

February 14, 2012

The Honorable Larry Powell, Chairperson
House Committee on Agriculture and Natural Resources
Statehouse, Room 149-S
Topeka, Kansas 66612

Dear Representative Powell:

SUBJECT: Fiscal Note for HB 2698 by House Committee on Agriculture and Natural Resources

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2698 is respectfully submitted to your committee.

HB 2698 would require any operator of a sand and gravel pit to notify the Chief Engineer of the Division of Water Resources of the Department of Agriculture of the location and area extent of any existing or proposed sand and gravel pit to be excavated, expanded, or operated by the operator. The bill would also create a general project permit, to be issued by the Chief Engineer, for the use of water in sand and gravel pits. The application for a project permit would require a filing fee of \$500, and any request for modification would require payment of a \$250 fee. All revenue from fees would pay for the costs associated with the permitting process.

The bill would require any applicant for a project permit to have a valid mining license. The permit would include authorization of the net average annual groundwater evaporation, all nonconsumptive uses of water at the project site, including hydraulic dredging, wash water wells, and all consumptive uses of water in the project. Project permits would not be subject to safe yield or administration of minimum desirable stream flow standards. Any use water returning to the same source of supply would not be subject to metering requirements. HB 2698 would require that the operator make every effort to offset the use of water. Any project permit issued would be in effect for the duration of the project, and the operator would notify the Chief Engineer when the project is completed.

HB 2698 would require that the Chief Engineer expeditiously approve any application if the operator can demonstrate that the net average annual evaporation would not unreasonably or prejudicially affect the public interest. Should the permit application be denied, the Chief Engineer would be required to explain the reasons for the denial, and the applicant could file an appeal. Any sand and gravel project that has a hydraulic dredging permit, a certificate of appropriation, or a water right as of June 30, 2012 would be considered to have a project permit.

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Passage of HB 2698 would have no fiscal effect on the Department of Agriculture.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", with a long horizontal flourish extending to the right.

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Mark Heim, Agriculture