

MINUTES OF THE HOUSE AGRICULTURE AND NATURAL RESOURCES COMMITTEE

The meeting was called to order by Chairman Larry Powell at 3:30 p.m. on February 12, 2009, in Room 783 of the Docking State Office Building.

All members were present.

Committee staff present:

Mike Corrigan, Office of the Revisor of Statutes
Corey Carnahan, Kansas Legislative Research Department
Raney Gilliland, Kansas Legislative Research Department
Pat Matzek, Committee Assistant

Conferees appearing before the Committee:

Steve Lukert, State Representative,
Sharon Schwartz, State Representative
Dr. Ralph Richardson, Dean, College of Veterinary Medicine, Kansas State University
Gary Reser, Executive Vice President, Kansas Veterinary Medical Association

Written Testimony: Tim Stroda, President-CEO, Kansas Pork Association

Others attending:

See attached list.

Vice Chairman Fund introduced Mike Corrigan, Office of the Revisor of Statutes, who gave an explanation on **HB 2213**, stating the veterinary training program provides scholarships for up to five, first-year veterinary students per year, in the amount of \$20,000 per year, for not more than four years for tuition, books, supplies and other school expenses incurred by the student.

No questions were asked.

At the conclusion of the bill explanation, testimony commenced on **HB 2213**.

Hearing on:

HB 2213 - Loan agreements pursuant to the veterinary training program for rural Kansas.

Proponents:

Steve Lukert, State Representative, (Attachment 1) spoke in favor of **HB 2213**, stating two purposes of introducing this bill are; (1) to go back and evaluate a piece of legislation that was passed out of this committee three years ago that became law, and (2), to ask the Committee to evaluate the effectiveness of this legislation and hopefully leave with an improved product. Representative Lukert (Attachment 2) distributed a map of the counties in Kansas which shows 13 counties, highlighted, that by definition are considered underserved.

Questions were asked and comments were made.

Opponents:

Sharon Schwartz, State Representative, (Attachment 3) testified in opposition of **HB 2213**, documenting that if the bill was passed, it would kill a program that today is providing the incentives for students to return to rural Kansas to practice upon their graduation. Representative Schwartz further stated she would recommend the population requirement be omitted from the program.

No questions were asked.

Dr. Ralph Richardson, Dean, College of Veterinary Medicine, Kansas State University, (Attachment 4) spoke in opposition of **HB 2213**, documenting veterinary graduates in the 21st Century are facing unprecedented educational debt. Dr. Richardson also indicated that for participants in the Veterinary Training

CONTINUATION SHEET

Minutes of the House Agriculture And Natural Resources Committee at 3:30 p.m. on February 12, 2009, in Room 783 of the Docking State Office Building.

Program for Rural Kansas, limiting their living choices to a county with 10,000 people or less creates a major disincentive for new graduates. Additionally, changing the pay-back time frame from four to six years only adds to the anxiety and concern that new graduates have about taking their first practice position and will likely reduce the number of future applicants.

Questions were asked and comments were made.

Gary Reser, Executive Vice President, Kansas Veterinary Medical Association, (Attachment 5) presented testimony in opposition of **HB 2213**, stating lowering the maximum population threshold from 35,000 to 10,000 as well as increasing the pay-back period from four to six years, would make the program less attractive to students and jeopardize a program that has only been in place for three years.

No questions were asked.

Written testimony in opposition of HB 2213 provided by:

Tim Stroda, President CEO, Kansas Pork Association, (Attachment 6)

Students from the College of Veterinary Medicine commented on the Veterinary Training Program for Rural Kansas.

At the conclusion of the testimony presentation, Chairman Powell requested Representative Moxley report on **HB 2050**.

Action on:

HB 2050 - Adjusting fees for water rights, applications for term permits for appropriating water.

Copies of Subcommittee Report on **HB 2050** (Attachment 7) and Proposed Substitute for **HB 2050** (Attachment 8) were distributed to members of the Committee.

Representative Moxley made a motion to accept the Subcommittee report on **HB 2050**. Representative Wetta seconded the motion. By unanimous vote of the Committee, the motion was carried.

Representative Johnson made a motion to pass **HB 2050** out. Representative Lukert seconded the motion. By unanimous vote of the Committee, the motion was carried.

Chairman Powell asked the Committee to review meeting minutes dated 1-26, 1-28, 1-29, 2-02, and 2-03.

Representative Wetta made a motion to approve the minutes. Representative Hayzlett seconded the motion. By unanimous vote of the Committee, the motion was carried.

The next meeting is scheduled for February 16, 2009.

The meeting was adjourned at 5:00 p.m.

AG. & NATURAL RESOURCES COMMITTEE GUEST LIST

DATE: 2-12-09

NAME	REPRESENTING
Ralph Richardson	Kansas State Univ Vet Med
Trent Glick	Kansas State Univ. Vet Med
Kyle Berning	Kansas State University Vet Med
CU Cotsoyadin	KDA
SWE PETERSON	K-STATE
Cindy Bontzragen	K-STATE
Ron Seebur	KARA
Rep. Schwartz	

The purpose of this bill is to go back and evaluate a piece of legislation that was passed out of this committee 3 years ago and consequently became law.

This law was passed with the specific purpose of providing large animal veterinary services to areas of the state that have shortages of these services.

The incentive for this outcome was to provide an \$80,000 forgivable loan to five (5) first year veterinary students at the Kansas State School of Veterinary medicine.

