

SESSION OF 2026

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2063

As Amended by House Committee on
Agriculture and Natural Resources

Brief*

HB 2063, as amended, would create the State Conservation Fund, Working Lands Conservation Fund, Wildlife Conservation Fund, and Kansas Outdoors Fund in the State Treasury. The bill would also authorize a \$16.0 million transfer from the State Gaming Revenues Fund to the State Conservation Fund, of which funding would be distributed to the three other funds.

The bill would be in effect upon publication in the *Kansas Register*.

State Conservation Fund (Section 1)

The bill would create the State Conservation Fund (SCF). The bill would state the Legislature's intent is for the SCF to remain intact and inviolate, and the moneys in the SCF would not be subject to laws regarding the allotment system, certificates of indebtedness, or transfer of items in appropriations.

[Note: KSA 75-3726a states that "transfer of items in appropriations" means any state agency may, with the approval of the State Finance Council, transfer all or any part of one of its items of appropriation to another of its items of appropriation.]

*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 <https://klrd.gov/>

Moneys credited to the SCF would be used to supplant State General Fund (SGF) or special revenue fund appropriations to the Kansas Department of Agriculture (KDA) or the Kansas Department of Wildlife and Parks (KDWP).

The bill would require, on June 25, 2026, and each June 25 after, the Director of Accounts and Reports to transfer \$16.0 million from the State Gaming Revenues Fund (SGRF) to the SCF.

The bill would require, on July 1, 2026, and each July 1 after, the Director of Accounts and Reports to transfer the following amounts to other funds:

- An amount equal to 50.0 percent of the SCF balance to the Working Lands Conservation Fund;
- An amount equal to 25.0 percent of the SCF balance to the Wildlife Conservation Fund; and
- After the two previous transfers, an amount equal to 25.0 percent of the SCF balance to the Kansas Outdoors Fund.

Working Lands Conservation Fund (Section 2)

The bill would create the Working Lands Conservation Fund (WLCF). The WLCF would be administered by the Director of the Division of Conservation (Division), KDA. The bill would authorize the Division to adopt rules and regulations to administer a grant program to spend money from the WLCF.

The Division would be authorized to use an amount of no more than 2.0 percent of the amount of moneys transferred to the WLCF each July 1 for administration of the WLCF.

The bill would authorize the State Conservation Commission (Commission) to provide guidance to the Division on priority criteria for applications, the final selection of awardees, and the annual budget for the administration of the grant program. The Secretary of Agriculture would be required to consider the guidance of the Commission and the recommendations of the Division in making the final approval of grants and the annual administrative budget.

The bill would specify the eligible entities that could receive grants, including public entities that would include, but not be limited to:

- State agencies;
- Municipalities;
- Counties;
- State or federally recognized tribal nations;
- Conservation districts;
- Special park and recreation districts;
- Recreation Commissions; and
- Nonprofit entities.

The bill would require the eligible grant applications to benefit the natural resources of the state by promoting conservation on working lands or utilizing practices, including, but not limited to:

- Irrigation efficiency;
- Grazing land management;
- Voluntary conservation agreements;
- Soil health practices;
- Practices that promote or regenerate soil ecosystems, biodiversity, and native grasslands;
- Management of woody encroachment;
- Sustainable and regenerative timber management;
- Ecological restoration of lands;
- Enhanced water quality or quantity; and

- Relevant educational programs, resources, and services for adults and youth.

The bill would prioritize applications providing an opportunity to capture federal, private, or other non-state matching moneys through a state or local match. Matching moneys would include cash contributions; non-cash contributions, including land value donations; and in-kind contributions.

The bill would also require prioritization of applications related to land use practices that provide tangible benefits to water quality or quantity.

The bill would state the Legislature's intent is for all moneys allocated to the WLCF would be:

- Fully obligated to approved projects within 12 months of allocation to the WLCF; and
- In addition to, and not supplant, existing appropriations.

The bill would require the Division to submit a report to the Governor and the Legislature on or before December 1 of each year, which would be published on the Division's website. The report would include:

- An accounting of all moneys spent from the WLCF in the preceding fiscal year and the current fiscal year to date; and
- A brief description of all funding applications received with an explanation of why the applications were or were not funded.

The bill would also define "working lands" as lands used for farming, grazing, or production of forest products.

Wildlife Conservation Fund (Section 3)

The bill would create the Wildlife Conservation Fund (WCF). The Secretary of Wildlife and Parks would be required to adopt rules and regulations to administer a grant program to spend moneys from the WCF.

The Secretary of Wildlife and Parks would be authorized to use an amount of no more than 2.0 percent of the amount of moneys transferred to the WCF each July 1 for administration of the WCF.

The bill would authorize the KDWP Commission to provide guidance to the Parks Division on priority criteria for applications, the final selection of awardees, and the annual budget for the administration of the grant program. The Secretary of Wildlife and Parks would be required to consider both the guidance of the KDWP Commission and the recommendations of the Parks Division in making final approvals of grants and the annual administrative budget.

