

KANSAS OFFICE *of*  
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LEGISLATURE *of* THE STATE *of* KANSAS  
*Legislative Attorneys transforming ideas into legislation.*

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**MEMORANDUM**

To: Chairman Sloan and the House Committee on Water and Environment  
From: Nick Myers, Office of Revisor of Statutes  
Date: January 30, 2018  
Subject: House Bill 2513

House Bill 2513 would impose a surface water protection fee on surface water that is sold by public water supply systems and surface water that is used pursuant to industrial use permits. Such fee would be set at a rate of \$.05 per 1,000 gallons of water. The fee would be collected by the director of taxation in the same manner that the current water protection fee is collected under K.S.A. 82a-954.

HB 2513 would also assess water assurance districts with a fee at a rate of \$.002 per 1,000 gallons of assurance water storage capacity in reservoirs. A water assurance district would be required to charge the members of such water assurance district in order to annually remit the fee. The fee would be collected by the director of taxation in the same manner as the current water protection fee is collected under K.S.A. 82a-954.

The fees imposed in HB 2513 would be deposited in the surface water protection fee fund that is created in Section 2. The Kansas Water Office would direct spending from such fund. Money in the fund could only be expended on programs and projects that benefit surface water users or municipal aquifer recharge programs. Such money would be required to be spent in the following priority: (1) To acquire, operate, and maintain reservoir water storage; and (2) to fund research that otherwise would not be funded by the state water plan fund including identifying and treating water quality issues that could impact downstream water treatment, identifying changes in storage capacity and sediment composition, and identifying factors that impact stream sedimentation.

*Attachment 1*  
*HWE 1-30-18*  
Office of Revisor of Statutes

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The fees imposed by HB 2513 would effectively sunset on December 31, 2029. Though, such fees may not be collected in each year prior to the sunset date if certain requirements are met. If the state water plan fund receives the statutorily required transfers from the economic development initiative fund (EDIF) and the state general fund (SGF) totaling \$8,000,000 for two consecutive fiscal years, the fees imposed by HB 2513 would not be collected in the next calendar year. If the SGF and EDIF transfers are not made in any subsequent fiscal year, the collection of the fees would recommence in the following calendar year until the fees are terminated again or until December 31, 2029.