

Substitute for HOUSE BILL No. 2536

By Committee on Appropriations

3-9

1 AN ACT concerning oil and gas wells; relating to the state corporation
2 commission; investigation and determination of legally responsible
3 persons for abandoned wells; plugging abandoned wells; authorizing
4 reimbursements for certain plugging operations; abolishing the well
5 plugging assurance fund and transferring all assets and liabilities to the
6 abandoned oil and gas well fund; amending K.S.A. 55-150, 55-161, 55-
7 168, 55-178, 55-179, 55-180, 55-192 and 75-3036 and K.S.A. 2019
8 Supp. 55-155 and repealing the existing sections; also repealing K.S.A.
9 55-163, 55-166 and 55-167 and K.S.A. 2019 Supp. 55-193.

10

11 *Be it enacted by the Legislature of the State of Kansas:*

12 Section 1. K.S.A. 55-150 is hereby amended to read as follows: 55-
13 150. As used in this act unless the context requires a different meaning:

14 (a) "Commission" means the state corporation commission.
15 (b) "Contractor" means any person who acts as agent for an operator
16 as a drilling, plugging, service rig or seismograph contractor in such
17 operator's oil and gas, cathodic protection, gas gathering or underground
18 natural gas storage operations.

19 (c) "Fresh water" means water containing not more than 1,000
20 milligrams per liter, total dissolved solids.

21 (d) "Gas gathering system" means a natural gas pipeline system used
22 primarily for transporting natural gas from a wellhead, or a metering point
23 for natural gas produced by one or more wells, to a point of entry into a
24 main transmission line, but shall not mean or include: (1) Lead lines from
25 the wellhead to the connection with the gathering system which are owned
26 by the producing person; ~~and~~ or (2) gathering systems under the
27 jurisdiction of the federal energy regulatory commission.

28 (e) "Operator" means a person who is responsible for the physical
29 operation and control of a well, gas gathering system or underground
30 porosity storage of natural gas.

31 (f) "Person" means any natural person, partnership, governmental or
32 political subdivision, firm, association, corporation or other legal entity.

33 (g) "Rig" means any crane machine used for drilling or plugging
34 wells.

35 (h) "Underground porosity storage" has the meaning provided by
36 K.S.A. 55-1,115, and amendments thereto.

1 (i) "Usable water" means water containing not more than 10,000
2 milligrams per liter, total dissolved solids.

3 (j) "Well" means a hole *or penetration of the surface of the earth*,
4 drilled or recompleted for the purpose of:

5 (1) Producing oil or gas;

6 (2) injecting fluid, air or gas in the ground in connection with the
7 exploration for or production of oil or gas;

8 (3) obtaining geological information in connection with the
9 exploration for or production of oil or gas by taking cores or through
10 seismic operations;

11 (4) disposing of fluids produced in connection with the exploration
12 for or production of oil or gas;

13 (5) providing cathodic protection to prevent corrosion to lines, *tanks*
14 *or structures*; or

15 (6) injecting or withdrawing natural gas.

16 Sec. 2. K.S.A. 2019 Supp. 55-155 is hereby amended to read as
17 follows: 55-155. (a) Operators and contractors shall be licensed by the
18 commission pursuant to this section.

19 (b) Every operator and contractor shall file an application or a
20 renewal application with the commission. Application and renewal
21 application forms shall be prescribed, prepared and furnished by the
22 commission.

23 (c) No application or renewal application shall be approved until the
24 applicant has:

25 (1) Provided sufficient information, as required by the commission,
26 for purposes of identification;

27 (2) submitted evidence that all current and prior years' taxes for
28 property associated with the drilling or servicing of wells have been paid;

29 (3) demonstrated to the commission's satisfaction that the applicant
30 complies with all requirements of chapter 55 of the Kansas Statutes
31 Annotated, and amendments thereto, all rules and regulations adopted
32 thereunder and all commission orders and enforcement agreements, if the
33 applicant is registered with the federal securities and exchange
34 commission;

35 (4) demonstrated to the commission's satisfaction that the following
36 comply with all requirements of chapter 55 of the Kansas Statutes
37 Annotated, and amendments thereto, all rules and regulations adopted
38 thereunder and all commission orders and enforcement agreements, if the
39 applicant is not registered with the federal securities and exchange
40 commission: (A) The applicant; (B) any officer, director, partner or
41 member of the applicant; (C) any stockholder owning in the aggregate
42 more than 5% of the stock of the applicant; and (D) any spouse, parent,
43 brother, sister, child, parent-in-law, brother-in-law or sister-in-law of the

