

KANSAS OFFICE *of*  
**REVISOR *of* STATUTES**

LEGISLATURE *of* THE STATE *of* KANSAS

*Legislative Attorneys transforming ideas into legislation.*

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**MEMORANDUM**

To: House Committee on Appropriations  
From: Office of Revisor of Statutes  
Date: February 13, 2020  
Subject: House Bill 2534

Current law establishes two funds relating to abandoned oil and gas wells: the well plugging assurance fund in K.S.A. 55-166 and the abandoned oil and gas well fund in K.S.A. 55-192. Both funds are administered by the Kansas corporation commission. The well plugging assurance fund can be used for investigations, plugging and remediation of wells drilled after July 1, 1996. The abandoned oil and gas well fund can be used for investigations, plugging and remediation of wells drilled prior to July 1, 1996.

House Bill 2534 would consolidate these funds so that the Kansas corporation commission would administer one primary fund related to abandoned oil and gas wells. HB 2534 would statutorily abolish the well plugging assurance fund and would transfer all assets and liabilities of such fund to the abandoned oil and gas well fund. Amendments to the abandoned oil and gas well fund would authorize the commission to use the abandoned oil and gas well fund without regard to when any such wells were drilled.

Additionally, HB 2534 would repeal K.S.A. 55-193 which requires demand transfers be made in each fiscal year to the abandoned oil and gas well fund in the amount of \$100,000 from the state general fund and \$200,000 from the conservation fee fund. Pursuant to the statute, no such demand transfer from the state general fund is to be made in fiscal years 2019, 2020 or 2021.