The bill would specify the eligible entities that could receive grants, including public entities that would include, but not be limited to:

- State agencies;
- Municipalities;
- Counties;
- State or federally recognized tribal nations;
- Conservation districts;
- Special park and recreation districts;
- Recreation commissions; and
- Nonprofit entities.

The bill would require eligible grant applications to benefit the natural resources of the state by promoting biodiversity or utilizing practices established in the State Wildlife Action Plan, including, but not limited to:

- Establishing quality habitat;
- Increasing access to diverse high-quality privately owned native grassland habitat for hunting through the expansion of walk-in hunting access;
- Increasing access to diverse high-quality native grassland habitat through the expansion and creation of wildlife management areas;
- Establishing diverse high-quality native grasslands for the benefit of upland birds in a manner that prioritizes science-based habitat investments to create the most significant outcomes for these species;
- Engaging in voluntary conservation agreements;
- Restoring habitat for threatened or endangered species or those species in need of conservation;
- Conserving or restoring native landscapes, such as forests, grasslands, or state wetlands and streams;
- Improving fisheries, angler access, and invasive species management; and
- Providing relevant educational programs, resources, and services for adults and youth.

The bill would require prioritization of applications providing an opportunity to capture federal, private, or other non-state matching moneys through a state or local match. Matching moneys would include cash contributions; non-cash contributions, including land value donations; and in-kind contributions.

The bill would also require prioritization of applications involving public access for purposes of hunting, fishing, trapping, or other consumptive reaction. [Note: The bill notes

this would be in support of Section 21 of the Bill of Rights of the *Kansas Constitution*.]

Legislative Intent

The bill would state that it is the intent of the Legislature for all WCF moneys to be:

- Fully obligated to approved projects within 12 months of allocation to the WCF; and
- In addition to, and not supplant, existing appropriations.

Reports to the Governor and Legislature

The bill would require the KDWP to submit a report to the Governor and the Legislature on or before December 1 of each year, which would be published on the Division's website. The report would include:

- An accounting of all moneys spent from the WCF in the preceding fiscal year and the current fiscal year to date; and
- A brief description of all funding applications received with an explanation of why the applications were or were not funded.

Kansas Outdoors Fund (Section 4)

The bill would create the Kansas Outdoors Fund (KOF), which would be administered by the Secretary of Wildlife and Parks as part of the Parks Division of the KDWP.

The bill would require the Secretary, in conjunction with the Parks Division, to adopt rules and regulations to administer a grant program expending moneys from the KOF.

The Secretary of Wildlife and Parks would be authorized to use an amount of no more than 2.0 percent of the amount of moneys transferred to the KOF each July 1 for administration of the KOF.

The bill would require the Statewide Local Recreation Advisory Board (Advisory Board) to provide guidance to the Parks Division on priority criteria for applications, the final selection of awardees, and the annual budget for administering the grant program. The Secretary would be required to consider both the guidance of the Advisory Board and the Parks Division's recommendations in making final approvals of awardees and the budget.

The bill would specify the eligible entities that could receive grants, including public entities that would include, but not be limited to:

- State agencies;
- Municipalities;
- Counties;
- State or federally recognized tribal nations;
- Conservation districts;
- Special park and recreation districts;
- Recreation commissions; and
- Nonprofit entities.

The bill would require eligible grant applications to benefit the natural resources of the state by promoting outdoor access or environmental education and recreation, or utilizing practices established in the State Comprehensive Outdoor Recreation Plan, including, but not limited to:

- Increasing access to and numbers of natural areas for nature appreciation, camping, hiking, trail use, boating, kayaking, canoeing, and other outdoor recreational pursuits;
- Engaging in voluntary conservation agreements;

- Improving local, county, and state recreational facilities and parks;
- Enhancing outdoor tourism opportunities; and
- Providing relevant educational programs, resources, and services for adults and youth.

The bill would require prioritization of applications providing an opportunity to capture federal, private, or other non-state matching moneys through a state or local match. Matching moneys would include cash contributions; non-cash contributions, including land value donations; and in-kind contributions.

Legislative Intent

The bill would state that it is the intent of the Legislature for all KOF moneys to be:

- Fully obligated to approved projects within 12 months of allocation to the KOF; and
- In addition to, and not supplant, existing appropriations.

Reports to the Governor and Legislature

The bill would require the Parks Division to submit a report to the Governor and the Legislature on or before December 1 of each year, which would be published on the Parks Division's website. The report would include:

- An accounting of all moneys spent from the KOF in the preceding fiscal year and the current fiscal year to date; and

- A brief description of all funding applications received with an explanation of why the applications were or were not funded.

Sunset (New Section 5)

The bill would sunset the provisions of the bill on July 1, 2031.

