

**MINUTES OF THE HOUSE AGRICULTURE & NATURAL RESOURCES BUDGET
COMMITTEE**

The meeting was called to order by Chair Sharon Schwartz at 1:30 pm. on January 26, 2011, in Room 142-S of the Capitol.

All members were present.

Committee staff present:

Christina Allen, Legislative Research Department
Tamera Lawrence, Office of Revisor of Statutes
Shirley Jepson, Committee Assistant

Conferees appearing before the Committee:

Chris Wilson, Department of Agriculture
Lane Letourneau, Manager of the Appropriations Program, Division of Water Resources,
Department of Agriculture

Others attending:

See attached list.

Introduction of Legislation

Chris Wilson, Department of Agriculture, appeared before the Committee to request the introduction of legislation concerning funding for lodging inspections. Ms. Wilson indicated that funding was included in the 2010 appropriation bill through the use of a proviso. This legislation would put the issue in statute.

Representative Carlin moved to introduce legislation concerning fees for lodging inspections. The motion was seconded by Representative Lane. Motion adopted with no objections.

Representative Schwartz moved to introduce legislation relating to land acquisition by the Department of Wildlife and Parks (Attachment 1). The motion was seconded by Representative Powell. Motion carried on a voice vote.

The Committee discussed the possibility of changing the language in the proposed legislation regarding the 160 acres limitation to a lesser number. It was determined that the number could be amended if the bill has a hearing and the Committee chooses to do so.

Update on Water Meters

Lane Letourneau, Manager of the Appropriations Program, Division of Water Resources (DWR), Department of Agriculture, presented an update on Water Flowmeter Readings (Attachment 2). Mr. Letourneau reported that there are currently 24,110 metered water right points of diversion in the state. The Division is coordinating water readings with Groundwater Management Districts (GMD) to reach a goal of metering all non-domestic water diversions. As a result of a recent audit by Legislative Post Audit, Mr. Letourneau noted that the Division is implementing a one-year pilot project with Kansas Department of Health and Environment (KDHE) to determine the feasibility of having KDHE read meters when they visit confined feeding facilities to avoid duplication services. Mr. Letourneau stated that DWR adheres to bio-security protocol when performing meter readings.

Responding to questions from the Committee, Mr. Letourneau provided the following information:

- Radio readings are currently limited because of the expense.
- Kansas statute requires every water user except domestic users to file water usage reports with the DWR, with penalties in place if the reports are not filed. Information in these reports is beneficial as a water management tool and ensures compliance with the law.
- Water-right owners are required to test meters for accuracy. GMD readers currently test meters which they read for accuracy.
- In responding to complaints or impairments, DWR has had a number of complaints during dry years. In responding to these complaints, the Division has established target water levels on wells; established a bypass from ponds to insure water downstream. Mr. Letourneau noted the importance of knowing the quantity of water needed for each livestock facility and irrigation

CONTINUATION SHEET

Minutes of the House Agriculture and Natural Resources Budget Committee at 1:30 pm on January 26, 2011, in Room 142-S of the Capitol.

system.

- The Water Appropriation Act determines priority in the distribution of water.
- During the pilot project with KDHE, KDHE will not require meters to be moved to meet bio-security protocol.
- The use of United States Geological Survey gauges to collect data on the flow of water into Western Kansas, has been discontinued because of budget cuts. The cost is approximately \$4,000 per gauge with 3 gauges in place. The Committee noted the importance of collecting this data to ensure that the State is getting their fair share of water from Colorado, especially for irrigation.

The Committee requested that DWR keep the Committee informed on progress in using radio readings to perform water meter readings and on the situation with the 3 U.S. Geological Survey gauges which collect data on water flowing into western Kansas. The Committee voiced concern that it is important to have uniformity between state agencies with regard to location and reading of water meters.

