

February 19, 2019

The Honorable Joe Seiwert, Chairperson
House Committee on Energy, Utilities and Telecommunications
Statehouse, Room 481-W
Topeka, Kansas 66612

Dear Representative Seiwert:

SUBJECT: Fiscal Note for HB 2224 by Representative Probst

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2224 is respectfully submitted to your committee.

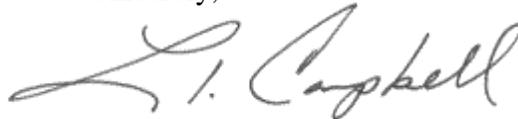
HB 2224 would direct the Kansas Corporation Commission (KCC) to assess a one-time fee of \$100 on each operator of a class II disposal well in the state. The bill would also direct the Kansas Department of Health and Environment (KDHE) to assess a one-time fee of \$100 on each operator of a class I well in the state. Both fees must be collected before January 1, 2020 and the fee receipts must be deposited into the State Geological Survey Monitoring Well Fund created by the bill. The fund would be administered by the State Geologist and used to pay the costs to drill monitoring wells in the Arbuckle formation for the purpose of measuring underground pressure in the formation and monitoring the effectiveness of confining beds in the injection zone of the formation.

Estimated State Fiscal Effect				
	FY 2019 SGF	FY 2019 All Funds	FY 2020 SGF	FY 2020 All Funds
Revenue	--	--	--	\$500,000
Expenditure	--	--	--	\$500,000
FTE Pos.	--	--	--	--

According to the Kansas Geological Survey (KGS), a program at the University of Kansas, there are approximately 5,000 disposal wells in Kansas. Enactment of HB 2224 would result in revenues of \$500,000 (5,000 X \$100) to the State Geological Survey Monitoring Well Fund and would result in expenditures of \$500,000 to drill ten monitoring wells at \$50,000 each.

The KCC indicates that enactment of HB 2224 would not result in increased expenditures or revenues for the agency. The KDHE reports that it would be responsible for invoicing and processing approximately 18 one-time payments. The costs related to these duties could be handled within existing resources. Any fiscal effect associated with HB 2224 is not reflected in *The FY 2020 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "L. L. Campbell", written in a cursive style.

Larry L. Campbell
Director of the Budget

cc: Jake Fisher, KCC
Dianne Goddard, University of Kansas
Dan Thimmesch, Health & Environment