

March 1, 2011

The Honorable Larry Powell, Chairperson  
House Committee on Agriculture and Natural Resources  
Statehouse, Room 149-S  
Topeka, Kansas 66612

Dear Representative Powell:

SUBJECT: Fiscal Note for HB 2357 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2357 is respectfully submitted to your committee.

HB 2357 would establish the Arkansas River Gaging Fund that would be administered by the Secretary of the Department of Agriculture. All expenditures from the fund would be for the operation and maintenance of the gages along the Arkansas River necessary to manage water levels in the river under the Kansas-Colorado Arkansas River Compact. In addition, royalties from the state's oil and gas leases in Hamilton, Kearny, Finney, Gray, and Ford counties would be deposited in the Arkansas River Gaging Fund.

The Department of Agriculture states that the amount of oil and gas royalties that would be credited to the fund in FY 2012 and in subsequent years is not known. The Department would resume, in priority order, operation and maintenance of stream gages as revenues allow. Currently, there is a need to resume operation of two discontinued stream gages on the Arkansas River, and three discontinued stream gages on irrigation ditches fed by the Arkansas River in Hamilton, Kearny and Finney Counties. The current cost to the state for resuming U.S. Geological Survey's operation and maintenance of these five stream gages is \$51,360. Any fiscal effect associated with HB 2357 is not reflected in *The FY 2012 Governor's Budget Report*.

Sincerely,



Steven J. Anderson, CPA, MBA  
Director of the Budget

cc: Tom Day, KCC  
Mark Heim, Agriculture  
Steve Neske, Revenue