Distribution of Information

Christina Allen, Legislative Research Department, provided copies of a memo regarding Parsons Army Ammunition Plant Facility and Grounds Funding (Attachment 3). Ms. Allen informed the Committee that she has extensive information from the Department of Wildlife and Parks available to each Committee member on a “flash drive”. Members were requested to bring their laptops to the next Committee meeting to allow the information can be downloaded.

Adjournment

The next meeting is scheduled “on call of the chair”.

The meeting was adjourned at 2:13 pm.

DATE: January 26, 2011

[illegible]

AN ACT concerning the department of wildlife and parks; relating to land acquisition; amending K.S.A. 2010 Supp. 32-833 and repealing the existing section.

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

Section 1. K.S.A. 2010 Supp. 32-833 is hereby amended to read as follows: 32-833. (a) (1) Notwithstanding the provisions of subsection (f) of K.S.A. 32-807, and amendments thereto, or any other provisions of law to the contrary, the secretary of wildlife and parks shall not purchase any land unless:

(A) The secretary of wildlife and parks has certified that the land proposed to be purchased is in compliance with the provisions of article 13 of chapter 2 of the Kansas Statutes Annotated, and amendments thereto, concerning control and management of noxious weeds after consultation with the county weed supervisor and has developed a written plan for controlling and managing noxious weeds on the land to be purchased;

(B) the secretary of wildlife and parks shall agree to make payment of moneys in lieu of taxes comparable to the ad valorem tax payments of surrounding lands for any land purchased which is exempt from the payment of ad valorem taxes under the laws of the state of Kansas; and

(C) the secretary of wildlife and parks has developed a management plan for the property proposed to be purchased.

(2) In addition to the requirements prescribed by this section and otherwise by law, any proposed purchase of a tract or tracts of land which are greater than ~~640~~ 160 acres in the aggregate shall be subject to approval by act of the legislature, either as a provision in an appropriation act pertaining to the specific property to be purchased or by any other act of the legislature that approves the acquisition of the specific property proposed.

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~~(3) The provisions of this subsection shall not apply to any purchase of land owned by a private individual by the secretary if such purchase price is an amount which is less than such land's appraised valuation.~~

(b) (1) Notwithstanding the provisions of subsection (f) of K.S.A. 32-807, and amendments thereto, or any other provisions of law to the contrary, the secretary of wildlife and parks shall adopt guidelines and procedures prescribing public notice requirements that the secretary shall comply with before the selling of any land which shall include, but not be limited to, the following:

(A) A written notice shall be posted in a conspicuous location on such land stating the time and date of the sale, or the date after which the land will be offered for sale, and a name and telephone number of a person who may be contacted concerning the sale of such land;

(B) the secretary shall cause to be published in a newspaper of general circulation in the county the land is located once a week for three consecutive weeks, the secretary's intent to sell the land which shall include a legal description of the land to be sold, the time and date of the sale or the date after which the land will be offered for sale, the general terms and conditions of such sale, and a name and telephone number of a person who may be contacted concerning the sale of such land; and

(C) the secretary shall publish in the Kansas register public notice of the secretary's intent to sell the land which shall include a legal description of the land to be sold, the time and date of the sale or the date after which the land will be offered for sale, the place of the sale, the general terms and conditions of such sale, and a name and telephone number of a person who may be contacted concerning the sale of such land.

(2) The secretary shall have the land appraised by three disinterested persons. In no case shall such land be sold for less than the average of its appraised value as determined by such disinterested persons.

(3) The secretary shall list such land with a real estate agent who is licensed by the Kansas real estate commission as a salesperson under the real estate brokers' and salespersons' license act, and who shall publicly advertise that such land is for sale.

(4) Prior to closing the transaction on a contract for the sale of such land, the secretary shall cause a survey to be conducted by a licensed land surveyor. Such survey shall establish the precise legal description of such land and shall be a condition precedent to the final closing on such sale.

(c) Any disposition of land by the secretary shall be in the best interest of the state.

