

Approved Thomas F. Walker  
Date 3/19/87

MINUTES OF THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION

The meeting was called to order by Representative Thomas F. Walker at  
Chairperson

9:00 a.m./p.m. on March 18, 1987 in room 522-S of the Capitol.

All members were present except:

Representative Peterson

Committee staff present:

Avis Swartzman - Revisor  
Carolyn Rampey - Legislative Research  
Lynn Holt - Legislative Research  
Jackie Brey Meyer - Secretary

Conferees appearing before the committee:

Arden Ensley - Revisor of Statutes

The meeting of the House Governmental Organization Committee was called to order by Representative Thomas F. Walker, Chairman. He stated the minutes would stand approved at the end of the meeting if there were no corrections or additions. He introduced Arden Ensley, Revisor of Statutes, who was present to give clarification on Senate Bills 324, 327 and 328.

Mr. Ensley started with SB 324. This bill, which amends K.S.A. 74-4702 had the same section amended twice in the 1986 session of the legislature. There were two versions published in the statute books. SB 324 will amend the first version of the appropriate section by including the changes appearing in the second version and the second version will be repealed. (See Attachment 1)

SB 327 repeals K.S.A. 55-711a. This section was amended twice in the 1986 section. The first version of the section in question included all the changes appearing in the second version so the second version can be repealed. (See Attachment 2)

SB 328 repeals K.S.A. 55-609c which was amended twice in the 1986 session of the legislature. The first version included all of the changes appearing in the second version. The second version will stand and duplicate changes in the first version will be repealed. (See Attachment 3)

Mr. Ensley said there were over 950 bills introduced and sometimes duplications occur. All bills that pass both houses and are signed by the Governor become law and the duplications become law also. It is not wise to try to remove a version that will duplicate another in a bill because that legislation may not pass.

The chairman thanked Mr. Ensley and asked for action on the bills. Vice Chairperson Hassler moved that SB 324, SB 327 and SB 328 be passed out favorably and placed on the Consent Calendar. Representative Ramirez gave a second to the motion. The motion carried.

The committee turned its attention to SB 89 and SB 90; continuing in existence the office of state librarian and state library.

Discussion began concerning the raising of issues about the transfer of funds. Several questions had been raised about how the funding works. Answers were needed regarding the interlibrary fund.

Duane Johnson, State Librarian, answered several questions about the library budget and how funds could not be shifted from one area to another. If funds could be shifted from one area to another, services would not be disrupted and programs could be better handled.

Lynn Holt explained how the line items in the State General Fund work and how some agencies budgets are written in different ways. Mill levys were discussed as to how this would help the situation in the various areas. What the Library Board is allowed to do was also discussed.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION

room 522-S, Statehouse, at 9:00 a.m./p.m. on March 18, 1987

Representative Graeber moved to pass out SB 89 and SB 90 favorably.  
Representative Harder gave a second to the motion. The motion carried.

Chairman Walker appointed a Subcommittee Chaired by Vice-Chairperson Hassler to work on further library legislation. Serving on the committee will be Representatives Bowden, Graeber, Sebelius and Weimer.

One of the committee members commented on several libraries being in close proximity in his area. If these libraries could be consolidated in some way, it would be to the benefit of the area. Another member commented he hoped there would be no mandated legislation concerning the issue of consolidating libraries. Several members were of the opinion that this topic would be a good one for interim study.

The Chairman commented that the K-BITS audit is about done. More information on this will be given later.

The meeting was adjourned.



## SENATE BILL No. 324

By Committee on Judiciary

2-24

0017 AN ACT concerning the purchase of property insurance by state  
0018 agencies; amending K.S.A. 1986 Supp. 74-4702 and repealing  
0019 the existing section and also repealing K.S.A. 1986 Supp.  
0020 74-4702a.

0021 *Be it enacted by the Legislature of the State of Kansas:*

0022 Section 1. K.S.A. 1986 Supp. 74-4702 is hereby amended to  
0023 read as follows: 74-4702. No state agency shall purchase or carry  
0024 insurance on any property owned by the state agency or the state  
0025 except as expressly and specifically authorized by K.S.A. 74-  
0026 4703, 74-4705 and 75-2728 and K.S.A. ~~1985~~ 1986 Supp. 72-4342,  
0027 76-391, 76-747 ~~and~~, 76-748 and ~~K.S.A. 1986 Supp. 72-4342~~ 76-749  
0028 and as required by K.S.A. 74-4707 and amendments to these  
0029 sections.

0030 Sec. 2. K.S.A. 1986 Supp. 74-4702 and 74-4702a are hereby  
0031 repealed.

0032 Sec. 3. This act shall take effect and be in force from and  
0033 after its publication in the statute book.

S.B. 324. The bill amends K.S.A. 74-4702. This section was amended twice in the 1986 session of the legislature. One version appeared as section 3 of chapter 293 and the second as section 2 of chapter 330 of the 1986 Session Laws. Both versions were published in the statute books with the second being renumbered as section 74-4702a. This bill merely amends the first version of the section by including the changes appearing in the second version and repeals such second version.

