

## HOUSE BILL No. 2528

By Committee on Water and Environment

1-23

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1 AN ACT concerning water; relating to the state water plan fund and the  
2 economic development initiatives fund, fees and distribution of  
3 moneys; amending K.S.A. 82a-951 and K.S.A. 2017 Supp. 79-4804  
4 and repealing the existing sections; also repealing K.S.A. 2017 Supp.  
5 82a-953a.

6  
7 *Be it enacted by the Legislature of the State of Kansas:*

8 Section 1. K.S.A. 2017 Supp. 79-4804 is hereby amended to read as  
9 follows: 79-4804. (a) After the transfer of moneys pursuant to K.S.A. 2017  
10 Supp. 79-4806, and amendments thereto, an amount equal to 85% of the  
11 balance of all moneys credited to the state gaming revenues fund shall be  
12 transferred and credited to the state economic development initiatives  
13 fund. Expenditures from the state economic development initiatives fund  
14 shall be made in accordance with appropriations acts for the financing of  
15 such programs supporting and enhancing the existing economic foundation  
16 of the state and fostering growth through the expansion of current, and the  
17 establishment and attraction of new, commercial and industrial enterprises  
18 as provided by this section and as may be authorized by law and not less  
19 than  $\frac{1}{2}$  of such money shall be distributed equally among the  
20 congressional districts of the state. Except as provided by subsection (g),  
21 all moneys credited to the state economic development initiatives fund  
22 shall be credited within the fund, as provided by law, to an account or  
23 accounts of the fund which are created by this section.

24 (b) There is hereby created the Kansas capital formation account in  
25 the state economic development initiatives fund. All moneys credited to  
26 the Kansas capital formation account shall be used to provide, encourage  
27 and implement capital development and formation in Kansas.

28 (c) There is hereby created the Kansas economic development  
29 research and development account in the state economic development  
30 initiatives fund. All moneys credited to the Kansas economic development  
31 research and development account shall be used to promote, encourage  
32 and implement research and development programs and activities in  
33 Kansas and technical assistance funded through state educational  
34 institutions under the supervision and control of the state board of regents  
35 or other Kansas colleges and universities.

36 (d) There is hereby created the Kansas economic development

1 endowment account in the state economic development initiatives fund.  
2 All moneys credited to the Kansas economic development endowment  
3 account shall be accumulated and invested as provided in this section to  
4 provide an ongoing source of funds which shall be used for economic  
5 development activities in Kansas, including, but not limited to, continuing  
6 appropriations or demand transfers for programs and projects which shall  
7 include, but are not limited to, specific community infrastructure projects  
8 in Kansas that stimulate economic growth.

9 (e) Except as provided in subsection (f), the director of investments  
10 may invest and reinvest moneys credited to the state economic  
11 development initiatives fund in accordance with investment policies  
12 established by the pooled money investment board under K.S.A. 75-4232,  
13 and amendments thereto, in the pooled money investment portfolio. All  
14 moneys received as interest earned by the investment of the moneys  
15 credited to the state economic development initiatives fund shall be  
16 deposited in the state treasury and credited to the Kansas economic  
17 development endowment account of such fund.

18 (f) Moneys credited to the Kansas economic development  
19 endowment account of the state economic development initiatives fund  
20 may be invested in government guaranteed loans and debentures as  
21 provided by law in addition to the investments authorized by subsection  
22 (e) or in lieu of such investments. All moneys received as interest earned  
23 by the investment under this subsection of the moneys credited to the  
24 Kansas economic development endowment account shall be deposited in  
25 the state treasury and credited to the Kansas economic development  
26 endowment account of the state economic development initiatives fund.