1 foregoing;

2 (5) paid an annual license fee of \$100, except that an applicant for a
3 license who is operating one or more gas wells used strictly for personal
4 use on the property where such gas wells are located shall pay an annual
5 license fee of \$25;

6 (6) complied with subsection (d); and

7 (7) paid an annual license fee of \$25 for each rig operated by the
8 applicant. The commission shall issue an identification tag for each such
9 rig which shall be displayed on such rig at all times.

10 (d) In order to assure financial responsibility, each operator shall
11 annually demonstrate compliance with one of the following provisions:

12 (1) The operator has obtained an individual performance bond or
13 letter of credit, in an amount equal to \$.75 times the total aggregate depth
14 of all wells, including active, inactive, injection or disposal, of the
15 operator.

16 (2) The operator has obtained a blanket performance bond or letter of
17 credit in an amount equal to the following, according to the number of
18 wells, including active, inactive, injection or disposal, of the operator:

19 (A) Wells less than 2,000 feet in depth: 1 through 5 wells, \$7,500; 6
20 through 25 wells, \$15,000; and over 25 wells, \$30,000.

21 (B) Wells 2,000 or more feet in depth: 1 through 5 wells, \$15,000; 6
22 through 25 wells, \$30,000; and over 25 wells, \$45,000.

23 (3) The operator: (A) Has an acceptable record of compliance, as
24 demonstrated during the preceding 36 months, with commission rules and
25 regulations regarding safety and pollution or with commission orders
26 issued pursuant to such rules and regulations; (B) has no outstanding
27 undisputed orders issued by the commission or unpaid fines, penalties or
28 costs assessed by the commission and has no officer or director that has
29 been or is associated substantially with another operator that has any such
30 outstanding orders or unpaid fines, penalties or costs; and (C) pays a
31 nonrefundable fee of \$100 per year.

32 (4) The operator pays a nonrefundable fee equal to 6% of the amount
33 of the bond or letter of credit that would be required by subsection (d)(2).

34 (5) The state has a first lien on tangible personal property associated
35 with oil and gas production of the operator that has a salvage value equal
36 to not less than the amount of the bond or letter of credit that would be
37 required by subsection (d)(1) or ~~by subsection (d)(2)~~.

38 (6) The operator has provided other financial assurance approved by
39 the commission.

40 (e) Upon the approval of the application or renewal application, the
41 commission shall issue to such applicant a license which shall be in full
42 force and effect until one year from the date of issuance or until
43 surrendered, suspended or revoked as provided in K.S.A. 55-162, and

1 amendments thereto. No new license shall be issued to any applicant who
2 has had a license revoked until the expiration of one year from the date of
3 such revocation.

4 (f) If an operator transfers responsibility for the operation of a well or
5 gas gathering system or for underground porosity storage of natural gas to
6 another person, such operator shall file a notice of transfer of operator with
7 the commission in accordance with rules and regulations of the
8 commission. The commission shall, upon receipt of such notice, send a
9 copy of such notice to the surface owner, as well as the contact
10 information, including name, address, phone number, fax or email address,
11 for a designated representative of the operator. The commission need not
12 send such information if the operator verifies that the notice filed with the
13 commission has been delivered to the surface owner. The commission
14 need not send a copy of notice to the surface owner for transfers of
15 responsibility for the operation of a gas gathering system or for
16 underground porosity storage of natural gas to another person.

17 (g) The commission shall remit all moneys received from fees
18 assessed pursuant to subsection (c)(7) ~~of this section~~ to the state treasurer
19 in accordance with the provisions of K.S.A. 75-4215, and amendments
20 thereto. Upon receipt of each such remittance, the state treasurer shall
21 deposit the entire amount in the state treasury and credit 10% of each such
22 deposit to the state general fund with the balance credited to the
23 conservation fee fund created by K.S.A. 55-143, and amendments thereto.