ATTACHMENT 1  
G.O. COMM.  
3/18/87

nd supervision of  
 or permits and for  
 f the properties of  
 o the provisions of  
 as fish and game  
 nd trapping. Will-  
 he state park and  
 uthority contained  
 eleanor. Fishing,  
 the possession or  
 e requirement of  
 ssion according to  
 permit for fishing,  
 ch areas, but this  
 g the authority or  
 arge for a license  
 d for fishing. The  
 egulations on all  
 as fish and game

n force from and

to sales of renovated  
 nder certain circum-  
 A. 74-4702 and K.S.A.  
 s.

of Kansas:  
 stitute is hereby  
 on a negotiated  
 Kansas technical  
 rchases and such  
 l requirements of

ions therefor, the  
 nce for operation

and testing of completed project aircraft of Kansas technical institute. The insurance may include public liability, physical damage, medical payments and voluntary settlement coverages.

Sec. 3. K.S.A. 74-4702 is hereby amended to read as follows: 74-4702. No state agency shall purchase or carry insurance on any property owned by the state agency or the state except as expressly and specifically authorized by K.S.A. 74-4703, 74-4705 and 75-2728 and K.S.A. 1985 Supp. 76-391, 76-747 and 76-748 and section 2 and as required by K.S.A. 74-4707 and amendments to these sections.

Sec. 4. K.S.A. 1985 Supp. 75-4109 is hereby amended to read as follows: 75-4109. (a) The committee, at least once every three years, shall approve the property and casualty insurance coverages that shall be purchased by each state agency.

(b) The committee shall require that each state agency purchase the insurance coverages prescribed by K.S.A. 74-4703, 74-4705, 74-4707 and 75-2728 and K.S.A. 1985 Supp. 76-391, 76-747 and 76-748 and section 2, and amendments to these sections, and shall prescribe the terms, conditions and amounts of such coverage giving due regard to the operations and requirements of the agencies involved.

(c) The committee shall, in addition to the coverages specified in subsection (b), designate the insurance coverages to be purchased by each state agency that are deemed by the committee to be necessary to protect the state for property of others that may be in the possession or control of such state agencies.

(d) Such coverages as are specified in subsections (b) and (c) may also include coverages on property of the state that are deemed by the committee to be incidental to the basic coverages herein required, and the committee shall prescribe the terms, conditions and amounts of all insurance coverages purchased pursuant to this section. Property of the state board of regents of any university or college which is referred to in subsection (b) may be self-insured as provided under this act.

Sec. 5. K.S.A. 74-4702 and K.S.A. 1985 Supp. 75-4109 are hereby repealed.

Sec. 6. This act shall take effect and be in force from and after its publication in the statute book.

Approved April 22, 1986.

## CHAPTER 330

Senate Bill No. 642

AN ACT concerning state educational institutions under the control and supervision of the state board of regents; authorizing the acquisition of insurance required for participation in study abroad programs; amending K.S.A. 74-4702, 75-4101 and 75-6111 and repealing the existing sections.

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

New Section 1. (a) Within the limits of appropriations therefor, a state educational institution may purchase insurance as required under agreements with institutions of higher education located in other countries in order to permit students and faculty to participate in the study abroad program of the state educational institution. Contracts entered into for such insurance shall not be subject to the competitive bid requirements of K.S.A. 75-3739 and amendments thereto and shall not be subject to the provisions of K.S.A. 74-4702, 75-4101, 75-6111 or 75-6501 to 76-6511, inclusive, and amendments thereto.

(b) As used in this section, "state educational institution" has the meaning ascribed thereto by K.S.A. 76-711 and amendments thereto.

Sec. 2. K.S.A. 74-4702 is hereby amended to read as follows: 74-4702. No state agency shall purchase or carry insurance on any property owned by the state agency or the state except as expressly and specifically authorized by K.S.A. 74-4703, 74-4705 and 75-2728 and K.S.A. 1985 Supp. 76-391, 76-747 and 76-748 and section 1 and as required by K.S.A. 74-4707 and amendments to these sections.

Sec. 3. K.S.A. 75-4101 is hereby amended to read as follows: 75-4101. (a) There is hereby created a committee on surety bonds and insurance, which shall consist of the state treasurer, the attorney general and the commissioner of insurance. The commissioner of insurance shall be the chairperson of the committee and the director of purchases shall be ex officio secretary. The committee shall meet on call of the chairperson and at such other times as the committee shall determine but at least once a month on the second Monday in each month. Meetings shall be held in the office of the commissioner of insurance. The members of the committee shall serve without compensation. The secretary shall be the custodian of all property, records and proceedings of the committee. Except as provided in subsection (b) and in K.S.A. 74-4925 and 74-4927, and amendments thereto, and in K.S.A. 75-6501 to 75-6511, inclusive, and amendments thereto and in section 1, no state agency shall purchase any insurance of any kind or nature or any surety bonds upon state officers or em-

or leases for the exercise of any concession under this subsection shall be published by the authority at least 30 days prior to the bid opening in the Kansas register. Each and every lessee or custodian or anyone authorized to collect such fees, tolls, rentals or charges shall procure a surety bond in an amount fixed by the authority, conditioned upon the performance of their contracts or duties, each such bond to be executed by a surety company authorized to transact business in this state and to be approved by the attorney general and filed in the office of the secretary of state.

