

SESSION OF 2012

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2517

As Amended by Senate Committee on
Agriculture

Brief*

HB 2517 would extend the the Water Right Transition Assistance Program (WaterTAP), for which the pilot program is set to expire on June 30, 2012. The program was designed to permanently retire all or portions of irrigation water rights. The bill would establish a new sunset date for the program on July 1, 2022.

In addition, the bill would:

- Provide that permanent retirement of partial water rights would be approved only when the local groundwater management district (GMD) has the metering and monitoring capabilities to ensure compliance;
- Provide that the application for permanent water right retirement would be prioritized based on the following after priority has been given to senior rights:
 - The applicant's bid price;
 - The timing and extent of the impact of the application on aquifer restoration or stream recovery;
 - The impact on local water management strategies designated by the board of the local GMD or the Chief Engineer; and

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

- Clarify the target areas as those designated by the GMD districts and the Chief Engineer and eliminate specific target areas (Prairie Dog Creek and Rattlesnake Creek) established in current law for the pilot water transition assistance program;
- Require that target areas are to be in areas closed to further appropriation of water by the Chief Engineer;
- Require that only vested or certified water rights which are in good standing would be eligible for water right retirement grants; and
- Establish a formula for calculating the historic consumptive water use of a water right.

Background

At the hearing on the bill, the House Committee heard from the Director of the Kansas Water Office who indicated the WaterTAP was designed to be a voluntary, incentive-based program to permanently retire irrigation water rights in specified areas. The conferee indicated enrollments began in 2007 and voluntary programs, such as WaterTAP, are attempts to help conserve and extend the life of the Ogallala Aquifer. A representative from the Conservation Division of the Kansas Department of Agriculture also spoke in favor of the bill, stating there have been 22 enrollments permanently retiring 6,169 acre-feet of annual water appropriation rights, to date. Other proponents included representatives of the Kansas Farm Bureau and the five GMDs. Written testimony in support of the bill was provided by the Kansas Grain and Feed Association and the Kansas Agribusiness Retailers Association; the Kansas Livestock Association; and the Kansas Water Congress.

The House Committee on Agriculture and Natural Resources amended the bill to eliminate the specific targeted

areas of the Rattlesnake Creek and the Prairie Dog Creek, as well as proposed language which would have given priority to the six high priority areas of GMD No. 5 (Northwest). In addition, proposed new language was deleted which would have eliminated from consideration of participation in WaterTAP those water rights with more than four consecutive years of non-use without due and sufficient cause.

The Senate Committee on Agriculture amended the bill to extend the sunset of the program on June 30, 2012, to July 1, 2022. The original bill would have established WaterTAP as a permanent program.

The fiscal note on the original bill states the Department of Agriculture indicates the Kansas Water Authority would establish a plan to fund the program from the State Water Plan Fund. The bill makes the pilot project permanent, so the fiscal effect would be subject to appropriations by the Legislature. Any fiscal effect associated with HB 2517 is not reflected in *The FY 2013 Governor's Budget Report*.