

SESSION OF 2014

**SUPPLEMENTAL NOTE ON SUBSTITUTE FOR HOUSE
BILL NO. 2763**

As Recommended by House Committee on
Energy and Environment

Brief*

Sub. for HB 2763 would appropriate moneys to expand and develop the state seismic monitoring network as established by the Kansas Geological Survey (KGS). KGS would receive \$120,000 in FY 2015 and \$100,000 in FY 2016 from the State General Fund (SGF) for such purpose.

Background

The bill was introduced by the House Committee on Appropriations and referred to the House Committee on Energy and Environment. The original bill would have required payments from the Kansas Corporation Commission's (KCC) Abandoned Oil and Gas Well Fund to the University of Kansas' KGS account to fund the network. A proposed substitute bill that would have required payments from the Kansas Water Plan Fund to the KGS account to fund the network was considered by the House Committee.

A representative from Kansas Independent Oil and Gas Association testified in favor of the proposed substitute bill at the House Committee hearing. The proponent supported the funding of the network from the Kansas Water Plan Fund to the KGS. Written-only proponent testimony in favor of the proposed substitute bill was submitted by a representative from Eastern Kansas Oil and Gas Association. A representative from the KGS provided neutral testimony on

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

the proposed substitute bill. No opponent testimony was provided.

After extensive discussion about a network funding source, the House Committee on Energy and Environment recommended a substitute bill that would fund the network from the SGF.

The fiscal note on the original bill indicated fee revenue from the KCC's Abandoned Oil and Gas Well Fund would have been reduced by \$120,000 in FY 2015 and by \$100,000 in FY 2016. Additionally, the reductions to available fee revenue in both years would have reduced the number of abandoned wells plugged by 23 in FY 2015 and by 18 in FY 2016.

A fiscal note was not available on the substitute bill at the time of the House Committee on Energy and Environment action.