There were 2 requirements to be eligible for this program

1. Agree to establish a practice in an "underserved" area of the state
2. Serve 4 years in the area for the full "forgiveness"

Three years ago I had 3 primary objections to the bill that left this committee.

Those objections were:

1. Size amount of forgivable loan \$80,000
2. Length of service required
3. Definition of "underserved" area

I believe in essence we created a \$400,000 annual expenditure that does not achieve its stated purpose.

My purpose of introducing this bill is just to get the committee to evaluate the effectiveness of this legislation and hopefully leave with an improved product.

In the current budgetary climate I don't believe we can afford programs that are not meeting their intended objectives.

At the very least I would hope we would tighten up the underserved area definition.

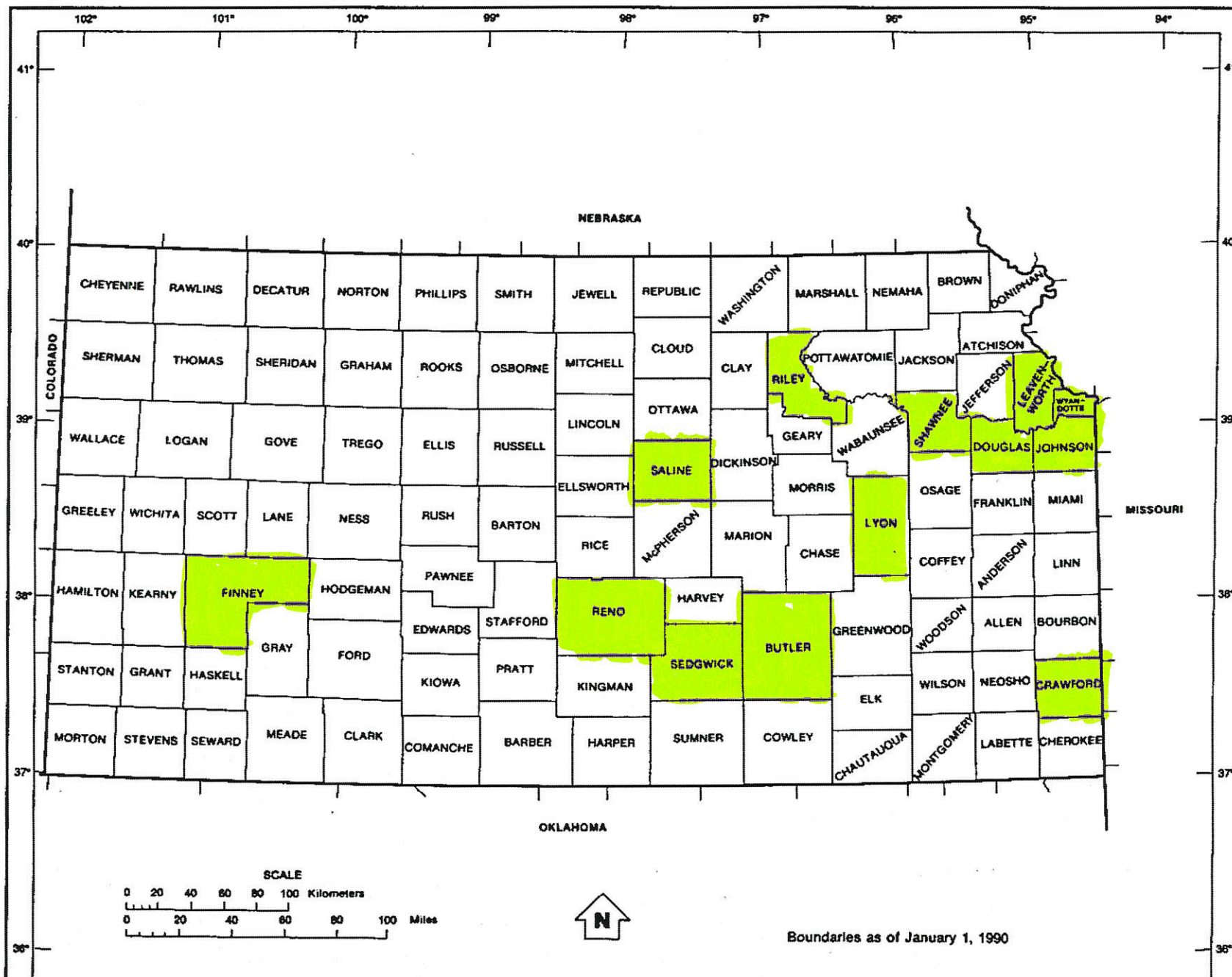
I look to the committee for any amendments that you believe would improve the bill.