(e) To lease park land for development for the use and enjoyment of the public.

(f) To adopt and enforce rules and regulations for the use of state parks and all recreational or cultural facilities under its jurisdiction and control, including regulating the demeanor, actions and activities of persons and the general public while within the park and park facilities which are under the jurisdiction and control of the park and resources authority so as to promote public health, safety and decency; to protect and safeguard the property; to promote the purposes for which the areas were acquired and improved; also, but not limited to, the inspection of boats, the issuance of permits for operation of watercraft of all kinds, the charging and collection of fees for the inspection and operation of such craft, prescribing the type, style, location and equipment of all wharves, docks and anchorages, pavilions, restaurants and other structures or buildings which may be constructed along the shores or upon the water of any body of water or land controlled by the authority, and providing for the licensing, inspection and supervision of the same; and granting and imposing charges for permits and for all commercial uses or purposes to which any of the properties of the authority may be used, subject however, to the provisions of law and the rules and regulations of the Kansas fish and game commission with respect to fishing, hunting and trapping. Willful violation of the rules and regulations of the state park and resources authority adopted pursuant to the authority contained in this section shall constitute a class C misdemeanor. Fishing, hunting, and trapping upon any property under the possession or control of the authority shall be subject to the requirement of licensing by

the Kansas fish and game commission according to law and its regulations and no other license or permit for fishing, hunting or trapping shall be required on such areas, but this provision shall not be construed as preventing the authority or any lessee of the authority from making any charge for a license or permit to use the special facilities provided for fishing. The right to enforce all fish and game laws and regulations on all areas under the authority is reserved to the Kansas fish and game commission.

**History:** L. 1955, ch. 355, § 10; L. 1961, ch. 392, § 1; L. 1963, ch. 409, § 4; L. 1963, ch. 234, § 102; L. 1965, ch. 444, § 1; L. 1967, ch. 424, § 1; L. 1969, ch. 374, § 5; L. 1972, ch. 297, § 1; L. 1977, ch. 270, § 3; L. 1981, ch. 305, § 4; L. 1982, ch. 317, § 1; L. 1983, ch. 274, § 6; L. 1986, ch. 292, § 1; May 15.

#### Article 47.—INSURANCE BY PUBLIC AGENCIES

**74-4702.** Purchase of property insurance by state agencies, when. [See Revisor's Note] No state agency shall purchase or carry insurance on any property owned by the state agency or the state except as expressly and specifically authorized by K.S.A. 74-4703, 74-4705 and 75-2728 and K.S.A. 1985 Supp. 76-391, 76-747 and 76-748 and K.S.A. 1986 Supp. 72-4342 and as required by K.S.A. 74-4707 and amendments to these sections.

**History:** L. 1957, ch. 290, § 2; L. 1963, ch. 411, § 1; L. 1979, ch. 186, § 27; L. 1983, ch. 293, § 1; L. 1985, ch. 253, § 4; L. 1986, ch. 293, § 3; July 1.

**Revisor's Note:**

Section was amended twice in 1986 session, see also 74-4702a.

**74-4702a.** Purchase of property insurance by state agencies, when. [See Revisor's Note] No state agency shall purchase or carry insurance on any property owned by the state agency or the state except as expressly and specifically authorized by K.S.A. 74-4703, 74-4705 and 75-2728 and K.S.A. 1985 Supp. 76-391, 76-747 and 76-748 and K.S.A. 1986 Supp. 76-749 and as required by K.S.A. 74-4707 and amendments to these sections.

**History:** L. 1957, ch. 290, § 2; L. 1963, ch. 411, § 1; L. 1979, ch. 186, § 27; L. 1983, ch. 293, § 1; L. 1985, ch. 253, § 4; L. 1986, ch. 330, § 2; July 1.

**Revisor's Note:**  
Section was amended  
74-4702.

#### Article 49. RETI KANSAS PUBLI

**74-4902.**  
74-4901 to 74  
ments thereto  
phrases have  
spectively asc  
ferent meanin  
context:

(1) "Accumulation of all contributions into a system which is maintained on an account, with

(2) "Acts,"

(3) "Actual benefit of equity contributions, computed upon tables in use

(4) "Actual tables approved by the authority at any given time

(5) "Actual tables employed by the authority at any given time

(6) "Agent" by each party to whom system of contribution are directed

(7) "Beneficiaries" persons or estates which do not receive any benefit under the act. Except as provided in section (33) of this act, the named beneficiary of a member's death shall be the member's surviving member's dependent or the member's children; (D) the member's parent or parents if the member has no surviving member as specified in this act; (E) the member's estate if no full discharge

**SENATE BILL No. 327**

By Committee on Judiciary

2-24

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0017 AN ACT repealing K.S.A. 1986 Supp. 55-711a, relating to the  
0018 assessment of costs of administering K.S.A. 55-701 to 55-713.

