

SESSION OF 2015

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2131

As Amended by House Committee of the Whole

Brief*

HB 2131 would extend the sunset date on the statutory transfers to the Abandoned Oil and Gas Well Fund (Fund) of the Kansas Corporation Commission (KCC) from July 1, 2016, to July 1, 2020. In addition, it would eliminate the quarterly \$100,000 transfer from the State Water Plan Fund into the Fund and would increase the quarterly transfer from the KCC's Conservation Fee Fund to the Fund from \$100,000 to \$200,000.

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 opposition testimony

*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 House Committee of the Whole amended the bill by changing the sunset year from 2023 to 2020, deleting the quarterly transfer of \$100,000 from the State Water Plan Fund to the Fund, and increasing the quarterly transfer from the KCC's Conservation Fee Fund to the Fund from \$100,000 to \$200,000. The Committee of the Whole also deleted language regarding transfers from the State General Fund and the State Water Plan Fund to the Fund in FY 2013, FY 2014, and FY 2015.

The fiscal note prepared by the Division of the Budget noted the bill, as introduced, 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. The fiscal note does not address amendments made by the House Committee of the Whole.