U.S. DEPARTMENT OF COMMERCE Economics and Statistics Administration Bureau of the Census
MAPS

KANSAS

Counties

Ag & Natural Resources Committee
Date 2-12-09
Attachment 2



**2010 Kansas Population by County
(July 2007 Estimate)**

Total Kansas Population 2,775,997

County	Population
Greeley County	1,297
Wallace County	1,456
Lane County	1,746
Comanche County	1,888
Hodgeman County	1,971
Clark County	2,094
Stanton County	2,162
Wichita County	2,200
Sheridan County	2,493
Rawlins County	2,558
Graham County	2,607
Logan County	2,628
Hamilton County	2,632
Gove County	2,637
Cheyenne County	2,801
Chase County	2,882
Trego County	2,927
Kiowa County	2,953
Decatur County	2,955
Ness County	2,991
Morton County	3,038
Elk County	3,040
Edwards County	3,106
Jewell County	3,198
Rush County	3,211
Lincoln County	3,285
Woodson County	3,318
Chautauqua County	3,806
Osborne County	3,871
Smith County	3,951
Haskell County	4,032
Kearny County	4,148
Stafford County	4,387
Meade County	4,403
Scott County	4,568
Barber County	4,786
Republic County	4,901
Stevens County	5,061
Rooks County	5,160
Phillips County	5,356
Norton County	5,422
Gray County	5,641
Harper County	5,819
Washington County	5,840
Sherman County	5,959
Morris County	5,967
Ottawa County	6,006
Mitchell County	6,307
Ellsworth County	6,310
Pawnee County	6,415
Russell County	6,737
Wabaunsee County	6,870
Greenwood County	6,993

County	Population
Thomas County	7,314
Grant County	7,497
Doniphan County	7,756
Kingman County	7,826
Anderson County	7,908
Coffey County	8,454
Clay County	8,685
Cloud County	9,382
Pratt County	9,426
Linn County	9,767
Wilson County	9,807
Brown County	10,068
Rice County	10,080
Marshall County	10,186
Nemaha County	10,201
Marion County	12,238
Allen County	13,414
Jackson County	13,420
Bourbon County	14,803
Neosho County	16,228
Osage County	16,459
Atchison County	16,571
Jefferson County	18,467
Dickinson County	18,957
Pottawatomie County	19,396
Cherokee County	21,337
Labette County	21,973
Seward County	23,109
Sumner County	23,888
Geary County	25,150
Franklin County	26,479
Ellis County	27,464
Barton County	27,768
McPherson County	29,196
Miami County	31,078
Ford County	33,340
Harvey County	33,493
Cowley County	34,251
Montgomery County	34,511
Lyon County	35,981
Finney County	38,295
Crawford County	38,860
Saline County	54,583
Butler County	63,045
Reno County	63,145
Riley County	69,083
Leavenworth County	73,603
Douglas County	113,488
Wyandotte County	153,956
Shawnee County	173,476
Sedgwick County	476,026
Johnson County	526,319

STATE OF KANSAS
HOUSE OF REPRESENTATIVES

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CHAIR
Local Government Committee
Select KPERS Committee

Kansas House Agricultural Committee

February 12, 2008

Testimony on HB 2213

I am here to provide testimony in opposition to HB2213. Three years ago, I worked with several students attending Kansas State to develop a program that to provide incentives for persons pursuing a veterinary degree at Kansas State University to locate their veterinary practice in rural Kansas communities. This training was to be targeted to meet the needs of livestock producers and rural Kansas communities.

Through the past several years, I had heard from young veterinarians who have graduated and had hoped to be able to return to rural Kansas to practice. However, they soon realized that because of the overwhelming increases in the cost to obtain their degree and to establish a large animal practice, it was impossible for them to return to the communities in rural Kansas. Their only affordable option was to work with an established small animal practice in an urban area.

The Dr. Ralph Richardson, Dean of the Veterinary College at KSU worked with me to draft this legislation that is similar to a program that Kansas has established to provide incentives to encourage physicians to practice in rural communities.

HB2213 will severely hamper the capacity for a new graduate to make a living. As drafted it will force graduates into sparsely populated regions where even small population centers will have limited capacity to support these graduates and their families with schools, church's , and other community programs to retain the new graduate in the area. It is not just the number of people the in a county that make

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Attachment 3

the practices successful but rather the number of clients. In fact if revisions to the program are made we need to look at those that can improve the program.

I respectfully request you to oppose of HB2213 as I feel it will kill a program that today is providing the incentives for students to return to rural Kansas to practice upon graduation.

Testimony, H.B. 2213
House Committee on Agriculture and Natural Resources
Ralph C. Richardson, DVM, Dean, College of Veterinary Medicine, Kansas State University
February 12, 2009

Chairman Powell, members of the Committee and guests,

My name is Dr. Ralph Richardson. I am the dean of the College of Veterinary Medicine at Kansas State University and responsible for the educational programs associated with the Veterinary Training Program for Rural Kansas (VTPRK). I am here today to tell you about the progress of the program to date, to express my concerns over some changes that are being considered in H.B. 2213, and to answer any questions that you might have about the training program.

There are at least four primary goals for this program. They are to (1) incentivize and prepare students for veterinary practices/small businesses in rural Kansas that are economically sound and that will enhance the economic well-being of rural Kansas, (2) meet the health and productivity needs of the livestock industry in Kansas, (3) provide a trained "ready reserve" for the Kansas Department of Health and Environment and the Kansas Department of Animal Health, and (4) provide a subset of veterinarians in Kansas who have advanced federal training in recognizing and mitigating foreign animal diseases, zoonotic diseases and food safety threats that might arise from an unintentional or intentional introduction of infectious agents to the United States.

A two-page document describing the expected learning outcomes for students in the program is attached. There are 15 students currently participating in the program, five in each of the first three years of our veterinary curriculum. They were selected from an average of 20 applicants per year.