24 (h) The commission shall remit all moneys received pursuant to
25 subsections (d)(3) and (d)(4) to the state treasurer in accordance with the
26 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of
27 each such remittance, the state treasurer shall deposit the entire amount in
28 the state treasury to the credit of the ~~well plugging assurance fund~~
29 *abandoned oil and gas well fund established pursuant to K.S.A. 55-192,*
30 *and amendments thereto.*

31 Sec. 3. K.S.A. 55-161 is hereby amended to read as follows: 55-161.
32 The commission shall investigate abandoned wells, and, based on actual or
33 potential pollution problems, may select abandoned wells to be drilled out
34 by the commission in order to test the integrity of the plugs. The cost of
35 such testing shall be paid from the ~~well plugging assurance fund~~ or the
36 abandoned oil and gas well fund, ~~as appropriate~~ *established pursuant to*
37 *K.S.A. 55-192, and amendments thereto.*

38 Sec. 4. K.S.A. 55-168 is hereby amended to read as follows: 55-168.
39 Whenever there are insufficient moneys in the ~~well plugging assurance~~
40 ~~fund~~ or the abandoned oil and gas well fund *established pursuant to K.S.A.*
41 *55-192, and amendments thereto,* to pay the liabilities of such fund, such
42 liabilities shall be and are hereby imposed on the conservation fee fund,
43 *established pursuant to K.S.A. 55-143, and amendments thereto,* provided

1 such liabilities were incurred in accordance with the prioritization
 2 ~~schedules~~ *schedule* established pursuant to subsection (b)(2) of K.S.A. 55-
 3 ~~166, and amendments thereto, and subsection (b)(2) of K.S.A. 55-192, and~~
 4 ~~amendments thereto.~~

5 Sec. 5. K.S.A. 55-178 is hereby amended to read as follows: 55-178.

6 (a) Any person who has reason to believe that any *abandoned well* ~~which~~
 7 ~~has been abandoned~~ is causing or is likely to cause the *loss of any usable*
 8 *water or* pollution of any usable water strata ~~or supply~~ or the *imminent loss*
 9 *or pollution* of any usable water ~~through downward drainage by reason of~~
 10 ~~the fact that, because~~ the well has not been plugged, was improperly
 11 plugged; ~~or that the plugging is no longer effective by reason of the~~
 12 ~~deterioration of the pipe or by any other cause,~~ may file a complaint in
 13 writing, so alleging, with the commission secretary. Such complaint shall
 14 state the location of the well and ~~the facts which caused~~ *why* the
 15 complainant ~~to believe~~ *believes* that such well is causing or is likely to
 16 cause the *loss of any usable water or* pollution of any usable water strata
 17 ~~or supply~~ or the *imminent loss or pollution* of any usable water.

18 (b) *Upon receipt of any complaint filed pursuant to this section, the*
 19 *commission shall conduct an investigation for the purpose of determining*
 20 *whether the well is an abandoned well causing or likely to cause loss of*
 21 *any usable water or pollution of any usable water strata or the imminent*
 22 *loss or pollution of any usable water. As a result of the investigation, the*
 23 *commission may take any action or issue any order pursuant to the*
 24 *provisions of the Kansas administrative procedure act as may be*
 25 *appropriate. Proceedings for reconsideration and judicial review of any*
 26 *order shall be conducted in the manner provided pursuant to K.S.A. 55-*
 27 *606, and amendments thereto.*

28 (c) *As used in this section, "abandoned well" means a well that is not*
 29 *claimed on an operator's license that is active with the commission and is*
 30 *unplugged, improperly plugged or no longer effectively plugged.*

31 Sec. 6. K.S.A. 55-179 is hereby amended to read as follows: 55-179.

32 (a) ~~Upon receipt of any complaint filed pursuant to K.S.A. 55-178 and~~
 33 ~~amendments thereto, the commission shall make an investigation for the~~
 34 ~~purpose of determining whether such abandoned well is polluting or is~~
 35 ~~likely to pollute any usable water strata or supply or causing the loss of~~
 36 ~~usable water, or the commission may initiate such investigation on its own~~
 37 ~~motion. If the commission determines:~~

38 (1) ~~That such abandoned well is causing or likely to cause such~~
 39 ~~pollution or loss; and~~

40 (2) (A) ~~that no person is legally responsible for the proper care and~~
 41 ~~control of such well; or (B) that the person legally responsible for the care~~
 42 ~~and control of such well is dead, is no longer in existence, is insolvent or~~
 43 ~~cannot be found, then, after completing its investigation, and as funds are~~

1 available, the commission shall plug, replug or repair such well, or cause it
2 to be plugged, replugged or repaired, in such a manner as to prevent any
3 further pollution or danger of pollution of any usable water strata or supply
4 or loss of usable water, and shall remediate pollution from the well,
5 whenever practicable and reasonable. The cost of the investigation, the
6 plugging, replugging or repair, and the remediation shall be paid by the
7 commission from the well plugging assurance fund or the abandoned oil
8 and gas well fund, as appropriate.

