

HOUSE BILL No. 2022

AN ACT concerning oil and gas wells; relating to the state corporation commission; investigation and determination of responsibility for abandoned wells; plugging abandoned wells; abolishing the well plugging assurance fund and transferring all assets and liabilities to the abandoned oil and gas well fund; amending K.S.A. 55-150, 55-161, 55-168, 55-178, 55-179, 55-180, 55-192 and 75-3036 and K.S.A. 2020 Supp. 55-155 and repealing the existing sections; also repealing K.S.A. 55-163, 55-166 and 55-167 and K.S.A. 2020 Supp. 55-193.

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

Section 1. K.S.A. 55-150 is hereby amended to read as follows: 55-150. As used in this act unless the context requires a different meaning:

- (a) "Commission" means the state corporation commission.
- (b) "Contractor" means any person who acts as agent for an operator as a drilling, plugging, service rig or seismograph contractor in such operator's oil and gas, cathodic protection, gas gathering or underground natural gas storage operations.
- (c) "Fresh water" means water containing not more than 1,000 milligrams per liter, total dissolved solids.
- (d) "Gas gathering system" means a natural gas pipeline system used primarily for transporting natural gas from a wellhead, or a metering point for natural gas produced by one or more wells, to a point of entry into a main transmission line, but shall not mean or include: (1) Lead lines from the wellhead to the connection with the gathering system which are owned by the producing person; ~~and~~ or (2) gathering systems under the jurisdiction of the federal energy regulatory commission.
- (e) "Operator" means a person who is responsible for the physical operation and control of a well, gas gathering system or underground porosity storage of natural gas.
- (f) "Person" means any natural person, partnership, governmental or political subdivision, firm, association, corporation or other legal entity.
- (g) "Rig" means any crane machine used for drilling or plugging wells.
- (h) "Underground porosity storage" has the meaning provided by K.S.A. 55-1,115, and amendments thereto.
- (i) "Usable water" means water containing not more than 10,000 milligrams per liter, total dissolved solids.
- (j) "Well" means a hole *or penetration of the surface of the earth*, drilled or recompleted for the purpose of:
  - (1) Producing oil or gas;
  - (2) injecting fluid, air or gas in the ground in connection with the exploration for or production of oil or gas;
  - (3) obtaining geological information in connection with the exploration for or production of oil or gas by taking cores or through seismic operations;
  - (4) disposing of fluids produced in connection with the exploration for or production of oil or gas;
  - (5) providing cathodic protection to prevent corrosion to lines, *tanks or structures*; or
  - (6) injecting or withdrawing natural gas.

Sec. 2. K.S.A. 2020 Supp. 55-155 is hereby amended to read as follows: 55-155. (a) Operators and contractors shall be licensed by the commission pursuant to this section.

(b) Every operator and contractor shall file an application or a renewal application with the commission. Application and renewal application forms shall be prescribed, prepared and furnished by the commission.

(c) No application or renewal application shall be approved until the applicant has:

- (1) Provided sufficient information, as required by the commission, for purposes of identification;
- (2) submitted evidence that all current and prior years' taxes for property associated with the drilling or servicing of wells have been

paid;

(3) demonstrated to the commission's satisfaction that the applicant complies with all requirements of chapter 55 of the Kansas Statutes Annotated, and amendments thereto, all rules and regulations adopted thereunder and all commission orders and enforcement agreements, if the applicant is registered with the federal securities and exchange commission;

(4) demonstrated to the commission's satisfaction that the following comply with all requirements of chapter 55 of the Kansas Statutes Annotated, and amendments thereto, all rules and regulations adopted thereunder and all commission orders and enforcement agreements, if the applicant is not registered with the federal securities and exchange commission: (A) The applicant; (B) any officer, director, partner or member of the applicant; (C) any stockholder owning in the aggregate more than 5% of the stock of the applicant; and (D) any spouse, parent, brother, sister, child, parent-in-law, brother-in-law or sister-in-law of the foregoing;

(5) paid an annual license fee of \$100, except that an applicant for a license who is operating one or more gas wells used strictly for personal use on the property where such gas wells are located shall pay an annual license fee of \$25;

(6) complied with subsection (d); and

(7) paid an annual license fee of \$25 for each rig operated by the applicant. The commission shall issue an identification tag for each such rig which shall be displayed on such rig at all times.