The legislation that created the VTPRK (H.B. 3005, 2006) quickly became the national model for addressing the food animal veterinary needs of rural America. The legislation became the template for developing similar legislation that has now been enacted in Missouri, Nebraska, and numerous other states. It is one of the key features that has drawn national and international attention to Kansas in regards to animal health. It has been referenced in numerous news reports across the country and it is nearly always mentioned by the leadership of the Kansas City Animal Health Corridor as they seek to bring new companies to Kansas. It was touted as an indicator of Kansas' commitment to animal health/disease protection as the National Bio- and Agro- Defense Facility (NBAF) location was being determined. It has caused non-resident students interested in food animal veterinary medicine to apply to our veterinary college.

Veterinary graduates in the 21st Century are facing unprecedented educational debt. They have, on average, been in college for eight years without a means to generate a livable wage. The national average for student debt upon graduation from veterinary college is \$120,000. Kansas State graduates averaged \$118,000 of educational debt at graduation last year. Entry-level salaries for new graduates

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averaged just over \$60,000 per year. Add the costs of starting a new home and perhaps beginning a family and it becomes readily apparent that new graduates are going to make job choices based on being able to service their debt. The forgivable loan portion of the VTPRK legislation allows the graduates of this program to choose to remain in Kansas and serve our rural communities rather than move out of state or choose a higher paying position just to service their debt load.

For participants in the VTPRK, limiting their living choices to a county with 10,000 people or less creates a major disincentive for new graduates. First, there are less existing practices in those counties that would offer employment to a new graduate, not to mention the fact that few new graduates are prepared to establish their own practices due to a lack of experience and business skills. Second, the infrastructure such as schools, churches, hospitals and businesses will likely be less available and retention of a young family in such a setting will be more challenging than in a community with such resources. Third, the location of a practice in a more-populated county does not mean that the animal health, particularly the livestock needs of sparsely-populated counties, won't be met. Today's successful rural practices frequently employ several veterinarians with each one having an expertise that serves a larger geographical region than simply one county. For example, a four-veterinarian practice might have one person serving primarily the cow/calf industry, one serving dairy clients, one serving the swine industry, and one serving companion animal owners. Their practice area would easily span 3-4 counties.

Changing the "pay-back" time frame from four years to six years only adds to the anxiety and concern that a new graduate has about taking their first practice position. This change in the VTPRK will likely reduce the number of future applicants.

The VTPRK is getting off to a great start. There is every indication that it will be successful and that rural Kansas will be better served in the future. Restricting opportunities and adding stipulations to an already rigorous program will, in my opinion, create a formula for failure.

I am happy to respond to any questions you may have.

Veterinary Training Program for Rural Kansas (VTPRK) Student Learning Outcomes:

Students receiving educational loans through the VTPRK will demonstrate:

1. **Knowledge:** demonstrate a thorough knowledge of:
 - the changing human demographics of rural Kansas
 - the veterinary and public health needs of the citizens of rural Kansas
 - livestock biosecurity, foreign animal diseases diagnosis, regulatory veterinary medicine, and zoonotic diseases
2. **Skills:** demonstrate the ability to apply knowledge through critical thinking, inquiry, analysis, and communication necessary to be health care leaders in rural Kansas
3. **Attitudes:** exhibit an awareness of their responsibilities (professional integrity, ethical behavior, ability to work with a diverse group of people, etc.) and professional conduct towards all constituent groups.

The VTPRK student learning outcomes will be accomplished by completion of a variety of approved training experiences in the study of the demographics of rural Kansas, public health, livestock biosecurity, foreign animal disease diagnosis, regulatory veterinary medicine, and the food animal industry.

Examples of approved training experiences include programs with the KSU Center for Engagement and Community Development, Center for Disease Control, The United States Department of Agriculture's (USDA's) Food Safety Inspection Service (FSIS) and Animal and Plant Health Inspection Service (APHIS), the Kansas Department of Health and Environment, the Kansas Animal Health Department, the U. S. Border Patrol, Kansas State Animal Response Team (KS SART), KSU National Agricultural Biosecurity Center, and externships with veterinary practitioners in rural Kansas.

Assessment: VTPRK participants will be assessed based on their experiences while in the program, summary reports of their activities, evaluations of program teachers and mentors, etc.

Draft model program outline for VTPRK participants:

1st summer (between 1st and 2nd year of veterinary curriculum)

each participant is required to enroll in 2 hours of CS 800 (Problems)

- Week 1: Instruction provided by KSU Center for Engagement and Community Development
- Week 2: Instruction provided by Kansas Livestock Commissioner
- Week 3: Instruction provided by Kansas Department of Health
- Week 4: Instruction provided by KSU National Agricultural Biosecurity Center
- Weeks 5 through 8: approved externship with veterinarian in rural Kansas

2nd summer (between 2nd and 3rd year of veterinary curriculum)

- Week 1: Foreign animal disease diagnosis instruction provided by USDA/FSIS
- Week 2: Animal processing instruction provided by FSIS

- Week 3. Border patrol training provided by U. S. Border patrol
- Week 4: Certification regarding natural disasters by KS SARTS
- weeks 5 through 8: Approved externship with veterinarian in rural Kansas

during 4th year of veterinary curriculum

- Completion of CS 800 (Advanced Rural Food Animal Business Management)
- Completion of approved three week externship with practitioner in rural Kansas

additional experiences:

- attendance at appropriate educational courses through time in veterinary curriculum
- visit and orientation to Centers for Disease Control (CDC) in Atlanta, Georgia and the National Animal Disease Center (NADC) in Ames, Iowa, etc.
- enrollment in foreign animal disease courses, public health courses, etc.
- additional individual training

40-af



Testimony
House Agriculture and Natural Resources Committee
Presented by Kansas Veterinary Medical Association
3:30 p.m. Thursday, Feb. 12, 2009

Chairman Powell and members of the House Agriculture and Natural Resources Committee, thank you for the opportunity to appear today on behalf of the Kansas Veterinary Medical Assn. (KVMA) and testify on H.B. 2213, concerning the veterinary training program for rural Kansas.