0019 *Be it enacted by the Legislature of the State of Kansas:*

0020 Section 1. K.S.A. 1986 Supp. 55-711a is hereby repealed.

0021 Sec. 2. This act shall take effect and be in force from and  
0022 after its publication in the statute book.

S.B. 327 repeals K.S.A. 55-711a. This section was amended twice in the 1986 session of the legislature with the first appearing as section 40 of chapter 201 and the second version appearing as section 4 of chapter 202 of the 1986 Session Laws. The first version of this section included all of the changes appearing in the second version and, therefore, the second version which was published in the statute book as section 55-711a is a duplication and may be repealed.

ATTACHMENT 2  
G.O. COMM.  
3/18/87



state treasury the conser-  
 to the conservation fee  
 corporation commission in  
 55-128 to 55-142, inclu-  
 ve, 55-701 to 55-713, in-  
 5-1206, inclusive, and all  
 or supplemental to any of  
 section (a)(2)(A) of K.S.A.  
 sections 24 to 36, inclu-  
 the conservation fee fund  
 appropriation acts upon war-  
 reports issued pursuant to  
 of the state corporation  
 designated by the chair-  
 with the approval of the  
 ll formulate a system of  
 he money credited to the  
 statute section.

commission determines  
 neys credited to the con-  
 fiscal year is more than  
 n to the amount of reve-  
 e ensuing fiscal year and  
 e in the fund at the end of  
 sion shall proportionally  
 ch are charged, taxed or  
 rized or required by law,  
 nts prescribed by statute  
 , and which are collected  
 ervation fee fund, in order  
 balance in the fund to an  
 of determining an appro-  
 nservation fee fund at the  
 , 1987, an unencumbered  
 ll be deemed to be more

ion commission and the  
 ironment shall enter into  
 necessary to carry out the  
 um of understanding shall  
 edures addressing the fol-  
 s resulting from oil and gas  
 ing pit fluid and mud; (c)  
 oblems; and (d) utilization

by the state corporation commission of the laboratory services of  
 the Kansas department of health and environment.

Sec. 39. K.S.A. 55-609, as amended by section 4 of 1986  
 House Bill No. 3069, is hereby amended to read as follows:  
 55-609. (a) *Subject to the provisions of K.S.A. 55-143, and  
 amendments thereto*, the state corporation commission is hereby  
 authorized and directed to tax and assess against the parties  
 involved in any hearing or application *all or any part of* the costs  
 incurred therein and also, all *or any part of* the costs to the state  
 incurred in making necessary investigations and in enforcing its  
 orders under K.S.A. 55-601 to 55-613, inclusive, and ~~acts  
 amendatory thereof or supplemental amendments thereto~~, and  
 divide such costs among the parties in such proportion as is just  
 and equitable.

(b) The state corporation commission shall remit all moneys  
 received by or for it for costs taxed and assessed under this  
 section to the state treasurer at least monthly. Upon receipt of  
 each such remittance, the state treasurer shall deposit the entire  
 amount thereof in the state treasury. Twenty percent of each  
 such deposit shall be credited to the state general fund and the  
 balance shall be credited to the conservation fee fund created by  
 K.S.A. 55-143, and amendments thereto.

(c) Assessments imposed on the basis of a volume measure of  
 production under the authority of this section shall be reported  
 and remitted in the manner provided in section 3 of 1986 House  
 Bill No. 3069.

Sec. 40. K.S.A. 55-711, as amended by section 5 of 1986  
 House Bill No. 3069, is hereby amended to read as follows:  
 55-711. (a) *Subject to the provisions of K.S.A. 55-143, and  
 amendments thereto*, the state corporation commission is hereby  
 directed to tax and assess against the parties involved in any  
 hearing or application *all or any part of* the costs incurred  
 therein, also all *or any part of* the costs to the commission  
 incurred in making the necessary investigations and the en-  
 forcement of its orders under K.S.A. 55-701 to 55-713, inclusive,  
 and ~~acts amendatory thereof or supplemental amendments  
 thereto~~, and divide such costs among the interested parties in  
 such proportion as may be just and equitable.

(b) The state corporation commission shall remit all moneys  
 received by or for it for costs under this section to the state  
 treasurer at least monthly. Upon receipt of each such remittance,  
 the state treasurer shall deposit the entire amount thereof in the  
 state treasury. Twenty percent of each such deposit shall be  
 credited to the state general fund and the balance shall be

credited to the conservation fee fund created by K.S.A. 55-143, and amendments thereto.

(c) Assessments imposed on the basis of a volume measure of production under the authority of this section shall be reported and remitted in the manner provided in section 3 of 1986 House Bill No. 3069.