(d) In order to assure financial responsibility, each operator shall annually demonstrate compliance with one of the following provisions:

(1) The operator has obtained an individual performance bond or letter of credit, in an amount equal to \$.75 times the total aggregate depth of all wells, including active, inactive, injection or disposal, of the operator.

(2) The operator has obtained a blanket performance bond or letter of credit in an amount equal to the following, according to the number of wells, including active, inactive, injection or disposal, of the operator:

(A) Wells less than 2,000 feet in depth: 1 through 5 wells, \$7,500; 6 through 25 wells, \$15,000; and over 25 wells, \$30,000.

(B) Wells 2,000 or more feet in depth: 1 through 5 wells, \$15,000; 6 through 25 wells, \$30,000; and over 25 wells, \$45,000.

(3) The operator: (A) Has an acceptable record of compliance, as demonstrated during the preceding 36 months, with commission rules and regulations regarding safety and pollution or with commission orders issued pursuant to such rules and regulations; (B) has no outstanding undisputed orders issued by the commission or unpaid fines, penalties or costs assessed by the commission and has no officer or director that has been or is associated substantially with another operator that has any such outstanding orders or unpaid fines, penalties or costs; and (C) pays a nonrefundable fee of \$100 per year.

(4) The operator pays a nonrefundable fee equal to 6% of the amount of the bond or letter of credit that would be required by subsection (d)(2).

(5) The state has a first lien on tangible personal property associated with oil and gas production of the operator that has a salvage value equal to not less than the amount of the bond or letter of credit that would be required by subsection (d)(1) or ~~by subsection (d)(2)~~.

(6) The operator has provided other financial assurance approved by the commission.

(e) Upon the approval of the application or renewal application, the commission shall issue to such applicant a license which shall be in full force and effect until one year from the date of issuance or until surrendered, suspended or revoked as provided in K.S.A. 55-162, and amendments thereto. No new license shall be issued to any applicant who has had a license revoked until the expiration of one year from the date of such revocation.

(f) If an operator transfers responsibility for the operation of a well or gas gathering system or for underground porosity storage of natural gas to another person, such operator shall file a notice of transfer of operator with the commission in accordance with rules and regulations of the commission. The commission shall, upon receipt of such notice, send a copy of such notice to the surface owner, as well as the contact information, including name, address, phone number, fax or email address, for a designated representative of the operator. The commission need not send such information if the operator verifies that the notice filed with the commission has been delivered to the surface owner. The commission need not send a copy of notice to the surface owner for transfers of responsibility for the operation of a gas gathering system or for underground porosity storage of natural gas to another person.

(g) The commission shall remit all moneys received from fees assessed pursuant to subsection (c)(7) ~~of this section~~ to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury and credit 10% of each such deposit to the state general fund with the balance credited to the conservation fee fund created by K.S.A. 55-143, and amendments thereto.

(h) The commission shall remit all moneys received pursuant to subsections (d)(3) and (d)(4) to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the ~~well plugging assurance fund~~ *abandoned oil and gas well fund established pursuant to K.S.A. 55-192, and amendments thereto.*

Sec. 3. K.S.A. 55-161 is hereby amended to read as follows: 55-161. The commission shall investigate abandoned wells, and, based on actual or potential pollution problems, may select abandoned wells to be drilled out by the commission in order to test the integrity of the plugs. The cost of such testing shall be paid from ~~the well plugging assurance fund~~ or the abandoned oil and gas well fund, ~~as appropriate~~ *established pursuant to K.S.A. 55-192, and amendments thereto.*

Sec. 4. K.S.A. 55-168 is hereby amended to read as follows: 55-168. Whenever there are insufficient moneys in ~~the well plugging assurance fund~~ or the abandoned oil and gas well fund *established pursuant to K.S.A. 55-192, and amendments thereto*, to pay the liabilities of such fund, such liabilities shall be and are hereby imposed on the conservation fee fund, *established pursuant to K.S.A. 55-143, and amendments thereto*, provided such liabilities were incurred in accordance with the prioritization ~~schedules~~ *schedule* established pursuant to ~~subsection (b)(2) of K.S.A. 55-166, and amendments thereto, and subsection (b)(2) of K.S.A. 55-192, and amendments thereto.~~