The KVMA is the professional association for Kansas veterinarians and advocates on behalf of the profession through legislative and regulatory representation and educational, communications, and public awareness programs and activities.

The KVMA respectfully requests that House Agriculture and Natural Resources Committee members vote “no” on H. B. 2213.

Lowering the maximum population threshold for counties qualifying for the veterinary training program for rural Kansas (VTPRK) from 35,000 to 10,000 would make the program less attractive to students entering the K-State College of Veterinary Medicine.

The KVMA receives frequent inquiries from state veterinary medical associations all over the United States about the VTPRK and genuine compliments in regard to the foresight of the Kansas Legislature in enacting the program in 2006. It has become the template for many states hoping to establish a similar progressive approach.

The VTPRK and the national attention it has drawn to Kansas in regard to animal health is often mentioned by the Kansas Animal Health Corridor in attempting to bring new businesses to Kansas. The program was also an indication of the state’s commitment to food animal disease prevention to those determining the site of the new National Bio and Agro Defense Facility.

Programs of this nature have been in place in Kansas for physicians and dentists for a number of years. The popularity of the VTPRK has increased each year and has attracted an average of 20 applicants a year for the five available slots. Please do not change the rules on a program only in its third year.

It would be extremely difficult for graduates of the College to establish a practice, or even make a living, in many of the qualifying counties.

Increasing the time frame for required service from four to six years, a part of H. B. 2213, will also make the program less attractive to freshmen at the College. The states that have contacted the KVMA about establishing similar programs are taking the one year of loans forgiven for every year served approach.

On the flip side, counties under 10,000 will most likely benefit from the program as it was designed and exists, because of more graduates locating to larger, contiguous counties, or more populous counties in close proximity.

Let's not forget, either, that food animal medicine is the chief beneficiary of the program, since graduates have to practice a certain amount in that particular discipline.

Here is another potential benefit of the VTPRK. It has become increasingly difficult the last 10-12 years for Kansas veterinarians hoping to retire to find individuals willing to purchase their practices. It is not unusual for a sale to take four or five years. The program could provide a new group of future practice owners to help fill the void.

The program is far from a one-way street. The students that participate are required to spend six weeks in the summer in voluntary assignments at such places as Plum Island, the Center for Disease Control, the USDA, and the Kansas Animal Health Department. Usually they cover their own room, board, and other expenses.

All of this helps prepare the "best and brightest" of the next generation of veterinarians to reach the VTPRK's goals of enhancing the economy of rural Kansas, protecting the Kansas livestock industry, providing a trained "reserve" for federal and state health agencies, and establishing a group of veterinarians who can battle intentional or unintentional food animal diseases in Kansas.

The current program is included in the Governor's budget recommendations.

Once again, please vote "no" on H. B. 2213.

Respectfully submitted,



Gary Reser
KVMA executive vice president



House Agriculture and Natural Resources

Testimony in opposition to House Bill 2213

By Tim Stroda
President-CEO
Kansas Pork Association

February 12, 2009

Mr. Chairman, members of the Committee, I am Tim Stroda. I represent the members of the Kansas Pork Association.

In 2008, Kansas pork producers sold over 3.2 million head of market hogs, feeder pigs and seed stock with a gross market value over \$405 million. This year, Kansas pork operations will consume nearly 40 million bushels of grain or grain products.

Our operations provide food for the world and a positive economic impact on the state and local economy. One of our partners in this endeavor is our veterinarian. Pork producers rely on veterinarians to provide recommendations on the health and welfare of the animals under our care. This partnership is the first mechanism in our nation's food safety programs.

As we look ahead, the number of veterinarians interested in food animal practices is shrinking. The Veterinary Training Program for Rural Kansas is just on the edge of providing the livestock industry with a new group of veterinarians who are interested in our businesses.

The members of the Kansas Pork Association oppose HB 2213. Our members believe the program should be given time to see if the concept can keep these needed professionals in our state.

We urge you to vote against the measure.

**Subcommittee Report
HB 2050**

The Subcommittee on HB 2050 recommends the following for inclusion in a substitute bill. The following describes the substitute bill as recommended by the Subcommittee.

Term Permit Fees

Until June 30, 2015, the fees for a term permit to appropriate water would be:

0 to 100 acre feet	\$200
101 to 320 acre feet	\$300
More than 320 acre feet	\$300 plus \$20 for each additional 100 acre feet

Also until June 30, 2015, the fees for a term permit to appropriate water for storage would be:

0 to 250 acre feet	\$200
More than 250 acre feet	\$200 plus \$20 for each additional 250 acre feet

After June 30, 2015 and if not addressed by the Legislature, the fees for term permits would revert to the following.