9 (b) For the purposes of this section, a person who is legally
10 responsible for the proper care and control of an abandoned well shall
11 include, but is not limited to, one or more of the following: Any operator
12 of a waterflood or other pressure maintenance program deemed to be
13 causing pollution or loss of usable water; the current or last operator of the
14 lease upon which such well is located, irrespective of whether such
15 operator plugged or abandoned such well; the original operator who
16 plugged or abandoned such well; and any person who without
17 authorization tampers with or removes surface equipment or downhole
18 equipment from an abandoned well.

19 (c) Whenever the commission determines that a well has been
20 abandoned and is causing or is likely to cause pollution of any usable
21 water strata or supply or loss of usable water, and whenever the
22 commission has reason to believe that a particular person is legally
23 responsible for the proper care and control of such well, the commission
24 shall cause such person to come before it at a hearing held in accordance
25 with the provisions of the Kansas administrative procedure act to show
26 cause why the requisite care and control has not been exercised with
27 respect to such well. After such hearing, if the commission finds that the
28 person is legally responsible for the proper care and control of such well
29 and that such well is abandoned, in fact, and is causing or is likely to cause
30 pollution of any usable water strata or supply or loss of usable water, the
31 commission may make any order or orders prescribed in K.S.A. 55-162,
32 and amendments thereto. Proceedings for reconsideration and judicial
33 review of any of the commission's orders may be held pursuant to K.S.A.
34 55-606, and amendments thereto.

35 (d) For the purpose of this section, any well which has been
36 abandoned, in fact, and has not been plugged pursuant to the rules and
37 regulations in effect at the time of plugging such well shall be and is
38 hereby deemed likely to cause pollution of any usable water strata or
39 supply.

40 (e) For the purpose of this section, the person legally responsible for
41 the proper care and control of an abandoned well shall not include the
42 landowner or surface owner unless the landowner or surface owner has
43 operated or produced the well, has deliberately altered or tampered with

1 ~~such well thereby causing the pollution or has assumed by written contract~~
2 ~~such responsibility.~~ (a) *If the commission determines that a well is an*
3 *abandoned well and has reason to believe that any person is legally*
4 *responsible for the proper care and control of such well, the commission*
5 *shall cause any such person to come before the commission in accordance*
6 *with the provisions of the Kansas administrative procedure act. If the*
7 *commission finds that any person is, in fact, legally responsible for the*
8 *proper care and control of such well, the commission may issue any orders*
9 *obligating any such person to plug the well or to otherwise cause such*
10 *well to be brought into compliance with all rules and regulations of the*
11 *commission and may order any other remedies as may be just and*
12 *reasonable. Proceedings for reconsideration and judicial review of any*
13 *order shall be conducted in the manner provided pursuant to K.S.A. 55-*
14 *606, and amendments thereto.*

15 (b) *A person that is legally responsible for the proper care and*
16 *control of an abandoned well shall be limited to one or more of the*
17 *following:*

18 (1) *Any person, including any operator of an injection well, disposal*
19 *well or pressure maintenance program, causing pollution or loss of usable*
20 *water through the well;*

21 (2) *the most recent operator to produce from or inject or dispose into*
22 *the well, but if no production or injection has occurred, the person that*
23 *caused the well to be drilled. A person shall not be legally responsible for*
24 *a well pursuant to this paragraph if: (A) Such person can demonstrate that*
25 *the well was physically operating or was in compliance with temporary*
26 *abandonment regulations immediately before such person transferred or*
27 *assigned the well to an operator with an active operator's license; and (B)*
28 *a completed report of transfer was filed pursuant to commission*
29 *regulations if transferred or assigned after August 28, 1997;*

30 (3) *the person that most recently accepted responsibility for the well*
31 *by accepting an assignment or by signing an agreement or other written*
32 *document, between private parties, in which the person accepted*
33 *responsibility. Accepting an assignment of a lease, obtaining a new lease*
34 *or signing an agreement or any other written document between private*
35 *parties shall not in and of itself create responsibility for a well located*
36 *upon the land covered thereby unless such instrument adequately*
37 *identifies the well and expressly transfers responsibility for such well;*