Sec. 5. K.S.A. 55-178 is hereby amended to read as follows: 55-178. (a) Any person who has reason to believe that any *abandoned well* ~~which has been abandoned~~ is causing or is likely to cause the *loss of any usable water or* pollution of any usable water strata ~~or supply~~ or the *imminent loss or pollution* of any usable water ~~through downward drainage by reason of the fact that~~, *because* the well has not been plugged, was improperly plugged; ~~or that the plugging is no longer effective by reason of the deterioration of the pipe or by any other cause~~, may file a complaint in writing, so alleging, with the commission secretary. Such complaint shall state the location of the well and ~~the facts which caused~~ *why* the complainant ~~to believe~~ *believes* that such well is causing or is likely to cause the *loss of any usable water or* pollution of any usable water strata ~~or supply~~ or the *imminent loss or pollution* of any usable water.

(b) *Upon receipt of any complaint filed pursuant to this section, the commission shall conduct an investigation for the purpose of determining whether the well is an abandoned well causing or likely to*

*cause loss of any usable water or pollution of any usable water strata or the imminent loss or pollution of any usable water. As a result of the investigation, the commission may take any action or issue any order pursuant to the provisions of the Kansas administrative procedure act as may be appropriate. Proceedings for reconsideration and judicial review of any order shall be conducted in the manner provided pursuant to K.S.A. 55-606, and amendments thereto.*

*(c) As used in this section, "abandoned well" means a well that is not claimed on an operator's license that is active with the commission and is unplugged, improperly plugged or no longer effectively plugged.*

~~Sec. 6. K.S.A. 55-179 is hereby amended to read as follows: 55-179. (a) Upon receipt of any complaint filed pursuant to K.S.A. 55-178 and amendments thereto, the commission shall make an investigation for the purpose of determining whether such abandoned well is polluting or is likely to pollute any usable water strata or supply or causing the loss of usable water, or the commission may initiate such investigation on its own motion. If the commission determines:~~

~~(1) That such abandoned well is causing or likely to cause such pollution or loss; and~~

~~(2) (A) that no person is legally responsible for the proper care and control of such well; or (B) that the person legally responsible for the care and control of such well is dead, is no longer in existence, is insolvent or cannot be found, then, after completing its investigation, and as funds are available, the commission shall plug, replug or repair such well, or cause it to be plugged, replugged or repaired, in such a manner as to prevent any further pollution or danger of pollution of any usable water strata or supply or loss of usable water, and shall remediate pollution from the well, whenever practicable and reasonable. The cost of the investigation; the plugging, replugging or repair; and the remediation shall be paid by the commission from the well plugging assurance fund or the abandoned oil and gas well fund, as appropriate.~~

~~(b) For the purposes of this section, a person who is legally responsible for the proper care and control of an abandoned well shall include, but is not limited to, one or more of the following: Any operator of a waterflood or other pressure maintenance program deemed to be causing pollution or loss of usable water; the current or last operator of the lease upon which such well is located, irrespective of whether such operator plugged or abandoned such well; the original operator who plugged or abandoned such well; and any person who without authorization tampers with or removes surface equipment or downhole equipment from an abandoned well.~~

~~(e) Whenever the commission determines that a well has been abandoned and is causing or is likely to cause pollution of any usable water strata or supply or loss of usable water, and whenever the commission has reason to believe that a particular person is legally responsible for the proper care and control of such well, the commission shall cause such person to come before it at a hearing held in accordance with the provisions of the Kansas administrative procedure act to show cause why the requisite care and control has not been exercised with respect to such well. After such hearing, if the commission finds that the person is legally responsible for the proper care and control of such well and that such well is abandoned, in fact, and is causing or is likely to cause pollution of any usable water strata or supply or loss of usable water, the commission may make any order or orders prescribed in K.S.A. 55-162, and amendments thereto. Proceedings for reconsideration and judicial review of any of the commission's orders may be held pursuant to K.S.A. 55-606, and amendments thereto.~~

~~(d) For the purpose of this section, any well which has been abandoned, in fact, and has not been plugged pursuant to the rules and regulations in effect at the time of plugging such well shall be and is hereby deemed likely to cause pollution of any usable water strata or supply.~~