For a term permit to appropriate water:

0 to 100 acre feet	\$100
101 to 320 acre feet	\$150
More than 320 acre feet	\$150 plus \$10 for each additional 100 acre feet

For a term permit to appropriate water for storage:

0 to 250 acre feet	\$100
More than 250 acre feet	\$100 plus 10 for each additional 250 acre feet

Permits to Appropriate Water for Beneficial Use Fees

Until June 30, 2015, the fees for the application for a permit to appropriate water to a beneficial use would be:

0 to 100 acre feet	\$200
101 to 320 acre feet	\$300
More than 320 acre feet	\$300 plus \$20 for each additional 100 acre feet

Also until June 30, 2015, the fees for a permit to appropriate water for storage would be:

0 to 250 acre feet	\$200
More than 250 acre feet	\$200 plus \$20 for each additional 250 acre feet

After June 30, 2015 and if not addressed by the Legislature, the fees for permits to appropriate water to a beneficial use would revert to the following.

For a permit to appropriate water:

0 to 100 acre feet	\$100
101 to 320 acre feet	\$150
More than 320 acre feet	\$150 plus \$10 for each additional 100 acre feet

For a permit to appropriate water for storage:

0 to 250 acre feet	\$100
More than 250 acre feet	\$100 plus 10 for each additional 250 acre feet

Change in Place of Use, Point of Diversion, or Use of Water Fees

Until June 30, 2015, the fees for a change in the point of diversion, place of use, or use of water application would be as follows:

Change a point of diversion 300 feet or less	\$100
Change a point of diversion more than 300 feet	\$200
Change the place of use	\$200
Change the use made of water	\$300

After June 30, 2015 and if not addressed by the Legislature, the fees for a change in the point of diversion, place of use, or use of water application would be as follows:

Change a point of diversion 300 feet or less	\$50
Change a point of diversion more than 300 feet	\$100
Change the place of use	\$100
Change the use made of water	\$150

Field Inspection Fees

Until June 30, 2015, the field inspection fee would be \$400, except for works constructed for sediment control use and for evaporation from a groundwater pit for industrial use which would be \$200.

After June 30, 2015 and if not addressed by the Legislature all field inspection fees would revert to \$200.

Request for Extension of Time Fees

Until June 30, 2015, the fee for a request for an extension of time to complete a diversion work or perfect a water right would be \$100.

After June 30, 2015 and if not addressed by the Legislature the fee for an extension of time to complete a diversion work or perfect a water right would revert to \$50.

Reinstatement Fees

Until June 30, 2015, the fee for a reinstatement of a water right would be \$200.

After June 30, 2015 and if not addressed by the Legislature the fee for a reinstatement of a water right would revert to \$100.

Temporary Permit Fees

Until June 30, 2015, the fee for a temporary permit or an extension thereof would be \$200.

After June 30, 2015 and if not addressed by the Legislature the fee for a temporary permit or an extension thereof would be \$100.

Application Fee Refund

The Subcommittee recommends that the provisions in the bill allowing for a refund of an application fee be modified from 150 days to 180 days. This language occurs in several places in the bill. Note that the Division still only has 150 days to make a decision.

Sliding Scale for Multiple Applications

The Subcommittee recommends the deletion of language (already contained in the original version of HB 2050) which currently provides a sliding scale of fees when there are multiple applications for change of use, change in point of diversion, or change in the place of use. The result of this would be that there would no longer be a monetary advantage to seek multiple applications for these types of permits.

Deletion of Fee for Water Rights Conservation Program

The Subcommittee recommends the deletion of new language which would have imposed a fee for the filing of a contract enrolling a water right in the Water Rights Conservation Program.

PROPOSED Substitute for HOUSE BILL NO. 2050

By Committee on Agriculture and Natural Resources

AN ACT concerning water; relating to certain fees and disbursement thereof; concerning certain water permits; amending K.S.A. 2008 Supp. 82a-708a, 82a-708b, 82a-714 and 82a-727 and repealing the existing sections.

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

New Section 1. (a) A term permit is a permit to appropriate water for a limited specified period of time in excess of six months. At the end of the specified time, or any authorized extension approved by the chief engineer, the permit shall be automatically dismissed, and any priority it may have had shall be forfeited. No water right shall be perfected pursuant to a term permit.

(b) Each application for a term permit to appropriate water shall be made on a form prescribed by the chief engineer and shall be accompanied by an application fee fixed by this section for the appropriate category of acre feet in accordance with the following:

Acre Feet	Fee
0 to 100.....	\$200
101 to 320.....	\$300
More than 320.....	\$300 + \$20
	for each additional 100
	acre feet or any part thereof

On and after July 1, 2015, the application fee shall be set forth in the schedule below:

Acre Feet	Fee
0 to 100.....	\$200 <u>\$100</u>
101 to 320.....	\$200 <u>\$100</u>
More than 320.....	\$200 <u>\$150</u> + \$20 <u>\$10</u>
	for each additional 100

acre feet or any part thereof

The chief engineer shall render a decision on such term permit applications within 150 days of receiving a complete application except when the application cannot be processed due to the standards established in K.A.R. 5-3-4c. Upon failure to render a decision within 180 days of receipt of a complete application, the application fee is subject to refund upon request.

