

SESSION OF 2008

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2735

As Recommended by House Committee on
Agriculture and Natural Resources Budget

Brief*

HB 2735 would amend existing law by extending the sunset date from July 1, 2009, to July 1, 2016, for the Abandoned Oil and Gas Well Fund to receive quarterly transfers of \$100,000 from each of the State General Fund, the State Water Plan Fund, and the Conservation Fee Fund.

Background

The bill was requested by the Kansas Corporation Commission, whose representative supported the bill. The agency's representative stated the current abandoned oil and gas well inventory includes 16,133 wells and the inventory adds an average of 400-500 abandoned wells each year. The agency estimates it will plug an average of 472 abandoned wells in the next three years.

The fiscal note prepared by the Division of the Budget indicates that passage of the bill would have no fiscal effect for FY 2009, because the transfers to the Abandoned Oil and Gas Well Fund will continue under current law. According to the note, there would be a fiscal effect for FY 2010 through FY 2016, because revenue for both of the State General Fund and the State Water Plan Fund would decrease by \$400,000 each fiscal year, and revenues and expenditures for the Abandoned Oil and Gas Well Fund would increase by \$800,000 each fiscal year. The fiscal note did not mention any fiscal impact with regard to the Conservation Fee Fund.

*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>