~~(e) For the purpose of this section, the person legally responsible for the proper care and control of an abandoned well shall not include the landowner or surface owner unless the landowner or surface owner has operated or produced the well, has deliberately altered or tampered with such well thereby causing the pollution or has assumed by written contract such responsibility. (a) If the commission determines that a well is an abandoned well and has reason to believe that any person is legally responsible for the proper care and control of such well, the commission shall cause any such person to come before the commission in accordance with the provisions of the Kansas administrative procedure act. If the commission finds that any person is, in fact, legally responsible for the proper care and control of such well, the commission may issue any orders obligating any such person to plug the well or to otherwise cause such well to be brought into compliance with all rules and regulations of the commission and may order any other remedies as may be just and reasonable. Proceedings for reconsideration and judicial review of any order shall be conducted in the manner provided pursuant to K.S.A. 55-606, and amendments thereto.~~

*(b) A person that is legally responsible for the proper care and control of an abandoned well shall be limited to one or more of the following:*

*(1) Any person causing pollution or loss of usable water through the well, including any operator of an injection well, disposal well or pressure maintenance program;*

*(2) the most recent operator to produce from or inject or dispose into the well, but if no production or injection has occurred, the person that caused the well to be drilled. A person shall not be legally responsible for a well pursuant to this paragraph if: (A) Such person can demonstrate that the well was physically operating or was in compliance with temporary abandonment regulations immediately before such person transferred or assigned the well to an operator with an active operator's license; and (B) a completed report of transfer was filed pursuant to commission regulations if transferred or assigned after August 28, 1997;*

*(3) the person that most recently accepted responsibility for the well by accepting an assignment or by signing an agreement or other written document, between private parties, in which the person accepted responsibility. Accepting an assignment of a lease, obtaining a new lease or signing an agreement or any other written document between private parties shall not in and of itself create responsibility for a well located upon the land covered thereby unless such instrument adequately identifies the well and expressly transfers responsibility for such well;*

*(4) the operator that most recently filed a completed report of transfer with the commission in which such operator accepted responsibility for the well or; if no completed report of transfer has been filed, the operator that most recently filed a well inventory with the commission in which such operator accepted responsibility for the well. Any modification made by commission staff of any such documents shall not alter legal responsibility unless the operator was informed of such modification and approved of the modification in writing;*

*(5) the operator that most recently plugged the well, if no commission funds were used; and*

*(6) any person that does any of the following to an abandoned well without authorization from the commission: (A) Tamper with or removes surface or downhole equipment that was physically attached to the well or inside the well bore; (B) intentionally destroys, buries or damages the well; (C) intentionally alters the physical status of the well in a manner that will result in more than a de minimis increase in plugging costs; or (D) conducts any physical operations upon the well.*

*(c) If the commission determines that no person is legally responsible for the proper care and control of an abandoned well, or*

*that each legally responsible person is dead, no longer in existence, insolvent or can no longer be found, then the commission shall cause such well to be plugged as funds become available. The cost of such plugging shall be paid by the commission from the abandoned oil and gas well fund created pursuant to K.S.A. 55-192, and amendments thereto.*

*(d) The validity of any order issued by the commission prior to July 1, 2021, shall not be affected by the provisions of this section but shall apply to any determination of responsibility regarding any abandoned well.*

*(e) As used in this section, "abandoned well" means a well that is not claimed on an operator's license that is active with the commission and is unplugged, improperly plugged or no longer effectively plugged.*

Sec. 7. K.S.A. 55-180 is hereby amended to read as follows: 55-180. (a) The fact that any person has initiated or supported a proceeding before the commission, or has remedied or attempted to remedy the condition of any well under the authority of this act, shall not be construed as an admission of liability or received in evidence against such person in any action or proceeding wherein responsibility for or damages from surface or subsurface pollution, or injury to any usable water or oil-bearing or gas-bearing formation, is or may become an issue; nor shall such fact be construed as releasing or discharging any action, cause of action or claim against such person existing in favor of any third person for damages to property resulting from surface or subsurface pollution, or injury to any usable water or oil-bearing or gas-bearing formation.

