

HOUSE BILL No. 2658

By Committee on Agriculture and Natural Resources

1-23

9 AN ACT concerning sustainability of certain reservoirs; imposing certain
10 fees and surcharges.

11

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

13 Section 1. (a) There is hereby created in the state treasury the Kan-
14 sas reservoir sustainability fund. On and after July 1, 2008, there is hereby
15 imposed a reservoir sustainability fee at the rate of:

16 (1) \$.05 per 1,000 gallons of water sold at retail by a public water
17 supply system and delivered through mains, lines or pipes;

18 (2) subject to the provisions of subsection (c), \$.05 per 1,000 gallons
19 of water appropriated for industrial use pursuant to a permit, including
20 water sold to water assurance districts;

21 (3) a \$5 surcharge for annual boat licensing; a \$2 surcharge on annual
22 state park permits; a \$.50 surcharge on daily state park permits; and a
23 surcharge of \$.20 per \$1,000 surcharge for insurance coverage against
24 flood damage; and

25 (4) \$12 per acre foot of water used by a holder of water rights in
26 water in a reservoir managed by the United States army corp of engineers
27 or the United States bureau of reclamation or by a holder of water rights
28 in water downstream from such reservoir.

29 (b) As used in this section, "industrial use" has the meaning provided
30 by rules and regulations of the chief engineer of the division of water
31 resources of the Kansas department of agriculture and the determination
32 of gallons used shall be based upon figures supplied to the secretary of
33 revenue by the division of water resources.

34 (c) The fees imposed by subsections (a)(2) shall be based on the ac-
35 tual amount used for industrial use during the preceding calendar year
36 as reported to the chief engineer of the division of water resources of the
37 Kansas department of agriculture in accordance with the provisions of
38 K.S.A. 82a-732, and amendments thereto.

39 (d) The fee imposed by subsection (a)(1) shall be paid quarterly by
40 the public water supplier and shall be transmitted to the department of
41 revenue not later than 45 days following the end of each quarter. The
42 public water supplier may collect the fee directly from each consumer to
43 which water is sold at retail or may pay the amount owed to the depart-

1 ment from moneys in its operating or other fund available for that pur-
2 pose. The fees imposed by subsection (a)(2) shall be paid quarterly by
3 the owner of the permit and shall be transmitted to the department of
4 revenue not later than 45 days following the end of each quarter. If any
5 retailer or permit owner fails to pay the fee required to be collected and
6 paid under this section, there shall be added, to the unpaid balance of
7 the fee, penalty and interest as prescribed under K.S.A. 79-3615, and
8 amendments thereto, for the late payment of sales tax. The fees imposed
9 by subsection (a)(3) shall be paid to the department of wildlife and parks
10 at the time the boating license or park permit is issued. The insurance
11 coverage surcharge should be paid through the insurer at the time of
12 collection of premiums.

13 (e) The director of taxation shall administer, enforce and collect the
14 fees imposed by subsections (a)(1) and (a)(2) of this section. All laws and
15 rules and regulations of the secretary relating to the administration, en-
16 forcement and collection of the retailers' sales tax shall apply to such fee
17 insofar as they can be made applicable, and the secretary shall adopt such
18 additional rules and regulations as necessary for the efficient and effective
19 administration, enforcement and collection thereof.

20 (f) There shall be a three year moratorium on increasing such fees.
21 After the expiration of the three year moratorium, the director of the
22 Kansas water office may change the fee payments based on projected
23 costs of upcoming approved projects. The director may only increase the
24 state park permit surcharge and boating license surcharge after consul-
25 tation with the Kansas department of wildlife and parks, with such in-
26 creases subject to any necessary legislative approval. The director may
27 only increase the flood damage insurance coverage surcharge after con-
28 sultation with the Kansas insurance department, with such increases sub-
29 ject to any necessary legislative approval.

30 (g) The director of taxation, the department of wildlife and parks and
31 insurers shall remit all moneys collected from fees imposed pursuant to
32 this section to the state treasurer in accordance with the provisions of
33 K.S.A. 75-4215, and amendments thereto. Upon receipt of each such
34 remittance, the state treasurer shall deposit the entire amount in the state
35 treasury to the credit of the state water plan fund created by K.S.A. 82a-
36 951, and amendments thereto. The director of the Kansas water office
37 shall expend funds subject to the recommendations and approval of the
38 Kansas water authority, with such expenditures subject to any necessary
39 legislative approval.

40 (h) Moneys credited to the Kansas reservoir sustainability fund shall
41 be used for the following purposes:

42 (1) To establish a program to eliminate releases of water from Kansas
43 reservoirs by the United States army corp of engineers;

1 (2) to monitor water storage capacity and water quality in state
2 reservoirs;

3 (3) to ensure the sustainability of each reservoir's operational capacity
4 by controlling and managing sediment deposits that adversely affect water
5 storage capacity, drinking water quality and recreational opportunities.
6 Each reservoir's operational capacity shall be measured by sustainability
7 levels deemed scientifically and fiscally responsible by the Kansas water
8 office and the Kansas water authority; and

9 (4) to encourage participation in upstream conservation and water
10 management programs developed by the Kansas state conservation
11 commission.

12 (i) Other duties of the director of the Kansas water office regarding
13 the management of the Kansas reservoir sustainability fund shall include:

14 (1) The submission of an annual report regarding the suitability of
15 drinking water supplies in reservoirs controlled or managed by the United
16 States army corp of engineers and the United States bureau of reclama-
17 tion. Such report shall be made to the Kansas water authority, the gov-
18 ernor and the legislature before the end of each fiscal year; and

19 (2) the submission of an annual report assessing the impact that the
20 state's reservoirs have on ground water supplies. The director shall col-
21 laborate with the Kansas geological survey, Kansas biological survey,
22 United States army corp of engineers, United States bureau of reclama-
23 tion and United States geological survey. Such report shall be made to
24 the governor and the legislature before the end of each fiscal year.

25 (j) All expenditures from the Kansas reservoir sustainability fund shall
26 be made in accordance with appropriation acts upon warrants of the di-
27 rector of accounts and reports issued pursuant to vouchers approved by
28 the director of the Kansas water office or by a person designated by the
29 director.

30 Sec. 2. This act shall take effect and be in force from and after its
31 publication in the statute book.