Sec. 2. K.S.A. 2010 Supp. 32-833 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.



**House Committee on Agriculture and Natural Resources Budget
Testimony on Water Flowmeter Readings
Lane Letourneau, Water Appropriation Program Manager
January 26, 2011**

Chairperson Schwartz and members of the Committee, I am Lane Letourneau, Manager of the Water Appropriation Program in the Kansas Department of Agriculture's Division of Water Resources. I appear before you today to respond to questions about water flowmeter readings.

Attached to my testimony are the following items:

- Questions from legislative staff and our responses;
- Explanation of why DWR performs meter readings as part of our fieldwork, opportunities for automated meter readings, how we are working with the hog industry to protect swine and improve meter accessibility, other fieldwork related to water rights; and
- A highlight sheet from the recent audit of water agencies which addressed efficiency and agency coordination.

To summarize, we were asked to provide some details about meter reading, how it is coordinated and whether there is duplication.

DWR currently employs 15 staff in five offices throughout the state who obtain water flowmeter readings as part of their jobs. There are currently 24,110 metered water right points of diversion, and we are working toward a Kansas Water Plan goal of metering all nondomestic water diversions. Water users rely on meters to manage and report their water use. We check meters when diversion works are completed, when performing a field inspection for a water right certificate, and on other occasions when a meter order is issued, when investigating an impairment claim, and when performing compliance checks. We coordinate this work carefully to avoid duplication of effort, including coordination with groundwater management districts. If a meter reading is available from a GMD, then we do not send staff to perform that meter reading. As part of their recent audit of water agencies, Legislative Post Audit examined all types of site visits. They determined the agencies are operating efficiently and they recommended a pilot project to see if the Kansas Department of Health and Environment could read meters for us when they visit confined feeding facilities. We are currently implementing that one-year pilot project with KDHE in northwest Kansas.

Thank you for the opportunity to share information about our work. I will stand for questions at the appropriate time.

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Attachment 2

Responses to Questions

Questions received Jan. 18, 2011 from the committee chair via legislative staff, each followed by responses from the agency:

1. How many people read meters?

DWR currently has 15 field office staff in five offices throughout the state that as a small part of their duties obtain a water flowmeter reading while conducting a compliance check or field inspection for a water right/permit.

2. How many are overlapping other meter readers?

We are not aware of any overlapping meter readers. We have coordinated compliance check projects with the groundwater management districts (GMDs) to ensure there are no redundant site visits. The GMDs have been helpful in sharing their data with DWR. DWR will not visit a meter if the information is available to us from the GMDs.

3. How often are meters read?

DWR staff check water flowmeters (and complete other tasks) when performing field inspections upon notice of completion of diversion works and when performing compliance investigations related to meter requirements, complaints, water use verification, impairment claims, nonuse issues, and overpumping. There is not a set schedule for meter readings.

4. How are meter readings coordinated?

Water commissioners assign staff to perform meter checks in their field office areas. Databases and lists are used to ensure there is not duplication. As previously noted, GMD staff contact DWR field staff to inform them of any GMD meter reading activities to avoid duplication.

5. How was this addressed in the audit of water agencies?

Legislative Post Audit conducted an audit on water agencies last year. Their report indicated that LPA did not find any significant duplication or overlapping services between the water agencies. A sheet of highlights from that report is attached for reference.

The audit report recommended a meter reading pilot project associated with Kansas Department of Health and Environment feedlot inspections. With KDHE's cooperation we have initiated that project, prepared a list of sites in northwest Kansas, and have a signed memorandum of agreement. It is estimated that during this year-long pilot project KDHE feedlot inspectors will provide up to 180 stockwatering meter readings to DWR.