(b) The commission, on its own motion, may initiate an investigation into any pollution problem related to oil and gas activity. In taking such action the commission may require or perform the testing, sampling, monitoring or disposal of any source of groundwater pollution related to oil and gas activities.

*(c) Any abandoned well may be plugged by any person if such: (1) Person has written consent from a surface owner of the land upon which the well is located or has other legal access to such land; and (2) plugging is done by a person licensed by the commission and in accordance with all rules and regulations of the commission.*

~~(d)~~ The commission or any other person authorized by the commission who has no obligation to plug, replug or repair any abandoned well, but who does so in accordance with the provisions of this act, shall have a cause of action for the reasonable cost and expense incurred in plugging, replugging or repairing the well against any person who is legally responsible for the proper care and control of such well pursuant to the provisions of K.S.A. 55-179, and amendments thereto, and the commission or other person shall have a lien upon the interest of such obligated person in and to the oil and gas rights in the land and equipment located thereon.

~~(d)~~*(e) Any moneys recovered by the commission in an action pursuant to subsection ~~(d)~~ shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the conservation fee fund, well-plugging assurance fund established pursuant to K.S.A. 55-143, and amendments thereto, or the abandoned oil and gas well fund established pursuant to K.S.A. 55-192, and amendments thereto, as appropriate based on the fund from which the costs incurred by the commission were paid.*

*(f) (1) For any well that has been abandoned for five years or more, any person who has no obligation to plug, replug or repair the well, that causes such well to be plugged may seek reimbursement from the abandoned oil and gas well fund created pursuant to K.S.A. 55-192, and amendments thereto. The commission shall adopt rules and regulations for determining whether, how and to what extent a request for reimbursement shall be granted.*

*(2) The provisions of this subsection shall not entitle any person to*

*receive reimbursement for the plugging of any abandoned well that has been abandoned for five years or more unless such reimbursement is approved pursuant to the rules and regulations established by the commission for such purpose.*

*(g) No person shall become legally responsible for the care and control of any well solely on the basis of having appropriately plugged a well pursuant to this section.*

*(h) As used in this section, "abandoned well" means a well that is not claimed on an operator's license that is active with the commission and is unplugged, improperly plugged or no longer effectively plugged.*

Sec. 8. K.S.A. 55-192 is hereby amended to read as follows: 55-192. (a) There is hereby established in the state treasury the abandoned oil and gas well fund.

(b) Moneys in the abandoned oil and gas well fund shall be used only for the purpose of paying the costs of: (1) Investigation and remediation of contamination sites; (2) investigation of abandoned wells, and their well sites, ~~drilling of which began before July 1, 1996;~~ and (3) plugging, replugging or repairing abandoned wells; and remediation of the well sites, ~~drilling of which began before July 1, 1996;~~ in accordance with a prioritization schedule adopted by the commission and based on the degree of threat to public health or the environment; and (4) *any reimbursement authorized by the commission pursuant to K.S.A. 55-180, and amendments thereto.* No moneys credited to the fund shall be used to pay administrative expenses of the commission or to pay compensation or other expenses of employing personnel to carry out the duties of the commission.

(c) On or before the 10<sup>th</sup> day of each month, the director of accounts and reports shall transfer from the state general fund to the abandoned oil and gas well fund interest earnings based on: (1) The average daily balance of moneys in the abandoned oil and gas well fund for the preceding month; and (2) the net earnings rate for the pooled money investment portfolio for the preceding month.

(d) All expenditures from the abandoned oil and gas well fund shall be made in accordance with appropriations acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the chairperson of the state corporation commission or a person designated by the chairperson.

*(e) On July 1, 2021: (1) The director of accounts and reports shall transfer all moneys in the well plugging assurance fund established pursuant to K.S.A. 55-166, prior to its repeal, to the abandoned oil and gas well fund; (2) all liabilities of the well plugging assurance fund are hereby transferred to and imposed on the abandoned oil and gas well fund; and (3) the well plugging assurance fund is hereby abolished.*

Sec. 9. K.S.A. 75-3036 is hereby amended to read as follows: 75-3036. (a) The state general fund is exclusively defined as the fund into which shall be placed all public moneys and revenue coming into the state treasury not specifically authorized by the constitution or by statute to be placed in a separate fund, and not given or paid over to the state treasurer in trust for a particular purpose, which unallocated public moneys and revenue shall constitute the general fund of the state. Moneys received or to be used under constitutional or statutory provisions or under the terms of a gift or payment for a particular and specific purpose are to be kept as separate funds and shall not be placed in the general fund or ever become a part of it.

