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MEMORANDUM

To: The House Standing Committee on Agriculture
From: The Office of Revisor of Statutes
Date: March 9, 2020
Re: S.B. 152, As Further Amended by Senate Committee

S.B. 152, as further amended by the Senate standing committee on agriculture and natural resources, would authorize the secretary of health and environment to collect underground injection control program fees and would require those fees and existing water well license program fees to be remitted to the water program management fund.

Section 1 would amend K.S.A. 65-166b, which is the statute that established the water program management fund. The bill would require the following additional fees to be credited to the fund:

- Water well contractor application and license fees;¹
- class 1 and class 5 underground injection control well fees;² and
- water supply system and wastewater treatment facility fees.³

On page 2, line 8, the purpose of the fund would be expanded to allow expenses to be made for the oversight of such licensees, wells and facilities.

Section 2, on page 9, starting on line 36, would require the secretary of KDHE to adopt rules and regulations to establish fees for permitting, monitoring, testing, inspecting and regulating class 1 injection wells. The bill would create statutory fee caps for different types of class 1 injection

¹ Under current law, these fees are remitted to the state general fund. See Sec. 5 of the bill.

² KDHE regulates class 1, 3 and 5 underground injection control wells. Under K.A.R. 28-45b-19, permittees of wells that are used for underground crude oil storage are subject to a fee of \$700 for each proposed storage well and an annual permit fee of \$18,890 per facility and \$305 per unplugged storage well. These fees are credited to the subsurface hydrocarbon storage fund. Under K.A.R. 28-46-45, salt solution mining well operations (class 3 injection wells) must pay an annual permit fee of \$12,000 per facility and \$175 per unplugged salt solution mining well to the subsurface hydrocarbon storage fund. K.A.R. 28-46-24 implements monitoring fees for certain class 1 injection wells that are credited to the hazardous waste management fund.

³ Under current law, these fees are remitted to the state general fund. See Sec. 4 of the bill.

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wells.⁴ The secretary would be required to reduce any oversight fees currently being assessed against facilities under K.S.A. 55-1,117(d).⁵ The secretary would be required to adopt rules and regulations to establish oversight fees for class 5 injection wells, which would be capped at \$2,000 per well. Moneys collected from such fees would be credited to the water program management fund.

Under current law, fees related to the certification of operators of water supply systems and wastewater treatment facilities cannot exceed \$25. Section 3 would increase the cap to \$125.

Sections 4 and 5 would reflect the amendments made in Section 1 of the bill by redirecting the moneys collected for water well contractor fees and water supply system and wastewater treatment facility fees to the water program management fund. Additionally, language would be added to the end of Section 5 stating that no fees assessed under that section shall exceed \$100, except water well contractor license fees, which shall not exceed \$200.

S.B. 152, as further amended by the Senate standing committee on agriculture and natural resources, would become effective upon publication in the statute book.

⁴ (A) \$6,500 per active, hazardous waste injection well;
(B) \$4,500 per active, non-hazardous waste injection well; or
(C) \$1,000 for any hazardous or non-hazardous waste injection well in monitoring or inactive status.

⁵ Under K.S.A. 55-1,117(d), the secretary of KDHE may “adopt rules and regulations establishing fees for the following services: (A) Permitting, monitoring and inspecting salt solution mining operators; (B) permitting, monitoring and inspecting underground storage of liquid petroleum gas and hydrocarbons, other than natural gas in underground porosity storage; and (C) permitting, monitoring and inspecting underground storage of natural gas in bedded salt.” See note 2.