Why DWR Performs Water Flowmeter Readings

Under the Kansas Water Appropriation Act (K.S.A. 82a-701 *et seq.*), the chief engineer of the Kansas Department of Agriculture's Division of Water Resources (DWR) is responsible for a broad range of duties:

"Duties of chief engineer as to beneficial use and rights of priority of appropriation. The chief engineer shall enforce and administer the laws of this state pertaining to the beneficial use of water and shall control, conserve, regulate, allot and aid in the distribution of the water resources of the state for the benefits and beneficial uses of all of its inhabitants in accordance with the rights of priority of appropriation." (K.S.A. 82a-706)

Beneficial uses of water include domestic, municipal, industrial, irrigation, stockwatering, recreational, waterpower, artificial recharge, hydraulic dredging, contamination remediation, dewatering, fire protection, thermal exchange and sediment control.

Collecting verifiable water use information is one way the chief engineer fulfills these responsibilities. The Kansas Water Appropriation Act contains specific provisions for metering, including:

"Meters, gages and other measuring devices; waste and quality checks. The chief engineer shall have full authority to require any water user to install meters, gages, or other measuring devices, which devices he or she or his or her agents may read at any time, and to require any water user to report the reading of such meters, gages, or other measuring devices at reasonable intervals. He or she shall have full authority to make, and to require any water user to make, periodic water waste and water quality checks and to require the user making such checks to report the findings thereof." (K.S.A. 82a-706c)

The specific authority for metering was added in the 1957 amendments to the Kansas Water Appropriation Act. Since 1984, new water appropriation permits and change approvals for new wells or pumpsites have required owners to install meters or other approved measuring devices. Water flowmeter regulations have been in place since 2000. Owners of prior water rights have been required to install meters or other approved measuring devices through orders of the chief engineer. Domestic uses are exempt from the meter requirements. Presently, more than half of the 30,000-plus nondomestic water rights in Kansas have approved meters or other measuring devices, and the agency is continually working toward a Kansas Water Plan objective to have all nondomestic water rights metered.

Automated Meter Readings

A few years ago, DWR received a Water 2025 grant from the U.S. Bureau of Reclamation to install remote sensing equipment at test locations in the Lower Republican River basin. We deployed devices to record and transmit meter readings, in addition to well water levels, at several irrigation wells junior to minimum desirable streamflow. Data was transmitted by satellite to a secure website where DWR staff and participating water users could monitor pump rates and quantities in real-time from their desktop computers. Unfortunately, the meters were not compatible with the electronics. However, we are still benefitting from other aspects of the project, most notably remote sensing of well water levels used to monitor alluvial groundwater levels for water right administration and for data collection at impairment investigation sites.

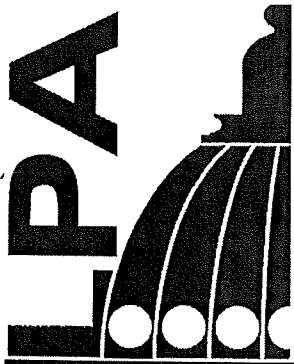
We continue to explore other opportunities for automated water flowmeter readings. In the near future we will be meeting with representatives of Sprint to learn more about a system they have for electronic meter reading. We will evaluate whether that technology would be feasible and cost-effective for water flowmeters. Some water users already have sophisticated equipment allowing them to control and monitor their pumps from an office. We anticipate continued advances in technology that will one day make it possible for any water user to benefit from this equipment.

Meters at Confined Hog Facilities

Most confined hog facilities have implemented heightened biosecurity protocols, including restricted access to hog barns to prevent the spread of disease. DWR is requiring owners of hog facilities to relocate water flowmeters to locations where they are accessible to DWR staff without entering the hog barns. (Meters for any type of water right/permit are required to be accessible.) DWR has coordinated with the Kansas Pork Association on this initiative which will protect hogs and allow DWR staff to complete their work without interfering with the hog operations.