(b) The following funds shall be used for the purposes set forth in the statutes concerning such funds and for no other governmental purposes. It is the intent of the legislature that the following funds and the moneys deposited in such funds shall remain intact and inviolate for the purposes set forth in the statutes concerning such funds: Board of accountancy fee fund, K.S.A. 1-204 and 75-1119b, and amendments thereto, and special litigation reserve fund of the board of accountancy; bank commissioner fee fund, K.S.A. 9-1703, 16a-2-302 and 75-1308, and amendments thereto, bank investigation fund, K.S.A. 9-1111b, and amendments thereto, consumer education settlement fund and litigation

expense fund of the state bank commissioner; securities act fee fund and investor education and protection fund, K.S.A. 17-12a601, and amendments thereto, of the office of the securities commissioner of Kansas; credit union fee fund, K.S.A. 17-2236, and amendments thereto, of the state department of credit unions; court reporters fee fund, K.S.A. 20-1a02, and amendments thereto, and bar admission fee fund, K.S.A. 20-1a03, and amendments thereto, of the judicial branch; fire marshal fee fund, K.S.A. 31-133a and 31-134, and amendments thereto, and boiler inspection fee fund, K.S.A. 44-926, and amendments thereto, of the state fire marshal; food service inspection reimbursement fund, K.S.A. 36-512, and amendments thereto, of the Kansas department of agriculture; wage claims assignment fee fund, K.S.A. 44-324, and amendments thereto, and workmen's compensation fee fund, K.S.A. 74-715, and amendments thereto, of the department of labor; veterinary examiners fee fund, K.S.A. 47-820, and amendments thereto, of the state board of veterinary examiners; mined-land reclamation fund, K.S.A. 49-420, and amendments thereto, of the department of health and environment; conservation fee fund and ~~well plugging assurance fund~~ *abandoned oil and gas well fund*, K.S.A. 55-155, 55-176, 55-192, 55-609, 55-711 and 55-901, and amendments thereto, gas pipeline inspection fee fund, K.S.A. 66-1,155, and amendments thereto, and public service regulation fund, K.S.A. 66-1503, and amendments thereto, of the state corporation commission; land survey fee fund, K.S.A. 58-2011, and amendments thereto, of the state historical society; real estate recovery revolving fund, K.S.A. 58-3074, and amendments thereto, of the Kansas real estate commission; appraiser fee fund, K.S.A. 58-4107, and amendments thereto, and appraisal management companies fee fund of the real estate appraisal board; amygdalin (laetrite) enforcement fee fund, K.S.A. 65-6b10, and amendments thereto; mortuary arts fee fund, K.S.A. 65-1718, and amendments thereto, of the state board of mortuary arts; board of barbering fee fund, K.S.A. 65-1817a, and amendments thereto, of the Kansas board of barbering; cosmetology fee fund, K.S.A. 65-1951 and 74-2704, and amendments thereto, of the Kansas state board of cosmetology; healing arts fee fund, K.S.A. 65-2011, 65-2855, 65-2911, 65-5413, 65-5513, 65-6910, 65-7210 and 65-7309, and amendments thereto, and medical records maintenance trust fund, of the state board of healing arts; other state fees fund, K.S.A. 65-4024b, and amendments thereto, of the Kansas department for aging and disability services; board of nursing fee fund, K.S.A. 74-1108, and amendments thereto, of the board of nursing; dental board fee fund, K.S.A. 74-1405, and amendments thereto, and special litigation reserve fund, of the Kansas dental board; optometry fee fund, K.S.A. 74-1503, and amendments thereto, and optometry litigation fund, of the board of examiners in optometry; state board of pharmacy fee fund, K.S.A. 74-1609, and amendments thereto, and state board of pharmacy litigation fund, of the state board of pharmacy; abstracters' fee fund, K.S.A. 74-3903, and amendments thereto, of the abstracters' board of examiners; athletic fee fund, K.S.A. 74-50,188, and amendments thereto, of the department of commerce; hearing instrument board fee fund, K.S.A. 74-5805, and amendments thereto, and hearing instrument litigation fund of the Kansas board of examiners in fitting and dispensing of hearing instruments; commission on disability concerns fee fund, K.S.A. 74-6708, and amendments thereto, of the governor's department; technical professions fee fund, K.S.A. 74-7009, and amendments thereto, and special litigation reserve fund of the state board of technical professions; behavioral sciences regulatory board fee fund, K.S.A. 74-7506, and amendments thereto, of the behavioral sciences regulatory board; governmental ethics commission fee fund, K.S.A. 25-4119e, and amendments thereto, of the governmental ethics commission; emergency medical services board operating fund, K.S.A. 75-1514, and amendments thereto, of the emergency medical services board; fire service training program fund, K.S.A. 75-1514, and amendments thereto, of the university of Kansas; uniform commercial