38 (4) *the operator that most recently filed a completed report of*
39 *transfer with the commission in which such operator accepted*
40 *responsibility for the well or, if no completed report of transfer has been*
41 *filed, the operator that most recently filed a well inventory with the*
42 *commission in which such operator accepted responsibility for the well.*
43 *Any modification made by commission staff of any such documents shall*

1 *not alter legal responsibility unless the operator was informed of such*
2 *modification and approved of the modification in writing;*

3 *(5) the operator that most recently plugged the well, if no commission*
4 *funds were used; and*

5 *(6) any person that does any of the following to an abandoned well*
6 *without authorization from the commission: (A) Tamper with or removes*
7 *surface or downhole equipment that was physically attached to the well or*
8 *inside the well bore; (B) intentionally destroys, buries or damages the*
9 *well; (C) intentionally alters the physical status of the well in a manner*
10 *that will result in more than a de minimis increase in plugging costs; or*
11 *(D) conducts any physical operations upon the well.*

12 *(c) If the commission determines that no person is legally responsible*
13 *for the proper care and control of an abandoned well, or that each legally*
14 *responsible person is dead, no longer in existence, insolvent or can no*
15 *longer be found, then the commission shall cause such well to be plugged*
16 *as funds become available. The cost of such plugging shall be paid by the*
17 *commission from the abandoned oil and gas well fund created pursuant to*
18 *K.S.A. 55-192, and amendments thereto.*

19 *(d) For the purpose of this section, any well that has been*
20 *abandoned, in fact, and has not been plugged pursuant to the rules and*
21 *regulations in effect at the time of plugging such well shall be and is*
22 *hereby deemed likely to cause pollution of any usable water strata or*
23 *supply.*

24 *(e) The validity of any order issued by the commission prior to July 1,*
25 *2020, shall not be affected by the provisions of this section but shall apply*
26 *to any determination of responsibility regarding any abandoned well.*

27 *(f) As used in this section, "abandoned well" means a well that is not*
28 *claimed on an operator's license that is active with the commission and is*
29 *unplugged, improperly plugged or no longer effectively plugged.*

30 *Sec. 7. K.S.A. 55-180 is hereby amended to read as follows: 55-180.*

31 *(a) The fact that any person has initiated or supported a proceeding before*
32 *the commission, or has remedied or attempted to remedy the condition of*
33 *any well under the authority of this act, shall not be construed as an*
34 *admission of liability or received in evidence against such person in any*
35 *action or proceeding wherein responsibility for or damages from surface or*
36 *subsurface pollution, or injury to any usable water or oil-bearing or gas-*
37 *bearing formation, is or may become an issue; nor shall such fact be*
38 *construed as releasing or discharging any action, cause of action or claim*
39 *against such person existing in favor of any third person for damages to*
40 *property resulting from surface or subsurface pollution, or injury to any*
41 *usable water or oil-bearing or gas-bearing formation.*

42 *(b) The commission, on its own motion, may initiate an investigation*
43 *into any pollution problem related to oil and gas activity. In taking such*

1 action the commission may require or perform the testing, sampling,
2 monitoring or disposal of any source of groundwater pollution related to
3 oil and gas activities.

4 *(c) Any abandoned well may be plugged by any person if such: (1)*
5 *Person has written consent from a surface owner of the land upon which*
6 *the well is located or has other legal access to such land; and (2) plugging*
7 *is done by a person licensed by the commission and in accordance with all*
8 *rules and regulations of the commission.*

9 ~~(e)~~(d) The commission or any other person authorized by the
10 commission who has no obligation to plug, replug or repair any abandoned
11 well, but who does so in accordance with the provisions of this act, shall
12 have a cause of action for the reasonable cost and expense incurred in
13 plugging, replugging or repairing the well against any person who is
14 legally responsible for the proper care and control of such well pursuant to
15 the provisions of K.S.A. 55-179, and amendments thereto, and the
16 commission or other person shall have a lien upon the interest of such
17 obligated person in and to the oil and gas rights in the land and equipment
18 located thereon.

