

SESSION OF 2015

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2131

As Recommended by House Committee on
Energy and Environment

Brief*

HB 2131 would extend the sunset date on the statutory transfers to the Abandoned Oil and Gas Well Fund of the Kansas Corporation Commission (KCC) from July 1, 2016, to July 1, 2023.

Background

The Abandoned Oil and Gas Well Fund is used to plug wells drilled prior to July 1, 1996, for which no potentially responsible party has been located. Quarterly transfers of \$100,000 each from the State General Fund, the State Water Plan Fund, and the KCC's Conservation Fee Fund (in total, \$1.2 million, annually) are to be deposited in the Abandoned Oil and Gas Well Fund.

The Director of the KCC Conservation Division, as well as the Division's Abandoned Well Plugging Supervisor, testified in support of the bill in the House Committee on Energy and Environment. They noted the Abandoned Oil and Gas Well Fund was created to raise capital resources to plug abandoned wells that could threaten the usable waters of Kansas. Many wells were drilled prior to written records, and are located only when they become pollution problems at the surface. There was no neutral or opponent testimony provided.

*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 fiscal note prepared by the Division of the Budget noted the bill would extend transfers into the Fund from FY 2016 to FY 2023. Annually, the bill would transfer \$400,000 out of the State General Fund and \$400,000 out of the State Water Plan Fund, as well as effect an internal transfer of \$400,000 from one fee fund to another within the KCC. Overall, it would increase revenue to the Abandoned Oil and Gas Well Fund by \$1.2 million each year.