code fee fund, K.S.A. 75-448, and amendments thereto, of the secretary of state; prairie spirit rails-to-trails fee fund of the Kansas department of wildlife, parks and tourism; water marketing fund, K.S.A. 82a-1315c, and amendments thereto, of the Kansas water office; insurance department service regulation fund, K.S.A. 40-112, and amendments thereto, of the insurance department; state fair special cash fund, K.S.A. 2-220, and amendments thereto, of the state fair board; scrap metal theft reduction fee fund, K.S.A. 2020 Supp. 50-6,109a, and amendments thereto; and any other fund in which fees are deposited for licensing, regulating or certifying a person, profession, commodity or product.

(c) If moneys received pursuant to statutory provisions for a specific purpose by a fee agency are proposed to be transferred to the state general fund or a special revenue fund to be expended for general government services and purposes in the governor's budget report submitted pursuant to K.S.A. 75-3721, and amendments thereto, or any introduced house or senate bill, the person or business entity who paid such moneys within the preceding 24-month period shall be notified by the fee agency within 30 days of such submission or introduction:

(1) By electronic means, if the fee agency has an electronic address on record for such person or business entity. If no such electronic address is available, the fee agency shall send written notice by first class mail; or

(2) any agency that receives fees from a tax, fee, charge or levy paid to the commissioner of insurance shall post the notification required by this subsection on such agency's website.

(d) Any such moneys ~~which~~ *that* are wrongfully or by mistake placed in the general fund shall constitute a proper charge against such general fund. All legislative appropriations which do not designate a specific fund from which they are to be paid shall be considered to be proper charges against the general fund of the state. All revenues received by the state of Kansas or any department, board, commission, or institution of the state of Kansas, and required to be paid into the state treasury shall be placed in and become a part of the state general fund, except as otherwise provided by law.

(e) The provisions of this section shall not apply to the 10% credited to the state general fund to reimburse the state general fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services, and any and all other state governmental services, as provided in K.S.A. 75-3170a, and amendments thereto.

(f) Beginning on January 8, 2018, the director of the budget shall prepare a report listing the unencumbered balance of each fund in subsection (b) on June 30 of the previous fiscal year and January 1 of the current fiscal year. Such report shall be delivered to the secretary of the senate and the chief clerk of the house of representatives on or before the first day of the regular legislative session each year.

(g) As used in this section, "fee agency" shall include the state agencies specified in K.S.A. 75-3717(f), and amendments thereto, and any other state agency that collects fees for licensing, regulating or certifying a person, profession, commodity or product.

Sec. 10. K.S.A. 55-150, 55-161, 55-163, 55-166, 55-167, 55-168, 55-178, 55-179, 55-180, 55-192 and 75-3036 and K.S.A. 2020 Supp. 55-155 and 55-193 are hereby repealed.

Sec. 11. This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the HOUSE, and was adopted by that body

\_\_\_\_\_  
HOUSE adopted  
Conference Committee Report \_\_\_\_\_

\_\_\_\_\_  
*Speaker of the House.*

\_\_\_\_\_  
*Chief Clerk of the House.*

Passed the SENATE  
as amended \_\_\_\_\_

SENATE adopted  
Conference Committee Report \_\_\_\_\_

\_\_\_\_\_  
*President of the Senate.*

\_\_\_\_\_  
*Secretary of the Senate.*

APPROVED \_\_\_\_\_

\_\_\_\_\_  
*Governor.*