Sec. 41. K.S.A. 55-121, 55-128c, 55-128d, 55-129, 55-131, as amended by section 1 of 1986 House Bill No. 3136, 55-132a, 55-132b, 55-139, 55-140a, 55-140b, 55-141, 55-141a, 55-142, 55-143, as amended by section 2 of 1986 House Bill No. 3136, 55-150, 55-151, 55-152, 55-155, 55-158, 55-159, 55-160, 55-161, 55-162, 55-164, 55-609, as amended by section 4 of 1986 House Bill No. 3069, 55-711, as amended by section 5 of 1986 House Bill No. 3069, 55-901, as amended by section 5 of 1986 House Bill No. 3136, 55-903, 55-904, 55-1003, 55-1004, 55-1006 and 65-171d, as amended by section 6 of 1986 House Bill No. 3069, and K.S.A. 1985 Supp. 55-140 are hereby repealed.

Sec. 42. This act shall take effect and be in force from and after its publication in the statute book.

Approved May 8, 1986.

CHAPTER 202

House Bill No. 3136

(Amended by Chapter 201)

AN ACT concerning the conservation fee fund of the state corporation commission; relating to revenues and the unencumbered ending balance in such fund for each fiscal year; amending K.S.A. 55-131, 55-143, 55-609, 55-711, 55-901 and 55-1204 and repealing the existing sections.

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

Section 1. K.S.A. 55-131 is hereby amended to read as follows: 55-131. (a) Subject to the provisions of K.S.A. 55-143 and amendments thereto, the commission shall assess operators or their designated agent agents for all or part of the actual costs and expenses incurred in the supervision, administration, inspection, investigation and enforcement of this act and the rules and regulations adopted pursuant to this act in a fair and equitable manner.

(b) The commission shall remit all moneys received by or for it for costs or expenses under this section to the state treasurer at least monthly. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount thereof in the state treasury. Twenty percent of each such deposit shall be credited

to the state general fund and conservation fee fund create thereto.

Sec. 2. K.S.A. 55-143 is 55-143. (a) There is hereby conservation fee fund. All vation fee fund shall be t commission in administering 55-142, inclusive, 55-161, 55-713, inclusive, 55-901 and 55-1206, inclusive, and all utes or supplemental to ar from the conservation fee f appropriation acts upon wa reports issued pursuant to v of the state corporation co designated by the chairp with the approval of the c formulate a system of acco money credited to the con statute.

(b) On the effective de and reports shall transfer fund; the oil well pluggin g fund and the natur conservation fee fund crea the oil proration fees fun abandoned well plugging fee fund are hereby abol ished by this section are h fund created by this see commission determines moneys credited to the fiscal year is more than r to the amount of revenu ensuing fiscal year and c in the fund at the end of shall proportionally redi charged, taxed or assess required by law, other prescribed by statute o and which are collecte conservation fee fund, i ending balance in the fu

*purposes of determining an appropriate unencumbered balance in the conservation fee fund at the end of the fiscal year ending June 30, 1987, an unencumbered balance of more than \$1,000,000 shall be deemed to be more than necessary.*

Sec. 3. K.S.A. 55-609 is hereby amended to read as follows: 55-609. (a) *Subject to the provisions of K.S.A. 55-143 and amendments thereto*, the state corporation commission is hereby authorized and directed to tax and assess against the parties involved in any hearing or application, *all or any part of the costs incurred therein and also, all or any part of the costs to the state incurred in making necessary investigations and in enforcing its orders under K.S.A. 55-601 to 55-613, inclusive, and acts amendatory thereof or supplemental thereto, and divide such costs among the parties in such proportion as is just and equitable.*

(b) The state corporation commission shall remit all moneys received by or for it for costs taxed and assessed under this section to the state treasurer at least monthly. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount thereof in the state treasury. Twenty percent (~~20%~~) of each such deposit shall be credited to the state general fund and the balance shall be credited to the conservation fee fund created by K.S.A. 55-143 and amendments thereto.

Sec. 4. K.S.A. 55-711 is hereby amended to read as follows: 55-711. (a) *Subject to the provisions of K.S.A. 55-143 and amendments thereto*, the state corporation commission is hereby directed to tax and assess against the parties involved in any hearing or application *all or any part of the costs incurred therein, also all or any part of the costs to the commission incurred in making the necessary investigations and the enforcement of its orders under K.S.A. 55-701 to 55-713, inclusive, and acts amendatory thereof or supplemental thereto, and divide such costs among the interested parties in such proportion as may be just and equitable.*

(b) The state corporation commission shall remit all moneys received by or for it for costs under this section to the state treasurer at least monthly. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount thereof in the state treasury. Twenty percent (~~20%~~) of each such deposit shall be credited to the state general fund and the balance shall be credited to the conservation fee fund created by K.S.A. 55-143 and amendments thereto.

