

STATE OF KANSAS
HOUSE OF REPRESENTATIVES

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RON RYCKMAN, SR.
115TH DISTRICT

Chairman Rhoades and Members of the Appropriation Committee:

I am here to speak about the Oil and Gas Valuation Depletion Fund. The 67 counties that receive funds as a resource when future mineral valuations declined and less money was available as a result of this decline. Other states have created these funds as a useful tool as counties transition from a tax base dependent on declining natural resources. The House passed this bill by 124-0 and the Senate 40-0.

This Fund was not to use for funding SGF or for water use, but rather to help counties transition their tax base from a declining natural resource.

Attached is a suggestion one could add to the bill which would give the local governments the option to spend the money now on infrastructure in their county.

Or another suggestion, might be to pass a bill to change the ending balance from 7.5 to 7%. If my math is right \$450,000,000 go to \$420,000,000 or \$30,000,000 less to save-so 7.25 would be \$15,000,000 or about the size of the fund.

Thank you for your hard work,

A handwritten signature in cursive script that reads "Ronald W. Ryckman Sr.".

Ronald W. Ryckman Sr.

Feb. 24 2013

Ronald W. Ryckman

From: Chris Courtwright
Sent: Tuesday, February 26, 2013 10:49 AM
To: JG Scott; Ronald W. Ryckman
Subject: History of Kansas Severance Tax Collections

Kansas Severance Tax Collections (\$ in millions)

FY	
1958	\$2.020
1983	\$0.015
1984	\$114.099
1985	\$108.914
1986	\$98.936
1987	\$61.376
1988	\$78.690
1989	\$76.002
1990	\$83.190
1991	\$96.090
1992	\$84.969
1993	\$98.680
1994	\$101.255
1995	\$77.137
1996	\$68.366
1997	\$81.412
1998	\$67.266
1999	\$44.013
2000	\$56.956
2001	\$109.180
2002	\$59.871
2003	\$78.253
2004	\$91.039
2005	\$111.147
2006	\$143.476
2007	\$124.758
2008	\$159.325
2009	\$133.601
2010	\$93.783
2011	\$112.791
2012	\$124.921
Total	\$2,741.531

After July 1, 2013, , any county which has a trust account established and maintained in the oil and gas valuation depletion trust fund as provided by this section, may apply to the secretary of commerce and the secretary of revenue for reimbursement of costs incurred by such county for infrastructure purposes directly related to oil and gas development within such county.

Upon approval from the secretary's of commerce and revenue, the director of taxation shall distribute up to 100% of the money credited to such county's trust account to the county treasurer of such county.

For the purposes of this subsection, infrastructure shall include, but not be limited to, acquisition of real property, site preparation including utility relocation; costs incurred in development planning; emergency services, including structures necessary to provide such services; sanitary and storm sewers and lift stations; underground gas, water, heating and electrical services and connections; street grading, paving, graveling, curbing, guttering and surfacing; water mains and extensions; drainage conduits, channels and levees; and drives, drive ways and road improvements which are necessary to develop oil and gas resources within the county.