(c) Each application for a term permit to appropriate water for storage, except applications for permits for domestic use, shall be accompanied by an application fee fixed by this section for the appropriate category of storage-acre feet in accordance with the following:

Storage-Acre Feet	Fee
0 to 250.....	\$200
More than 250.....	\$200 + \$20

On and after July 1, 2015, the application fee shall be set forth in the schedule below:

Storage-Acre Feet	Fee
0 to 250.....	\$100
More than 250.....	\$100 + \$10
	for each additional 250
	acre feet or any part thereof

The chief engineer shall render a decision on such term permit applications within 150 days of receiving a complete application except when the application cannot be processed due to the standards established in K.A.R. 5-3-4c. Upon failure to render a decision within 180 days of receipt of a complete

application, the application fee is subject to refund upon request.

(d) Each application for a term permit pursuant to K.S.A. 2008 Supp. 82a-736, and amendments thereto, shall be accompanied by an application fee established by rules and regulations adopted by the chief engineer in an amount not to exceed \$400 for the five-year period covered by the permit.

(e) Notwithstanding the provisions of K.S.A. 82a-714, and amendments thereto, the applicant is not required to file a notice of completion of diversion works nor pay a field inspection fee. The chief engineer shall not conduct a field inspection of the diversion works required by statute for purposes of certification nor issue a certificate of appropriation for a term permit.

(f) A request to extend the term of a term permit in accordance with the rules and regulations adopted by the chief engineer shall be accompanied by the same filing fee applicable to other requests for extensions of time as set forth in K.S.A. 82a-714, and amendments thereto.

(g) An application to change the place of use, point of diversion, use made of water, or any combination thereof, pursuant to K.S.A. 82a-708b, and amendments thereto, shall not be approved for a term permit.

(h) The chief engineer shall adopt rules and regulations to effectuate and administer the provisions of this section.

Sec. 2. K.S.A. 2008 Supp. 82a-708a is hereby amended to read

as follows: 82a-708a. (a) Any person may apply for a permit to appropriate water to a beneficial use, notwithstanding that the application pertains to the use of water by another, or upon or in connection with the lands of another. Any rights to the beneficial use of water perfected under such application shall attach to the lands on or in connection with which the water is used and shall remain subject to the control of the owners of the lands as in other cases provided by law.

(b) Except as otherwise provided in subsections (d), (e) and (f), each application for a permit to appropriate water, except applications for permits for domestic use, shall be accompanied by an application fee fixed by this section for the appropriate category of acre feet in accordance with the following:

Acre Feet	Fee
0 to 100.....	\$100 <u>\$200</u>
101 to 320.....	\$150 <u>\$200</u>
More than 320.....	\$150 <u>\$300</u> + \$10 <u>\$20</u> for each additional 100 acre feet or any part thereof

~~Commencing July 1, 2002, and ending June 30, 2010,~~ On and after July 1, 2015, the application fee shall be fixed by this section for the appropriate category of acre feet in accordance with the following:

Acre Feet	Fee
0 to 100.....	\$200 <u>\$100</u>
101 to 320.....	\$300 <u>\$150</u>
More than 320.....	\$300 <u>\$150</u> + \$20 <u>\$10</u> for each additional 100 acre feet or any part thereof

The chief engineer shall render a decision on such permit applications within 150 days of receiving a complete application

except when the application cannot be processed due to the standards established in K.A.R. 5-3-4c. Upon failure to render a decision within ~~±50~~ 180 days of receipt of a complete application, the application fee is subject to refund upon request.

(c) Except as otherwise provided in subsections (d), (e) and (f), each application for a permit to appropriate water for storage, except applications for permits for domestic use, shall be accompanied by an application fee fixed by this section for the appropriate category of storage-acre feet in accordance with the following:

Storage-Acre Feet	Fee
0 to 250.....	\$ 100 <u>\$200</u>
More than 250.....	\$ 100 <u>\$200</u> + \$ 10 <u>\$20</u> for each additional 250 storage-acre feet or any part thereof

~~Commencing--July--17--20027--and--ending--June--307--20107~~ On and after July 1, 2015, the application fee shall be fixed by this section for the appropriate category of storage-acre feet in accordance with the following:

Storage-Acre Feet	Fee
0 to 250.....	\$200 <u>\$100</u>
More than 250.....	\$200 <u>\$100</u> + \$20 <u>\$10</u> for each additional 250 storage-acre feet or any part thereof

The chief engineer shall render a decision on such permit applications within 150 days of receiving a complete application except when the application cannot be processed due to the standards established in K.A.R. 5-3-4c. Upon failure to render a decision within ~~±50~~ 180 days of receipt of a complete

application, the application fee is subject to refund upon request.

(d) Each application for a term permit pursuant to K.S.A. 2008 Supp. 82a-736, and amendments thereto, shall be accompanied by an application fee established by rules and regulations of the chief engineer in an amount not to exceed \$400 for the five-year period covered by the permit.

(e) For any application for a permit to appropriate water, except applications for permits for domestic use, which proposes to appropriate by both direct flow and storage, the fee charged shall be the fee under subsection (b) or subsection (c), whichever is larger, but not both fees.

(f) Each application for a permit to appropriate water for water power or dewatering purposes shall be accompanied by an application fee of \$100 plus \$200 for each 100 cubic feet per second, or part thereof, of the diversion rate requested in the application for the proposed project.

(g) All fees collected by the chief engineer pursuant to this section shall be remitted to the state treasurer as provided in K.S.A. 82a-731 and amendments thereto.