Sec. 5. K.S.A. 55-901 is hereby amended to read as follows: 55-901. (a) The owner or operator of any oil or gas well which

may be producing and containing minerals in an to return ~~said~~ such water: waters may have been p: contains or had previous: taining minerals in an ap: ator of such well makes: ration commission for a: has been granted him: investigation by the sta:

(b) The state corpor: adopt such rules and reg: so carry out the provisio: acts amendatory thereo:

(c) *Subject to the p: ments thereto*, the sta: ~~directed to~~ shall assess: incurred under the pro: and acts amendatory th:

(d) The state corpor: received by or for it fo: state treasurer at leas: remittance, the state t: thereof in the state trea: deposit shall be cred: balance shall be credit: K.S.A. 55-143 and am:

Sec. 6. K.S.A. 55-1: 55-1204. (a) Any natura: right of eminent dom: ground storage of nat: the filing of its petiti: commission a certifica:

(1) That the under: acquired is suitable f: and that its use for su:

(2) the amount of: remaining therein.

(b) The commissi: public hearing is had: to interested parties. and amendments the: and is to pay an amo



## SENATE BILL No. 328

By Committee on Judiciary

2-24

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0017 AN ACT repealing K.S.A. 1986 Supp. 55-609c, relating to the  
0018 assessment of costs of administering K.S.A. 55-601 to 55-613.

0019 *Be it enacted by the Legislature of the State of Kansas:*

0020 Section 1. K.S.A. 1986 Supp. 55-609c is hereby repealed.

0021 Sec. 2. This act shall take effect and be in force from and  
0022 after its publication in the statute book.

S.B. 328 repeals K.S.A. 55-609c. This section was amended twice in the 1986 session of the legislature with the first version appearing as section 39 of chapter 201 and the second appearing as section 3 of chapter 202 of the 1986 Session Laws. The first version included all of the changes appearing in the second version. The second version when appearing in the K.S.A. was numbered 55-609c and duplicates changes appearing in the first version and may be repealed.

treasury the conser-  
 ve conservation fee  
 ition commission in  
 28 to 55-142, inclu-  
 5-701 to 55-713, in-  
 6, inclusive, and all  
 plemental to any of  
 n (a)(2)(A) of K.S.A.  
 ions 24 to 36, inclu-  
 nservation fee fund  
 tion acts upon war-  
 issued pursuant to  
 ne state corporation  
 gated by the chair-  
 the approval of the  
 mulate a system of  
 oney credited to the  
 te section.

mission determines  
 credited to the con-  
 year is more than  
 he amount of reve-  
 uing fiscal year and  
 e fund at the end of  
 shall proportionally  
 e charged, taxed or  
 or required by law,  
 rescribed by statute  
 which are collected  
 on fee fund, in order  
 ce in the fund to an  
 termining an appro-  
 ation fee fund at the  
 , an unencumbered  
 deemed to be more

ommission and the  
 ent shall enter into  
 ary to carry out the  
 understanding shall  
 addressing the fol-  
 lowing from oil and gas  
 t fluid and mud; (c)  
 s; and (d) utilization

by the state corporation commission of the laboratory services of  
 the Kansas department of health and environment.

Sec. 39. K.S.A. 55-609, as amended by section 4 of 1986  
 House Bill No. 3069, is hereby amended to read as follows:  
 55-609. (a) *Subject to the provisions of K.S.A. 55-143, and  
 amendments thereto*, the state corporation commission is hereby  
 authorized and directed to tax and assess against the parties  
 involved in any hearing or application *all or any part of* the costs  
 incurred therein and also, all *or any part of* the costs to the state  
 incurred in making necessary investigations and in enforcing its  
 orders under K.S.A. 55-601 to 55-613, inclusive, and ~~acts  
 amendatory thereof or supplemental amendments~~ thereto, and  
 divide such costs among the parties in such proportion as is just  
 and equitable.

(b) The state corporation commission shall remit all moneys  
 received by or for it for costs taxed and assessed under this  
 section to the state treasurer at least monthly. Upon receipt of  
 each such remittance, the state treasurer shall deposit the entire  
 amount thereof in the state treasury. Twenty percent of each  
 such deposit shall be credited to the state general fund and the  
 balance shall be credited to the conservation fee fund created by  
 K.S.A. 55-143, and amendments thereto.

(c) Assessments imposed on the basis of a volume measure of  
 production under the authority of this section shall be reported  
 and remitted in the manner provided in section 3 of 1986 House  
 Bill No. 3069.

Sec. 40. K.S.A. 55-711, as amended by section 5 of 1986  
 House Bill No. 3069, is hereby amended to read as follows:  
 55-711. (a) *Subject to the provisions of K.S.A. 55-143, and  
 amendments thereto*, the state corporation commission is hereby  
 directed to tax and assess against the parties involved in any  
 hearing or application *all or any part of* the costs incurred  
 therein, also all *or any part of* the costs to the commission  
 incurred in making the necessary investigations and the en-  
 forcement of its orders under K.S.A. 55-701 to 55-713, inclusive,  
 and ~~acts amendatory thereof or supplemental amendments~~  
 thereto, and divide such costs among the interested parties in  
 such proportion as may be just and equitable.