19 ~~(d)~~(e) Any moneys recovered by the commission in an action
20 pursuant to subsection ~~(e)~~(d) shall be remitted to the state treasurer in
21 accordance with the provisions of K.S.A. 75-4215, and amendments
22 thereto. Upon receipt of each such remittance, the state treasurer shall
23 deposit the entire amount in the state treasury to the credit of the
24 conservation fee fund, ~~well plugging assurance fund~~ established pursuant
25 to K.S.A. 55-143, and amendments thereto, or the abandoned oil and gas
26 well fund established pursuant to K.S.A. 55-192, and amendments thereto,
27 as appropriate based on the fund from which the costs incurred by the
28 commission were paid.

29 *(f) (1) For any well that has been abandoned for five years or more,*
30 *any person who has no obligation to plug, replug or repair the well, that*
31 *causes such well to be plugged may seek reimbursement from the*
32 *abandoned oil and gas well fund created pursuant to K.S.A. 55-192, and*
33 *amendments thereto. The commission shall adopt rules and regulations for*
34 *determining whether, how and to what extent a request for reimbursement*
35 *shall be granted.*

36 *(2) The provisions of this subsection shall not entitle any person to*
37 *receive reimbursement for the plugging of any abandoned well that has*
38 *been abandoned for five years or more unless such reimbursement is*
39 *approved pursuant to the rules and regulations established by the*
40 *commission for such purpose.*

41 *(g) No person shall become legally responsible for the care and*
42 *control of any well solely on the basis of having appropriately plugged a*
43 *well pursuant to this section.*

1 (h) *As used in this section, "abandoned well" means a well that is not*
2 *claimed on an operator's license that is active with the commission and is*
3 *unplugged, improperly plugged or no longer effectively plugged.*

4 Sec. 8. K.S.A. 55-192 is hereby amended to read as follows: 55-192.

5 (a) There is hereby established in the state treasury the abandoned oil and
6 gas well fund.

7 (b) Moneys in the abandoned oil and gas well fund shall be used only
8 for the purpose of paying the costs of: (1) Investigation and remediation of
9 contamination sites; (2) investigation of abandoned wells, and their well
10 sites, ~~drilling of which began before July 1, 1996; and~~ (3) plugging,
11 replugging or repairing abandoned wells; and remediation of the well sites;
12 ~~drilling of which began before July 1, 1996,~~ in accordance with a
13 prioritization schedule adopted by the commission and based on the degree
14 of threat to public health or the environment; *and (4) any reimbursement*
15 *authorized by the commission pursuant to K.S.A. 55-180, and amendments*
16 *thereto.* No moneys credited to the fund shall be used to pay administrative
17 expenses of the commission or to pay compensation or other expenses of
18 employing personnel to carry out the duties of the commission.

19 (c) On or before the 10th day of each month, the director of accounts
20 and reports shall transfer from the state general fund to the abandoned oil
21 and gas well fund interest earnings based on: (1) The average daily balance
22 of moneys in the abandoned oil and gas well fund for the preceding month;
23 and (2) the net earnings rate for the pooled money investment portfolio for
24 the preceding month.

25 (d) All expenditures from the abandoned oil and gas well fund shall
26 be made in accordance with appropriations acts upon warrants of the
27 director of accounts and reports issued pursuant to vouchers approved by
28 the chairperson of the state corporation commission or a person designated
29 by the chairperson.

30 (e) *On July 1, 2020: (1) The director of accounts and reports shall*
31 *transfer all moneys in the well plugging assurance fund established*
32 *pursuant to K.S.A. 55-166, prior to its repeal, to the abandoned oil and*
33 *gas well fund; (2) all liabilities of the well plugging assurance fund are*
34 *hereby transferred to and imposed on the abandoned oil and gas well*
35 *fund; and (3) the well plugging assurance fund is hereby abolished.*

36 Sec. 9. K.S.A. 75-3036 is hereby amended to read as follows: 75-

37 3036. (a) The state general fund is exclusively defined as the fund into
38 which shall be placed all public moneys and revenue coming into the state
39 treasury not specifically authorized by the constitution or by statute to be
40 placed in a separate fund, and not given or paid over to the state treasurer
41 in trust for a particular purpose, which unallocated public moneys and
42 revenue shall constitute the general fund of the state. Moneys received or
43 to be used under constitutional or statutory provisions or under the terms

1 of a gift or payment for a particular and specific purpose are to be kept as
2 separate funds and shall not be placed in the general fund or ever become a
3 part of it.

