

# KANSAS LEGISLATIVE RESEARCH DEPARTMENT

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**To:** Joint Committee on Energy and Environmental Policy  
**From:** Abigail Boudewyns, Fiscal Analyst  
**Re:** State Water Plan Fund

## Background

The State Water Plan Fund was created by the 1989 Legislature for the purpose of implementing the State Water Plan. Subject to appropriation acts by the Legislature, State Water Plan Fund dollars are to be used only for the establishment and implementation of water-related projects or programs, and related technical assistance. State Water Plan Fund dollars are not to be used for replacing full-time equivalent positions of any state agency, or for recreational projects which do not meet one or more of the long-range goals, objectives, and considerations set forth in the State Water Resource Planning Act.

## Revenue

Revenue for the State Water Plan Fund is generated from the following sources:

- **Water Protection Fees.** A water protection fee of three cents per 1,000 gallons of water is assessed on the following:
  - Water sold at retail by public water supply systems;
  - Water appropriated for industrial use; and
  - Water appropriated for stockwatering.
  
- **Fees Imposed on Fertilizer and Pesticides.** A tonnage fee on fertilizer and a fee for the registration of pesticides is assessed and transferred to the State Water Plan Fund in the following amounts:
  - Inspection fees are imposed on each ton of fertilizer sold, offered, or exposed for sale, or distributed in Kansas. Of that fee, \$1.40 per ton is credited to the State Water Plan Fund.
  - Annual registration fees are required for every agricultural-chemical that is distributed, sold, or offered for sale within the state. One hundred dollars from each registration fee is credited to the State Water Plan Fund.

- **Sand Royalty Receipts.** A fee of fifteen cents per ton of sand sold is deposited in the State Water Plan Fund.
- **Pollution Fines.** Certain fines and penalties are levied by the Kansas Department of Health and Environment for water-related pollution, including:
  - Violation of terms or conditions related to public water supply systems;
  - Commission of prohibited acts in relation to the operation of a public water supply system; and
  - Violation of laws governing the disposal of solid and hazardous waste.
- **Clean Water Drinking Fee.** A Clean Water Drinking Fee of three cents per 1,000 gallons of water is assessed on retail water sold by a public water supply system and delivered through mains, lines, or pipes. Beginning in FY 2008, 101/106 of the Clean Water Drinking Fee receipts will be deposited in the State Water Plan Fund. Of the funding received from the Fee, 85 percent is to be used to renovate and protect lakes which are used directly as a source of water for public water supply systems. The remaining 15 percent is to be used to provide on-site technical assistance for public water supply systems.
- **State General Fund Transfer.** By statute, \$6.0 million annually is to be transferred from the State General Fund to the State Water Plan Fund. In recent fiscal years, this amount has been reduced in appropriation bills and the transfer was not made in FY 2013.
- **Economic Development Initiatives Fund Transfer.** By statute, \$2.0 million annually is to be transferred from the Economic Development Initiatives Fund to the State Water Plan Fund.

## Expenditures

Expenditures from the State Water Plan Fund are made based on priorities of the State Water Plan. The State Water Plan is developed and approved by the Kansas Water Authority.

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