S.A. 76-338 is hereby amended to read as follows: 76-338. (a)

11 The university of Kansas is hereby authorized to operate the state bio-  
12 logical survey in order to determine the character, location, and supply  
13 of animals and plants, especially native animals and plants of economic  
14 and educational importance. The survey shall publish necessary reports  
15 on its findings, and receive, hold, develop, and administer lands and prop-  
16 erty needed by the state of Kansas for the study, preservation, or use of  
17 native animals and plant resources. ~~Said~~ The survey is further authorized  
18 to enter into agreements with any agency of the federal government rel-  
19 ative to administration of lands no longer needed by the federal govern-  
20 ment, and to accept grants of money appropriated for research and rel-  
21 ated purposes from the federal government; and to accept any state  
22 moneys or any gifts or donations made available.

23 (b) *In addition to any other requirement of law, the Kansas biological*  
24 *survey, in cooperation with Kansas state univeristy's department of re-*  
25 *search and extension and Fort Hays state university shall:*

26 (1) *Identify potential amounts of water in the Dakota aquifer and other*  
27 *non-potable waters that can be productively treated, cost estimates for*  
28 *such treatment, potential locations of these other treatable waters and any*  
29 *other matters deemed appropriate;*

30 (2) *identify water discharged from municipal and industrial processes*  
31 *and the potential for productive reuse of such waters; and*

32 (3) *report any related policy recommendations to the governor and*  
33 *legislature by January 1, 2010.*

34 (c) *The survey, in partnership with the state conservation commission,*  
35 *shall research and invest in opportunities to secure increased federal fund-*  
36 *ing for sustaining reservoirs by addressing the siltation rates of reservoirs*  
37 *in northeast Kansas. State funding shall be expended on projects to ad-*  
38 *dress the causes and effects of siltation in the reservoirs.*

39 Sec. 7. K.S.A. 76-338 is hereby repealed.

40 Sec. 8. This act shall take effect and be in force on and after January  
41 1, 2009, and after its publication in the statute book.