(b) The state corporation commission shall remit all moneys  
 received by or for it for costs under this section to the state  
 treasurer at least monthly. Upon receipt of each such remittance,  
 the state treasurer shall deposit the entire amount thereof in the  
 state treasury. Twenty percent of each such deposit shall be  
 credited to the state general fund and the balance shall be

*purposes of determining an appropriate unencumbered balance in the conservation fee fund at the end of the fiscal year ending June 30, 1987, an unencumbered balance of more than \$1,000,000 shall be deemed to be more than necessary.*

Sec. 3. K.S.A. 55-609 is hereby amended to read as follows: 55-609. (a) *Subject to the provisions of K.S.A. 55-143 and amendments thereto*, the state corporation commission is hereby authorized and directed to tax and assess against the parties involved in any hearing or application, *all or any part of the costs incurred therein and also, all or any part of the costs to the state incurred in making necessary investigations and in enforcing its orders under K.S.A. 55-601 to 55-613, inclusive, and acts amendatory thereof or supplemental thereto, and divide such costs among the parties in such proportion as is just and equitable.*

(b) The state corporation commission shall remit all moneys received by or for it for costs taxed and assessed under this section to the state treasurer at least monthly. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount thereof in the state treasury. Twenty percent (~~20%~~) of each such deposit shall be credited to the state general fund and the balance shall be credited to the conservation fee fund created by K.S.A. 55-143 and amendments thereto.

Sec. 4. K.S.A. 55-711 is hereby amended to read as follows: 55-711. (a) *Subject to the provisions of K.S.A. 55-143 and amendments thereto*, the state corporation commission is hereby directed to tax and assess against the parties involved in any hearing or application *all or any part of the costs incurred therein, also all or any part of the costs to the commission incurred in making the necessary investigations and the enforcement of its orders under K.S.A. 55-701 to 55-713, inclusive, and acts amendatory thereof or supplemental thereto, and divide such costs among the interested parties in such proportion as may be just and equitable.*

(b) The state corporation commission shall remit all moneys received by or for it for costs under this section to the state treasurer at least monthly. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount thereof in the state treasury. Twenty percent (~~20%~~) of each such deposit shall be credited to the state general fund and the balance shall be credited to the conservation fee fund created by K.S.A. 55-143 and amendments thereto.

Sec. 5. K.S.A. 55-901 is hereby amended to read as follows: 55-901. (a) The owner or operator of any oil or gas well which

may be producing and containing minerals in an aquifer shall be required to return ~~said~~ such water to the surface. If the water contains or had previously contained minerals in an aquifer, the operator of such well makes an application to the state corporation commission for an order authorizing the water to be returned to the surface has been granted ~~him~~ an order authorizing the water to be returned to the surface investigation by the state corporation commission.

(b) The state corporation commission shall adopt such rules and regulations as may be necessary to carry out the provisions of this act amendatory thereof or supplemental thereto.

(c) *Subject to the provisions of K.S.A. 55-143 and amendments thereto*, the state corporation commission is hereby directed to ~~shall~~ assess and collect the costs incurred under the provisions of this act amendatory thereof or supplemental thereto from the applicant.

(d) The state corporation commission shall remit all moneys received by or for it for costs assessed under this section to the state treasurer at least monthly. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount thereof in the state treasury. Twenty percent (~~20%~~) of each such deposit shall be credited to the state general fund and the balance shall be credited to the conservation fee fund created by K.S.A. 55-143 and amendments thereto.

Sec. 6. K.S.A. 55-1204. (a) Any natural gas well having the right of eminent domain over the ground storage of natural gas shall, upon the filing of its petition for an order authorizing the commission a certificate of public convenience and necessity.

(1) That the underground gas storage acquired is suitable for the production and that its use for such purposes is in the public interest and that its use for such purposes is in the public interest.

(2) the amount of gas remaining therein.

(b) The commission shall hold a public hearing is had on the application to interested parties. *Subject to the provisions of K.S.A. 55-143 and amendments thereto, the commission shall and is to pay an amount*

the district court having venue and first acquiring jurisdiction of the matter. Notwithstanding the provisions of K.S.A. 77-622 and amendments thereto, the authority of the court shall be limited to a judgment either affirming or setting aside in whole or in part the agency action.

(b) Before any action for judicial review may be brought by a person who was a party to the proceeding resulting in the agency action, a petition for rehearing shall first be filed with the commission within 10 days from the date of the agency action in question. The rehearing shall be granted or denied by the commission within 10 days from the date the petition is filed and if not granted within 10 days it shall be taken as denied. If a rehearing is granted the matter shall be set for hearing as promptly as convenient and shall be determined by the commission within 30 days after it is submitted.

An action for judicial review may be brought by any person aggrieved by the agency action, whether or not such person was the applicant for rehearing. If no petition for rehearing is filed, any person aggrieved by the agency action who was not a party to the proceeding before the commission may bring an action for judicial review of such agency action.