4 (b) The following funds shall be used for the purposes set forth in the
5 statutes concerning such funds and for no other governmental purposes. It
6 is the intent of the legislature that the following funds and the moneys
7 deposited in such funds shall remain intact and inviolate for the purposes
8 set forth in the statutes concerning such funds: Board of accountancy fee
9 fund, K.S.A. 1-204 and 75-1119b, and amendments thereto, and special
10 litigation reserve fund of the board of accountancy; bank commissioner fee
11 fund, K.S.A. 9-1703, 16a-2-302 and 75-1308, and amendments thereto,
12 bank investigation fund, K.S.A. 9-1111b, and amendments thereto,
13 consumer education settlement fund and litigation expense fund of the
14 state bank commissioner; securities act fee fund and investor education
15 and protection fund, K.S.A. 17-12a601, and amendments thereto, of the
16 office of the securities commissioner of Kansas; credit union fee fund,
17 K.S.A. 17-2236, and amendments thereto, of the state department of credit
18 unions; court reporters fee fund, K.S.A. 20-1a02, and amendments thereto,
19 and bar admission fee fund, K.S.A. 20-1a03, and amendments thereto, of
20 the judicial branch; fire marshal fee fund, K.S.A. 31-133a and 31-134, and
21 amendments thereto, and boiler inspection fee fund, K.S.A. 44-926, and
22 amendments thereto, of the state fire marshal; food service inspection
23 reimbursement fund, K.S.A. 36-512, and amendments thereto, of the
24 Kansas department of agriculture; wage claims assignment fee fund,
25 K.S.A. 44-324, and amendments thereto, and workmen's compensation fee
26 fund, K.S.A. 74-715, and amendments thereto, of the department of labor;
27 veterinary examiners fee fund, K.S.A. 47-820, and amendments thereto, of
28 the state board of veterinary examiners; mined-land reclamation fund,
29 K.S.A. 49-420, and amendments thereto, of the department of health and
30 environment; conservation fee fund and ~~well plugging assurance fund~~
31 *abandoned oil and gas well fund*, K.S.A. 55-155, 55-176, 55-192, 55-609,
32 55-711 and 55-901, and amendments thereto, gas pipeline inspection fee
33 fund, K.S.A. 66-1,155, and amendments thereto, and public service
34 regulation fund, K.S.A. 66-1503, and amendments thereto, of the state
35 corporation commission; land survey fee fund, K.S.A. 58-2011, and
36 amendments thereto, of the state historical society; real estate recovery
37 revolving fund, K.S.A. 58-3074, and amendments thereto, of the Kansas
38 real estate commission; appraiser fee fund, K.S.A. 58-4107, and
39 amendments thereto, and appraisal management companies fee fund of the
40 real estate appraisal board; amygdalin (laetrile) enforcement fee fund,
41 K.S.A. 65-6b10, and amendments thereto; mortuary arts fee fund, K.S.A.
42 65-1718, and amendments thereto, of the state board of mortuary arts;
43 board of barbering fee fund, K.S.A. 65-1817a, and amendments thereto, of

