

SESSION OF 2011

**SUPPLEMENTAL NOTE ON SENATE
SUBSTITUTE FOR HOUSE BILL NO. 2133**

As Recommended by Senate Committee on
Ways and Means

Brief*

Senate Sub. for HB 2133 would make two statutory changes:

First, the bill would amend existing law which directs how water litigation moneys recovered by Kansas from Nebraska and Colorado through disputes under the Arkansas River Compact and the Republican River Compact are deposited in the State Treasury and how the moneys may be spent on various projects.

According to current law, moneys received from Colorado under the Arkansas River Compact are deposited in the State Treasury differently than moneys received from Nebraska and Colorado under the Republican River Compact. The bill would amend existing law to treat the depositing of moneys from both states under both compacts in the same way.

The bill would add language that all moneys received from either Nebraska or Colorado under any litigation arising under the Arkansas River Compact or the Republican River Compact would be distributed as follows:

- An amount equal to the total of five percent of the aggregate moneys received from Nebraska or Colorado as a result of litigation, plus the amount equal to the

*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>

litigation expenses, certified by the Attorney General, incurred by Kansas defending its rights under each Compact would be deposited in the Interstate Water Litigation Fund (IWLF); and

- After the initial transfer to the IWLF, one-third of all remaining moneys recovered from Nebraska or Colorado would be transferred to the State Water Plan Fund and the remaining two-thirds would be transferred to the Arkansas River Water Conservation Projects Fund, the Republican River Water Conservation Projects Nebraska Moneys Fund, or the Republican River Water Conservation Projects Colorado Moneys Fund.

All moneys transferred to the State Water Plan Fund would be used for water conservation projects, with priority given to those projects which would enhance directly the ability of the state to remain in compliance with the various compacts.

In addition, the bill would redesignate the Water Conservation Projects Fund as the Arkansas River Water Conservation Projects Fund. The bill would clarify existing law to state for what purposes the moneys transferred to the Arkansas River Water Conservation Projects Fund could be spent.

The bill would remove the transfer of moneys under the Republican River Compact from the IWLF to the Interstate Water Litigation Reserve Account of the State General Fund and the bill would eliminate the \$20 million cap on the account. In addition, the bill would eliminate language that references litigation filed by Kansas in 1985 and a sunset provision that expired in June 30, 2001.

The second change made by the bill changes the way reductions in tax revenue allotted for local public health departments is handled. Current law requires counties to match dollar for dollar state financial assistance to local

health departments. When local tax revenue allotted for local health departments falls below the previous fiscal year amount, existing law requires that the amount of state financial assistance for these departments for the current fiscal year be reduced by an amount equal to the dollar amount of the reduction in local tax revenue. This bill would amend the law so that the reduction would be a percentage equal to the percentage of the local tax revenue allotment reduction rather than a dollar amount.

Background

The Senate Committee substituted the contents of two bills, Sub. for SB 147, and SB 89, into Senate Sub. for HB 2133.

Sub. for SB 147 was originally recommended by the Senate Committee on Agriculture, placed on General Orders, and subsequently passed over. The bill was then referred to the Senate Committee on Ways and Means. Proponents of the bill appearing before the Senate Committee on Agriculture included the Kansas Water Office, Kansas Department of Agriculture (KDA), Kansas Farm Bureau, Kansas Cooperative Council, Kansas Grain and Feed Association (KGFA), and the Kansas Agribusiness Retailers Association (KARA). No opponents appeared before the Senate Agriculture Committee.

SB 89, as introduced, contained the provisions regarding local health departments. Proponents of the bill when it was heard in the Senate Committee on Ways and Means included Senator Pete Brungardt, and representatives of the Kansas Association of Counties and the Sedgwick County Health Department. There were no opponents to the bill.

The fiscal note prepared by the Division of the Budget on the original bill indicates that SB 147 could have a fiscal effect upon the Kansas Water Office as the bill would change

the amount of funds that could be deposited in the Republican River Water Conservation Projects Nebraska Moneys Fund within the Kansas Water Office. However, the fiscal note states there is no data on which to base an accurate estimate.

The fiscal note submitted on the original SB 89 indicated passage of SB 89 would result in minimizing the the loss of formula grant awards to counties. The bill is expected to reduce the amount not awarded. Because the amount not awarded has typically been carried forward, a reduction of this amount would affect the grant funds available to spend in the following fiscal years. It would not, however, change the amount of State General Fund appropriated in those years.

The original HB 2133 contained special claims against the state.