State Gaming Revenues Fund (Section 6)

The bill would amend the SGRF statute to require the Director of the Budget, on June 25, 2026; June 25, 2027; June 25, 2028; June 25, 2029; and June 25, 2030, in consultation with the Director of Legislative Research, to certify for each fiscal year the aggregate of all amounts certified by the Executive Director of the Lottery that have been transferred to the SGRF as provided by law, but not include sports wagering revenues deposited in the Lottery Operating Fund, that is in excess of \$50.0 million and equal to or less than \$66.0 million. The Director of the Budget would transmit the certification to the Director of Accounts and Reports.

The bill would require that upon receipt of the certification each fiscal year, the Director of Accounts and Reports, on June 25 or as soon as moneys are available, would transfer the amount of revenues in excess of \$50.0 million and equal to or less than \$66.0 million, as certified by the Director of the Budget each fiscal year, from the SGRF to the SCF. If the amount certified by the Director of the Budget is equal to or less than \$50.0 million, then no transfer to the SCF would occur.

Background

The bill was introduced by the House Committee on Agriculture and Natural Resources at the request of a

representative of Kansans for Conservation on January 22, 2025.

House Committee on Agriculture and Natural Resources

In the House Committee hearing on February 6, 2025, **proponent** testimony was provided by representatives of the Backcountry Hunters and Anglers–Kansas; Ducks Unlimited; Kansas Association of Wheat Growers, Kansas Corn Growers Association, Kansas Farm Bureau, Kansas Sorghum Producers, and Kansas Soybean Association; Kansans for Conservation; and two private citizens.

The proponents stated that Kansas is one of 15 states in the country that does not have dedicated conservation funding – Kansas' neighbors, including Colorado, Missouri, Nebraska, and Oklahoma, all have constitutionally protected funding for conservation. The proponents also stated that conservation is the proper management of the state's natural resources, and there are few investments more critical to the quality of life in Kansas.

Written-only proponent testimony was provided by representatives of the Kansas Cooperative Council; Kansas Outdoor Heritage Alliance, which included the Backcountry Hunters and Anglers, Delta Waterfowl, FarmerTender, LLC, Flatland Fly Fishers, Kansas Backcountry Hunters and Anglers, Kansas Bowhunters Association, Kansas Federation of Houndsmen, Kansas Fur Harvesters Association, Kansas Hunters For Access, Kansas Walleye, National Deer Association, Pheasants Forever, and Quail Forever; Kanza Rail-Trails Conservancy; Johnson County Park and Recreation District; National Wild Turkey Federation; Kansas Recreation and Park Association; Kansas Soil Health Alliance; Playa Lakes Joint Venture; Sierra Club–Kansas Chapter; State Association of Kansas Watersheds; The Conservation Fund; WaterOne, Water District No. 1 of Johnson County; and three private citizens.

Opponent testimony was provided by representatives of the Kansas Livestock Association and Kansas Natural Resource Coalition and three private citizens. The opponents stated their disagreement with any language that would allow the KDWP to acquire any land and stated that the bill is government control overreach in rural areas. The opponents also expressed concern about the bill's funding drawing down federal funding and being tied to federal programs through the Inflation Reduction Act of 2022.

On February 5, 2026, the House Committee amended the bill to:

- Decrease from \$60.0 million to \$16.0 million the amount to be transferred to the SCF and change the source of the funding from the SGF to the SGRF;
- Change the date of the transfer from the SGRF to the SCF to June 25, 2026, and each June 25 after;
- Change the date of the transfer from the SCF to the WLCF, WCF, and KOF to July 1, 2026, and each July 1 after;
- Specify the amount to be transferred to the KOF would be an amount equal to 25.0 percent of the balance in the SCF;
- Remove references that allow the Division of Conservation and KDWP to use a portion of allocated moneys for administration costs and add authorization for the Division and Secretary of Wildlife and Parks to use no more than 2.0 percent of transferred moneys for administration;
- Prioritize applications for the WLCF that would be related to land use practices that also provide tangible benefits to water quality or quantity;

- Remove language that would have allowed KDWP to use the WCF to acquire fee simple lands;
- Prioritize applications for the WCF that would involve public access for purposes of hunting, fishing, trapping, or other consumptive recreation, in support of Section 21 of the Bill of Rights of the *Kansas Constitution*;
- Amend the SGRF statute to authorize the Secretary of the Budget, in consultation with the Director of Legislative Research, to certify funding in the SGRF, and authorize the Director of Accounts and Reports to transfer moneys upon certification; and
- Add a sunset date of July 1, 2031.

Fiscal Information

An updated fiscal note was not immediately available; however, the transfer of \$16.0 million from the SGRF to the SCF would ultimately decrease SGF revenues by \$16.0 million.

Natural resources; conservation; funding; Kansas Department of Agriculture; Kansas Department of Wildlife and Parks; reports