Additional Information About DWR's Water Right/Permit Related Field Work

Obtaining a meter reading is only a small part of the duties performed by DWR field staff. We conduct complete compliance checks of water rights/permits, which includes location of the point of diversion (well spacing), place of use (a water right is a property right), meter installation specifications (meter accuracy), rate and quantity (safe-yield). A field inspection will include a flow rate test (for certificate). Impairment investigations will include water level measurement and/or streamflow measurements. Administration investigations could include legal notices being delivered to an owner. Our compliance checks often include contact with the owner, if available, to conduct water right reviews and address other concerns. We always attempt to make that contact.



Legislative Post Audit Report Highlights

Highlights

Water-Related Agencies:
A K-GOAL Audit Determining Whether the State Could
Achieve Efficiencies and Reduce Costs by Combining the
Operations of Its Water-Related Agencies

Report Highlights

November 2010 • 10PA13

Audit Concern

Several State agencies have primary roles in helping maintain the State's water resources. Over the years, legislators have raised concerns about whether Kansas would benefit by combining and consolidating activities related to water management and regulation into a single agency.

Other Relevant Facts for the Question

We identified 15 primary water activities such as issuing water permits, inspecting dams, monitoring water pollution and conserving water resources.

Several State agencies are responsible for these 15 activities including:

- Department of Agriculture (Division of Water Resources)
- Department of Health and Environment
- Department of Wildlife and Parks
- Kansas Corporation Commission
- Kansas Water Authority/Kansas Water Office
- State Conservation Commission

AUDIT QUESTION 1: *Could Kansas achieve greater operating efficiencies and reduce costs by reorganizing the duties and responsibilities of its agencies that provide water regulation and management services?*

AUDIT ANSWER and KEY FINDINGS:

- Kansas has a large number of agencies managing water issues, but isn't out of line compared to other western states with water laws that are similar to those in Kansas. The number of water-management agencies in western states are summarized below:

Number of State Agencies Performing 15 Main Water Management Activities (Western Water Law States Only)			
Number of State Agencies	Number of States	Percent	List of States
1	0	0%	
2	3	18%	Colorado, Montana, Texas
3	5	29%	Arizona, Nevada, North Dakota, South Dakota, Utah
4	3	18%	Idaho, New Mexico, Wyoming
5	4	23%	Kansas, California, Nebraska, Washington
6	1	6%	Oklahoma
11	1	6%	Oregon
Total	17	100%	
Source: LPA analysis of information on state water agencies provided by other states.			

- We found few problems with the current structure of Kansas' water-related programs.
 - State and local officials told us the current organizational structure for water management doesn't need any significant changes.
 - We reviewed the purposes of programs administered by the State's main water-related agencies, and didn't find significant areas of overlap or duplication.

- State officials attributed the high level of coordination among water-related agencies in recent years to the formation of the Natural Resources Sub-Cabinet in 2003.
- We estimate that creating a single water agency may save between \$300,000 to \$7 million in administrative spending, but actual savings are likely to be on the lower end of that estimate. Based on our recent experience with other audits we think it is likely that the savings would be much less.
- We identified additional opportunities for agencies to improve their coordination and make their programs more efficient that don't involve consolidation.
 - There are opportunities for agencies' field staff to collaborate more and gain efficiencies. For example, Department of Health and Environment field staff may be able to read water meters at livestock feedlots on behalf of the Division of Water Resources.
 - Improvements could be made to monitoring WRAPS funding. The approval process for WRAPS projects is well coordinated, but the Department of Health and Environment and the State Conservation Commission should check funding sources for WRAPS projects.
 - Water agencies could take additional steps to share water data more efficiently among themselves and the public. These include creating a single webpage that links to the data portion of each water-related agency's website.
- At this time there does not appear to be any compelling reason to consolidate. While consolidating some of the agencies may offer the opportunity for some limited administrative savings, we found few problems with the current system.

We Recommended

- We recommended that the Legislature should consider formalizing the Natural Resources Sub-Cabinet in statute.
- We made several recommendations to the agencies to address the smaller efficiency issues we identified.