27 ~~(g) Except as provided further~~ *Prior to making any other distribution*  
28 *from the fund as provided for in this section,* in each fiscal year, the  
29 director of accounts and reports shall ~~make transfers in equal amounts on~~  
30 ~~July 15 and January 15 which in the aggregate equal \$2,000,000 transfer~~  
31 ~~\$8,000,000~~ from the state economic development initiatives fund to the  
32 state water plan fund created by K.S.A. 82a-951, and amendments thereto.  
33 ~~No moneys shall be transferred from the state economic development~~  
34 ~~initiatives fund to the state water plan fund on such dates during state~~  
35 ~~fiscal year 2018, state fiscal year 2019, and state fiscal year 2020. No other~~  
36 ~~moneys credited to the state economic development initiatives fund shall~~  
37 ~~be used for: (1) Water-related projects or programs, or related technical~~  
38 ~~assistance; or (2) any other projects or programs, or related technical~~  
39 ~~assistance, which meet one or more of the long-range goals, objectives and~~  
40 ~~considerations set forth in the state water resource planning act.~~

41 Sec. 2. K.S.A. 82a-951 is hereby amended to read as follows: 82a-  
42 951. (a) On and after July 1, 1989, there is hereby created, in the state  
43 treasury, the state water plan fund. All moneys in the state water plan fund

1 shall be expended in accordance with appropriations acts for  
2 implementation of the state water plan formulated pursuant to K.S.A. 82a-  
3 903 et seq., and amendments thereto. *Except as provided in subsection (b),*  
4 such moneys shall be used only for the establishment and implementation  
5 of water-related projects or programs, and related technical assistance, and  
6 shall not be used for: (1) Replacing full time equivalent positions of any  
7 state agency; or (2) recreational projects which do not meet one or more of  
8 the long-range goals, objectives and considerations set forth in the state  
9 water resource planning act.

10 (b) *Of the moneys in the fund that are transferred from the economic*  
11 *development initiatives fund pursuant to K.S.A. 79-4804, and amendments*  
12 *thereto, a minimum of \$4,000,000 shall be allocated annually as follows:*

13 (1) *A total of 75% of the moneys transferred from such fund to state*  
14 *water-related empirical research centers to be used to provide research*  
15 *and demonstration project grants within the scope of their individual*  
16 *missions, with 20% of each research center's appropriation to be used for*  
17 *inter-university and inter-agency collaborative projects, awarded in equal*  
18 *amounts to the Kansas biological survey, the Kansas geological survey*  
19 *and the water research institute at Kansas state university for the purposes*  
20 *of:*

21 (A) *Identifying and treating quality issues that could impact*  
22 *downstream water treatment operations;*

23 (B) *identifying changes in reservoir storage capacity and sediment*  
24 *composition;*

25 (C) *evaluating the costs and benefits associated with different*  
26 *methods of removing sediment from drinking water supply lakes;*

27 (D) *identifying and evaluating the factors affecting sediment entering*  
28 *streams during high and low flow events that could be positively impacted*  
29 *by inter-agency program coordination;*

30 (E) *identifying methods of treatment of non-potable waters to potable*  
31 *status;*

32 (F) *development of low water consuming agricultural plants; and*

33 (G) *identifying innovative water conservation technologies for use in*  
34 *the agricultural sector; and*

35 (2) *the remaining 25% of such moneys to be distributed as follows:*

36 (A) *A total of 60% of such moneys shall be transferred to the Kansas*  
37 *water office, with 1/3 of such funds provided for on-site technical assistance*  
38 *to small water and wastewater systems in addition to the clean drinking*  
39 *water fee funds provided for that purpose and the other 2/3 of such funds*  
40 *requiring matching funds, and determined on a case-by-case basis by the*  
41 *water office, to be used to support communities with water quality or*  
42 *water availability problems to connect to other water systems; and*

43 (B) *the remaining 40% of such moneys provided to the Kansas water*

1 *authority to evaluate grant applications and award grants to state*  
2 *agencies for projects that may result in less sediment flowing into drinking*  
3 *water supply lakes, support municipal aquifer recharge programs or to*  
4 *extend the productive life of the Ogallala aquifer.*

5 ~~(b)~~ (c) On or before December 1 of each year, the Kansas water  
6 authority shall submit to the governor and the legislature a report setting  
7 out: (1) An account of all moneys expended from the state water plan fund  
8 during such fiscal year; and (2) a five-year capital development plan for  
9 state water plan projects.

10 Sec. 3. K.S.A. 82a-951 and K.S.A. 2017 Supp. 79-4804 and 82a-953a  
11 are hereby repealed.

12 Sec. 4. This act shall take effect and be in force from and after its  
13 publication in the statute book.