1 the Kansas board of barbering; cosmetology fee fund, K.S.A. 65-1951 and
2 74-2704, and amendments thereto, of the Kansas state board of
3 cosmetology; healing arts fee fund, K.S.A. 65-2011, 65-2855, 65-2911, 65-
4 5413, 65-5513, 65-6910, 65-7210 and 65-7309, and amendments thereto,
5 and medical records maintenance trust fund, of the state board of healing
6 arts; other state fees fund, K.S.A. 65-4024b, and amendments thereto, of
7 the Kansas department for aging and disability services; board of nursing
8 fee fund, K.S.A. 74-1108, and amendments thereto, of the board of
9 nursing; dental board fee fund, K.S.A. 74-1405, and amendments thereto,
10 and special litigation reserve fund, of the Kansas dental board; optometry
11 fee fund, K.S.A. 74-1503, and amendments thereto, and optometry
12 litigation fund, of the board of examiners in optometry; state board of
13 pharmacy fee fund, K.S.A. 74-1609, and amendments thereto, and state
14 board of pharmacy litigation fund, of the state board of pharmacy;
15 abstracters' fee fund, K.S.A. 74-3903, and amendments thereto, of the
16 abstracters' board of examiners; athletic fee fund, K.S.A. 74-50,188, and
17 amendments thereto, of the department of commerce; hearing instrument
18 board fee fund, K.S.A. 74-5805, and amendments thereto, and hearing
19 instrument litigation fund of the Kansas board of examiners in fitting and
20 dispensing of hearing instruments; commission on disability concerns fee
21 fund, K.S.A. 74-6708, and amendments thereto, of the governor's
22 department; technical professions fee fund, K.S.A. 74-7009, and
23 amendments thereto, and special litigation reserve fund of the state board
24 of technical professions; behavioral sciences regulatory board fee fund,
25 K.S.A. 74-7506, and amendments thereto, of the behavioral sciences
26 regulatory board; governmental ethics commission fee fund, K.S.A. 25-
27 4119e, and amendments thereto, of the governmental ethics commission;
28 emergency medical services board operating fund, K.S.A. 75-1514, and
29 amendments thereto, of the emergency medical services board; fire service
30 training program fund, K.S.A. 75-1514, and amendments thereto, of the
31 university of Kansas; uniform commercial code fee fund, K.S.A. 75-448,
32 and amendments thereto, of the secretary of state; prairie spirit rails-to-
33 trails fee fund of the Kansas department of wildlife, parks and tourism;
34 water marketing fund, K.S.A. 82a-1315c, and amendments thereto, of the
35 Kansas water office; insurance department service regulation fund, K.S.A.
36 40-112, and amendments thereto, of the insurance department; state fair
37 special cash fund, K.S.A. 2-220, and amendments thereto, of the state fair
38 board; scrap metal theft reduction fee fund, K.S.A. 2019 Supp. 50-6,109a,
39 and amendments thereto; and any other fund in which fees are deposited
40 for licensing, regulating or certifying a person, profession, commodity or
41 product.

42 (c) If moneys received pursuant to statutory provisions for a specific
43 purpose by a fee agency are proposed to be transferred to the state general

1 fund or a special revenue fund to be expended for general government
2 services and purposes in the governor's budget report submitted pursuant
3 to K.S.A. 75-3721, and amendments thereto, or any introduced house or
4 senate bill, the person or business entity who paid such moneys within the
5 preceding 24-month period shall be notified by the fee agency within 30
6 days of such submission or introduction:

7 (1) By electronic means, if the fee agency has an electronic address
8 on record for such person or business entity. If no such electronic address
9 is available, the fee agency shall send written notice by first class mail; or

10 (2) any agency that receives fees from a tax, fee, charge or levy paid
11 to the commissioner of insurance shall post the notification required by
12 this subsection on such agency's website.

13 (d) Any such moneys ~~which~~ *that* are wrongfully or by mistake placed
14 in the general fund shall constitute a proper charge against such general
15 fund. All legislative appropriations which do not designate a specific fund
16 from which they are to be paid shall be considered to be proper charges
17 against the general fund of the state. All revenues received by the state of
18 Kansas or any department, board, commission, or institution of the state of
19 Kansas, and required to be paid into the state treasury shall be placed in
20 and become a part of the state general fund, except as otherwise provided
21 by law.

22 (e) The provisions of this section shall not apply to the 10% credited
23 to the state general fund to reimburse the state general fund for accounting,
24 auditing, budgeting, legal, payroll, personnel and purchasing services, and
25 any and all other state governmental services, as provided in K.S.A. 75-
26 3170a, and amendments thereto.

27 (f) Beginning on January 8, 2018, the director of the budget shall
28 prepare a report listing the unencumbered balance of each fund in
29 subsection (b) on June 30 of the previous fiscal year and January 1 of the
30 current fiscal year. Such report shall be delivered to the secretary of the
31 senate and the chief clerk of the house of representatives on or before the
32 first day of the regular legislative session each year.

33 (g) As used in this section, "fee agency" shall include the state
34 agencies specified in K.S.A. 75-3717(f), and amendments thereto, and any
35 other state agency that collects fees for licensing, regulating or certifying a
36 person, profession, commodity or product.

37 Sec. 10. K.S.A. 55-150, 55-161, 55-163, 55-166, 55-167, 55-168, 55-
38 178, 55-179, 55-180, 55-192 and 75-3036 and K.S.A. 2019 Supp. 55-155
39 and 55-193 are hereby repealed.

40 Sec. 11. This act shall take effect and be in force from and after its
41 publication in the statute book.