Agency Response: In general, the agencies agreed with the report and our recommendations.

DO YOU HAVE AN IDEA FOR IMPROVED GOVERNMENT EFFICIENCY OR COST SAVINGS?

If you have an idea to share with us, send it to ideas@lpa.ks.gov, or write to us at the address shown. We will pass along the best ones to the Legislative Post Audit Committee.

The organizational structure of water agencies in the State has been studied several times over the last 30 years, but consolidation hasn't occurred.

In 2003, former Governor Sebelius created the Natural Resources Sub-Cabinet as an alternative to consolidation. This group meets weekly and has helped to improve day-to-day coordination of water-related agencies.

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January 19, 2010

To: Representative Larry Powell
From: Heather O'Hara, Senior Fiscal Analyst
Re: Parsons Army Ammunition Plant Facility and Grounds Funding

You requested information regarding the Parsons Army Ammunition Plant facility and grounds located near Parsons, Kansas, and information regarding the funding that was approved by the 2008 Legislature. You also requested an update on the status of purchase of a portion of the grounds by the Kansas Department of Wildlife and Parks (KDWP) and a copy of the KDWP contract that was executed by the agency and the Local Redevelopment Planning Authority in Parsons. The copy of the contract is enclosed.

The Local Redevelopment Planning Authority received \$750,000, all from the Economic Development Initiatives Fund (EDIF), in FY 2009 through a grant awarded by the Kansas Department of Commerce. The grant was for an entranceway to the Parsons Army Ammunition Plant facility and to develop a master plan for the facility and grounds. According to 2008 Senate Sub. for HB 2946, Sec. 21(h), the 2008 Legislative Session Omnibus Bill, before any purchase of land may commence between the Local Redevelopment Planning Authority and the KDWP, the \$750,000 from the EDIF must be repaid to the state. The Local Redevelopment Planning Authority repaid the \$750,000 to the EDIF in FY 2009. According to the KDWP, the entranceway has been built and is completed, but is not yet open to the public. The KDWP also stated that the agency does not know how much the entranceway cost, as it was the responsibility of the Local Redevelopment Planning Authority to cover all construction costs for the project.

In the 2008 Omnibus Bill, the KDWP received the authority to purchase an option to buy land at the Parsons Army Ammunition Plant facility and the agency paid \$750,000, all from the agency's Wildlife Fee Fund, on December 1, 2008, to exercise that authority. The option to buy land at the facility is exclusive to the agency until December 31, 2013. The agency states that it is KDWP's intention to buy land at the facility; however, no payments for the land have yet been made in FY 2010. The purchase is contingent on the U.S. Army transferring ownership of the land to the Local Redevelopment Planning Authority, which has not yet occurred. According to the agency, there has been some progress toward this initial transfer, but the agency is not party to the discussions between the U.S. Army and the Local Redevelopment Planning Authority and therefore, the reasons for any delays in transferring ownership of the land are not known. The agency states that if the land is not transferred and the KDWP cannot purchase the land by December 31, 2013, the \$750,000 that the agency paid to the Local Redevelopment Planning Authority will be refunded.

The land that surrounds the Parsons Army Ammunition Plant is separated into two tracts which total 3,000 acres. One tract totals 1,000 acres, which the agency has contracted to buy directly from the U.S. Army for \$1.0 million, all from special revenue funds. The agency states that this contract will be finalized within the next several weeks and will provide a copy of its contract to

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Attachment 3

our department once it is a matter of public record. The second tract totals 2,000 acres and this is the tract of land for which the agency has purchased an option.

The KDWP has included funding for the Parsons Army Ammunition Plant in its FY 2011 budget submission. The agency requested \$52,000, all from special revenue funds, and 1.0 FTE Public Land Manager position, which would be stationed at the wildlife area the agency plans to create on the land purchased by the Parsons Army Ammunition Plant. The position would be responsible for the management of wetlands, ponds, uplands, timber, and agricultural lands within the wildlife area and would be a state certified law enforcement officer, providing for public health, safety, and enforcement of natural resources regulations in the wildlife area. The Governor did not recommend the agency's request as part of the Governor's FY 2011 budget.