(c) Any action for review pursuant to this section shall have precedence in any court and on motion shall be advanced over any civil cause of different nature pending in such court. In any such action, a county abstract may be filed by the commission or any other interested party.

**History:** L. 1931, ch. 226, § 6; L. 1939, ch. 227, § 5; L. 1986, ch. 318, § 75; July 1.

#### CASE ANNOTATIONS

24. District court not bound by commission findings of facts; court to make independent findings on review of record. *Robert-Gay Energy Enterprises, Inc. v. Kansas Corporation Comm'n*, 235 K. 951, 955, 685 P.2d 299 (1984).

**55-609.** Assessment of costs of administering 55-601 to 55-613; disposition of moneys. [See Revisor's Note] (a) Subject to the provisions of K.S.A. 55-143, and amendments thereto, the state corporation commission is hereby authorized and directed to tax and assess against the parties involved in any hearing or application all or any part of the costs incurred therein and also, all or any part of the costs to the state incurred in

making necessary investigations and in enforcing its orders under K.S.A. 55-601 to 55-613, inclusive, and amendments thereto, and divide such costs among the parties in such proportion as is just and equitable.

(b) The state corporation commission shall remit all moneys received by or for it for costs taxed and assessed under this section to the state treasurer at least monthly. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount thereof in the state treasury. Twenty percent of each such deposit shall be credited to the state general fund and the balance shall be credited to the conservation fee fund created by K.S.A. 55-143, and amendments thereto.

(c) Assessments imposed on the basis of a volume measure of production under the authority of this section shall be reported and remitted in the manner provided in K.S.A. 1986 Supp. 79-4230.

**History:** L. 1931, ch. 226, § 9; L. 1957, ch. 312, § 2; L. 1971, ch. 187, § 5; L. 1978, ch. 211, § 6; L. 1986, ch. 204, § 4; L. 1986, ch. 201, § 39; July 1.

#### Revisor's Note:

Section was amended twice in 1986 Session, see also 65-609c.

#### Law Review and Bar Journal References:

"Oil and Gas: The Corporation Commission's Role in Evaluating the Prudence of Operations in Statutory Unitization," Richard A. Forster, 24 W.L.J. 191 (1984).

**55-609c.** Assessment of costs of administering 55-601 to 55-613; disposition of moneys. [See Revisor's Note] (a) Subject to the provisions of K.S.A. 55-143 and amendments thereto, the state corporation commission is hereby authorized and directed to tax and assess against the parties involved in any hearing or application, all or any part of the costs incurred therein and also, all or any part of the costs to the state incurred in making necessary investigations and in enforcing its orders under K.S.A. 55-601 to 55-613, inclusive, and acts amendatory thereof or supplemental thereto, and divide such costs among the parties in such proportion as is just and equitable.

(b) The state corporation commission shall remit all moneys received by or for it for costs taxed and assessed under this section to the state treasurer at least monthly. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount thereof in the state treasury.

Twenty percent of each such deposit shall be credited to the state general fund and the balance shall be credited to the conservation fee fund created by K.S.A. 55-143, and amendments thereto.

**History:** L. 1931, ch. 312, § 2; L. 1971, ch. 211, § 6; L. 1978, ch. 211, § 6; L. 1986, ch. 204, § 4; L. 1986, ch. 201, § 39; July 1.

#### 55-611.

Law Review and Bar Journal References: "Oil and Gas: The Corporation Commission's Role in Evaluating the Prudence of Operations in Statutory Unitization," Richard A. Forster, 24 W.L.J. 191 (1984).

**55-613.** Assessment of costs of administering 55-601 to 55-613; disposition of moneys. [See Revisor's Note] (a) Subject to the provisions of K.S.A. 55-143 and amendments thereto, the state corporation commission is hereby authorized and directed to tax and assess against the parties involved in any hearing or application, all or any part of the costs incurred therein and also, all or any part of the costs to the state incurred in making necessary investigations and in enforcing its orders under K.S.A. 55-601 to 55-613, inclusive, and acts amendatory thereof or supplemental thereto, and divide such costs among the parties in such proportion as is just and equitable.

(b) The state corporation commission shall remit all moneys received by or for it for costs taxed and assessed under this section to the state treasurer at least monthly. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount thereof in the state treasury.

#### Article 7 CONSERVATION

**55-703.** Assessment of costs of administering 55-701 to 55-703; disposition of moneys. [See Revisor's Note] (a) Subject to the provisions of K.S.A. 55-143, and amendments thereto, the state corporation commission is hereby authorized and directed to tax and assess against the parties involved in any hearing or application, all or any part of the costs incurred therein and also, all or any part of the costs to the state incurred in making necessary investigations and in enforcing its orders under K.S.A. 55-701 to 55-703, inclusive, and acts amendatory thereof or supplemental thereto, and divide such costs among the parties in such proportion as is just and equitable.