Sec. 3. K.S.A. 2008 Supp. 82a-708b is hereby amended to read as follows: 82a-708b. (a) Any owner of a water right may change the place of use, the point of diversion or the use made of the water, without losing priority of right, provided such owner shall: (1) Apply in writing to the chief engineer for approval of any proposed change; (2) demonstrate to the chief engineer that

any proposed change is reasonable and will not impair existing rights; (3) demonstrate to the chief engineer that any proposed change relates to the same local source of supply as that to which the water right relates; and (4) receive the approval of the chief engineer with respect to any proposed change. The chief engineer shall approve or reject the application for change in accordance with the provisions and procedures prescribed for processing original applications for permission to appropriate water. If the chief engineer disapproves the application for change, the rights, priorities and duties of the applicant shall remain unchanged. Any person aggrieved by an order or decision by the chief engineer relating to an application for change may petition for review thereof in accordance with the provisions of K.S.A. 2008 Supp. 82a-1901 and amendments thereto.

(b) Each application to change the place of use, the point of diversion or the use made of the water under this section shall be accompanied by the application fee set forth in the schedule below:

(1) Application to change a point of diversion 300 feet or less.....	\$50	<u>\$100</u>
(2) Application to change a point of diversion more than 300 feet.....	±00	<u>200</u>
(3) Application to change the place of use.....	±00	<u>200</u>
(4) Application to change the use made of water...	±50	<u>300</u>

~~Commencing July 17, 2002, and ending June 30, 2010,~~ On and after July 1, 2015, the application fee shall be set forth in the schedule below:

(1) Application to change a point of diversion 300 feet or less.....	\$±00	<u>\$50</u>
(2) Application to change a point of diversion		

more than 300 feet.....	200	<u>100</u>
(3) Application to change the place of use.....	200	<u>100</u>
(4) Application to change the use made of the water.....	300	<u>150</u> :

The chief engineer shall render a decision on such permit applications within 150 days of receiving a complete application except when the application cannot be processed due to the standards established in K.A.R. 5-3-4c. Upon failure to render a decision within ~~150~~ 180 days of receipt of a complete application, the application fee is subject to refund upon request. ~~Any application submitted which requests two of the types of changes set forth above shall be accompanied by a fee of \$150, or commencing July 1, 2002, and ending June 30, 2010, a fee of not to exceed \$300. Any application which requests three types of changes shall be accompanied by a fee of \$250, or commencing July 1, 2002, and ending June 30, 2010, a fee of not to exceed \$500.~~

(c) All fees collected by the chief engineer pursuant to this section shall be remitted to the state treasurer as provided in K.S.A. 82a-731 and amendments thereto.

Sec. 4. K.S.A. 2008 Supp. 82a-714 is hereby amended to read as follows: 82a-714. (a) Upon the completion of the construction of the works and the actual application of water to the proposed beneficial use within the time allowed, the applicant shall notify the chief engineer to that effect. The chief engineer or the chief engineer's duly authorized representative shall then examine and inspect the appropriation diversion works and, if it

is determined that the appropriation diversion works have been completed and the appropriation right perfected in conformity with the approved application and plans, the chief engineer shall issue a certificate of appropriation in duplicate. The original of such certificate shall be sent to the owner and shall be recorded with the register of deeds in the county or counties wherein the point of diversion is located, as are other instruments affecting real estate, and the duplicate shall be made a matter of record in the office of the chief engineer.

(b) Not later than 60 days before the expiration of the time allowed in the permit to complete the construction of the appropriation diversion works or the time allowed in the permit to actually apply water to the proposed beneficial use, the chief engineer shall notify the permit holder by certified mail that any request for extension of such time must be filed with the chief engineer before the expiration of the time allowed in the permit.

(c) Unless the applicant requests an extension or the certificate has not been issued due to the applicant's failure to comply with reasonable requests for information or to allow the opportunity to examine and inspect the appropriation diversion works, as necessary for certification, the chief engineer shall certify an appropriation:

(1) Before July 1, 2004, if the time allowed in the permit to perfect the water right expired before July 1, 1999, except in those cases in which abandonment proceedings pursuant to K.S.A.

82a-718, and amendments thereto, are pending on July 1, 2004;

(2) before July 1, 2006, in such cases in which an abandonment proceeding was pending pursuant to K.S.A. 82a-718, and amendments thereto, on July 1, 2004; or

(3) not later than five years after the date the applicant notifies the chief engineer of the completion of construction of the works and the actual application of water to the proposed beneficial use within the time allowed, in all other cases.

If the chief engineer fails to issue a certificate within the time provided by this subsection, the applicant may request review, pursuant to K.S.A. 2008 Supp. 82a-1901 and amendments thereto, of the chief engineer's failure to act.

(d) Except for works constructed to appropriate water for domestic use, each notification to the chief engineer under subsection (a) shall be accompanied by a field inspection fee of ~~\$200~~ \$400, or ~~commencing-July-17-20027--and-ending-June-307--20107~~ on and after July 1, 2015, a fee of \$400 \$200, except that for applications filed on or after July 1, 2009, for works constructed for sediment control use and for evaporation from a groundwater pit for industrial use shall be accompanied by a field inspection fee of \$200. Failure to pay the field inspection fee, after reasonable notice by the chief engineer of such failure, shall result in the permit to appropriate water being revoked, forfeiture of the priority date and revocation of any appropriation right that may exist.

(e) A request for an extension of time to: (1) Complete the