In addition, the agency requested \$1.0 million, all from federal funds, to finance the purchase of the 1,000 acres from the US Army by the Parsons Army Ammunition Plant. The KDWP states that because the land will be purchased with federal funds, the agency will be reimbursed approximately 75.0 percent, or \$750,000, of the acquisition cost by the U.S. Fish and Wildlife Service.

Should you require any further information, please do not hesitate to contact me. My direct phone number is (785) 296-7792 and my e-mail address is Heather.OHara@klrd.ks.gov.
HO/mkl

Enclosure

~~venues fund to the school of pharmacy expansion project fund of the university of Kansas for fiscal year 2011 for the capital improvement project to construct and remodel the school of pharmacy for the university of Kansas; and~~

~~SEVENTH, as provided in subsections (c), (f), and (g) of this section, any moneys remaining in the expanded lottery act revenues fund during fiscal year 2009, fiscal year 2010 and fiscal year 2011, after transferring the moneys from the expanded lottery act revenues fund in accordance with the preceding priorities, shall be transferred from the expanded lottery act revenues fund to the state property tax relief reserve fund, state infrastructure reserve fund and state property tax relief reserve fund;~~

Sec. 20.

KANSAS RACING AND GAMING COMMISSION

(a) On July 1, 2008, the aggregate limitation established by section 89(h) of 2008 Senate Bill No. 534 on the amount that the pooled money investment board is authorized and directed to loan to the Kansas racing and gaming commission during fiscal year 2009 as needed for the operating expenses of the Kansas racing and gaming commission for the expanded lottery operations under chapter 110 of the 2007 Session Laws of Kansas, which is stated as an aggregate for all such loan amounts provided to the Kansas racing and gaming commission by the pooled money investment board during both fiscal year 2008 and fiscal year 2009, is hereby increased from \$3,000,000 to \$5,000,000.

Sec. 21.

DEPARTMENT OF WILDLIFE AND PARKS

(a) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2008, by the state finance council on the rehabilitation and repair account of the wildlife fee fund is hereby increased from \$1,284,860.74 to \$1,654,860.74.

(b) On July 1, 2008, the expenditure limitation established for the fiscal year ending June 30, 2009, by section 132(b) of 2008 Senate Bill No. 534 on the wildlife fee fund for state operations is hereby increased from \$19,526,062 to \$19,654,161.

(c) On July 1, 2008, the expenditure limitation established for the fiscal year ending June 30, 2009, by section 132(b) of 2008 Senate Bill No. 534 on the boating fee fund for state operations is hereby increased from \$1,142,854 to \$1,168,905.

(d) On July 1, 2008, the expenditure limitation established for the fiscal year ending June 30, 2009, by section 132(b) of 2008 Senate Bill No. 534 on the parks fee fund for state parks operating expenditures is hereby increased from \$4,828,437 to \$5,011,427.

(e) Notwithstanding the current executive department policy for replacing state agency vehicles that requires one vehicle to be removed from the state fleet in order to acquire a replacement vehicle, the Kansas department of wildlife and parks is hereby authorized and directed to retain up to 31 vehicles that are scheduled to be replaced during the fiscal year ending June 30, 2009: *Provided*, That the secretary of wildlife and parks shall have authority to reallocate any such vehicles to be retained: *Provided further*, That the secretary of wildlife and parks is authorized to make any necessary funding adjustments to offset any potential diversion of federal funds and to subsequently relocate the vehicles to and among the state parks for use by seasonal and temporary staff.

(f) On July 1, 2008, the position limitation established for the fiscal year ending June 30, 2009, by section 134(a) of 2008 Senate Bill No. 534 for the department of wildlife and parks is hereby increased from 414.55 to 416.55.

