2025 Kansas Statutes

55-1207. Leasing of state-owned lands for underground storage of natural gas; conditions. The director of the state department of administration, with the approval of the state finance council, may lease to a person, firm or corporation lands owned by the state of Kansas for the underground storage of natural gas by such person, firm or corporation. All such leases shall be on such terms and conditions as the director of the state department of administration, with the approval of the state finance council, shall prescribe, except that every such lease shall be for a period of 20 years and as long as such lands are actually used by the lessee or its assignees for the underground storage of natural gas. Every such lease shall describe the subsurface stratum or formation in such lands which is to be utilized for such storage. Any lease granted pursuant to the provisions of this section shall be without prejudice to the rights of the state as the owner of such lands, or any lessee of the oil and gas rights thereof, to develop other subsurface strata or formations so leased in such manner as will comply with existing or hereafter promulgated rules and regulations of the state corporation commission issued for the purpose of protecting underground gas storage stratum or formation as provided by K.S.A. 55-1203, and amendments thereto.

All proceeds of such leases shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the state general fund. The proceeds of any such leases which shall be derived from the lease of lands which are held by the state of Kansas for the use and benefit of a state institution shall be kept by the state treasurer in a separate fund for the use and benefit of such state institution under rules and regulations adopted by the state agency having control and management of such state institution.

History: L. 1961, ch. 420, § 1; L. 2001, ch. 5, § 200; July 1.