

SESSION OF 2005

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2400

As Amended by House Committee on
Environment

Brief*

HB 2400 would establish an irrigation transition assistance program to be administered by the State Conservation Commission (SCC). The purpose of the program is to issue grants for the purchase of privately owned water rights. The program would expire three years from the effective date of the first fiscal year for which moneys are appropriated.

The SCC could receive and expend moneys from the federal government or any public or private source for the purpose of carrying out the provisions of the bill. The SCC would be required to adopt rules and regulations as necessary for the administration of the program. Rules and regulations in existence on April 1, 2005, would continue to be effective and be deemed duly adopted rules and regulations of the SCC until revised, amended, revoked, or nullified.

Under the bill, the SCC would be prohibited from requiring, as a condition of participation in the program, that land transitioned to dry land under the program not be irrigated under any other water right from any water source.

The bill would provide that the water rights returned through participation in the irrigation transition assistance program be permanently dismissed by the Chief Engineer of the Division of Water Resources of the Kansas Department of Agriculture.

Background

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

At the hearing on the bill, proponents included representatives of the State Conservation Commission, the Kansas Department of Agriculture, the Kansas Water Office, the Kansas Livestock Association, the Kansas Farm Bureau, and Groundwater Management District # 4.

The conferee from the SCC explained that the irrigation transition assistance program (ITAP) originated from ideas and input from western Kansas irrigators who were concerned about the future of irrigated agriculture in areas of significant decline. The conferee noted that there had been a provision in last year's appropriation bill which required the agency to promulgate rules and regulations for the ITAP. The conferee also noted that approximately \$1.3 million has been requested from the State Water Plan Fund for funding for ITAP in FY 2006.

Opponents to the bill included representatives of the Kansas Grain and Feed Association/Kansas Agribusiness Retailers Association, and the Kansas Cooperative Council. These conferees noted that this type of program will have an impact on the local economy and the local tax base and that these issues need to be considered.

The House Committee on Environment amended the bill to:

- ! Delete the sections of law which were proposed for amendment and under current law establish the cost-share program for water right retirement (therefore, the cost-share program would be retained);
- ! Clarify that the grants would be used for purchase of "water rights" and not "lands";
- ! Provide for a three-year expiration of the program once funding begins;
- ! Clarify that rules and regulations of the SCC in existence on April 1, 2005, would continue to be in effect;
- ! Clarify that water rights returned through participation in the program be permanently dismissed by the Chief Engineer; and

- ! Specify that the SCC not require that lands transitioned to dry land under the program be prohibited from ever being irrigated from any other water right from any other source.

The fiscal note on the original bill indicates that funding of \$1.3 million is included in the Governor's budget for the grants. It also states that both the Division of Water Resources of the Department of Agriculture and the State Conservation Commission indicate that 1.0 FTE position would be needed to implement the program. The SCC estimates the annual salary of a Program Coordinator to be \$47,000 and annual operating expenses to be \$19,000, for a total of \$66,000 from the State General Fund.