~~—(g) During the fiscal year ending June 30, 2009, notwithstanding the provisions of section 132(b) of 2008 Senate Bill No. 534 to this or any other appropriation act of the 2008 regular session, or any other statute, no expenditures shall be made by the department of wildlife and parks from the state agricultural production fund to provide any financial support for the cabin program of the department of wildlife and parks.~~

(h) In addition to the other purposes for which expenditures may be made by the above agency from moneys appropriated for the fiscal year ending June 30, 2008, or June 30, 2009, from the state general fund or any special revenue fund or funds, the above agency shall make expenditures to purchase from the Kansas Army Ammunition Plant Parsons —

3-3

Labette Redevelopment Planning Authority (KSAAP-LRPA) an option to purchase any portion of the former United States Army ammunition plant facility located near Parsons, Kansas, on or before December 1, 2008: *Provided*, That such option to purchase shall include a right of first refusal within one year of the date of the offer by KSAAP-LRPA to sell such property to the department of wildlife and parks; *Provided further*, That the purchase price paid for such option to purchase such property shall be \$750,000; *And provided further*, That prior to exercising the option to purchase such property, the secretary of wildlife and parks shall certify that the amount equal to the grant awarded by the department of commerce pursuant to section 13(b) of 2008 Senate Bill No. 534 to the KSAAP-LRPA has been paid to the state and deposited in the state treasury to the credit of the state economic development initiatives fund; *And provided further*, That the department of wildlife and parks is hereby authorized to purchase such property from KSAAP-LRPA for an amount of not to exceed the appraised value of such property; *And provided further*, That, if the department of wildlife and parks does not exercise the option to purchase such property within the allotted time period, then the KSAAP-LRPA may sell such property to another entity.

Sec. 22.

DEPARTMENT OF TRANSPORTATION

(a) On July 1, 2008, the expenditure limitation established for the fiscal year ending June 30, 2009, by section 133(b) of 2008 Senate Bill No. 534 on the state highway fund for state operations is hereby increased from \$269,078,434 to \$271,383,054.

(b) During the fiscal year ending June 30, 2009, notwithstanding the provisions of the state surplus property act, K.S.A. 75-6604, and amendments thereto, or any other statute or the provisions of this or any other appropriation act of the 2008 regular session of the legislature, all moneys received as proceeds from the sale of 123 vehicles of the department of transportation that are scheduled for replacement, including automobiles and light trucks, shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto, and, upon receipt of each such remittance, shall be credited to the state general fund.

Sec. 23.

KANSAS HOUSING RESOURCES CORPORATION

(a) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year or years specified, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

State housing trust fund

For the fiscal year ending June 30, 2008..... No limit

For the fiscal year ending June 30, 2009..... No limit

Provided, That all expenditures from the state housing trust fund shall be made by the Kansas housing resources corporation pursuant to 2008 Senate Bill No. 417; *Provided further*, That, notwithstanding the provisions of K.S.A. 74-8959, and amendments thereto, or any other statute, the Kansas housing resources corporation may make expenditures from the state housing trust fund for the purposes of implementing and administering the provisions of sections 4 through 9, and amendments thereto, of 2008 Senate Bill No. 417, the Kansas rural housing incentive district act.

Sec. 24.

DEPARTMENT OF LABOR

(a) On July 1, 2008, the expenditure limitation established for the fiscal year ending June 30, 2009, by section 93(b) of 2008 Senate Bill No. 534 on the federal indirect cost offset fund is hereby increased from \$203,195 to \$308,517.

Sec. 25.

KANSAS COMMISSION ON VETERANS AFFAIRS

(a) On July 1, 2008, the expenditure limitation established for the fiscal year ending June 30, 2009, by section 94(b) of 2008 Senate Bill No. 534 on the commission on veterans affairs federal fund is hereby increased from \$127,942 to \$189,672.

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