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MEMORANDUM

To: House Committee on Agriculture and Natural Resources
From: The Office of Revisor of Statutes
Date: 01/30/2024
Re: H.B. 2525; Providing for additional sources of revenue for the water program management fund and creating additional fees for the regulation of underground injection control wells.

H.B. 2525 contains the contents of 2023's H.B. 2159. H.B. 2159 was heard in the House standing committee on agriculture and natural resources on 02/13/2023 and the committee recommended the bill be passed on 02/16/2023.¹ However, on 02/23/2023, the bill was stricken from the House calendar by House Rule 1507.²

Under current law, the Kansas department of health and environment (KDHE) has the authority to regulate salt solution mining, underground storage of natural gas in bedded salt, and liquid petroleum gas and hydrocarbons. Starting on page 2, line 37, some language that required the secretary to adopt rules and regulations by 2003 has been stricken as a technical cleanup. On page 3, line 9, the secretary of health and environment would be required to adopt rules and regulations and establish fees for underground injection control class I wells. The secretary would be required to provide a reduction in such fees for facilities already subject to fees under subsection (d). Additionally, the secretary would be required to adopt rules and regulations to establish fees for class V wells. Such class V well fees could not exceed \$2,000 per well and no fees could be established for small-capacity, sanitary septic systems. Moneys collected from

¹ http://www.kslegislature.org/li/b2023 24/measures/hb2159/

² <u>http://www.kslegislature.org/li/s/pdf/house_rules.pdf</u> (Any bill which is subject to a deadline for consideration under subsection (e) or subsection (f) of Joint Rule 4 of the Joint Rules of the Senate and House of Representatives and which remains on General Orders at the close of business on such deadline day shall be considered as killed and shall be stricken from the calendar unless such bill is referred by the speaker to a committee before the close of business on such day. Any bill so referred shall be subject to all applicable deadlines under the Joint Rules of the Senate and House of Representatives.)



these fees would be credited to the subsurface hydrocarbon storage fund, which is used to cover the costs of regulating underground injection control wells.

Under current law, fees collected from water well contractors, the certification of operators of water supply systems, and wastewater treatment facilities are credited to the state general fund. Sections 2 through 4 (pgs. 3-6) would amend the relevant statutes to have such fees credited to the water program management fund instead. Expenditures from the fund are restricted to the purposes listed on page 4, line 9.

H.B. 2525 would become effective upon publication in the statute book.