

As Amended by House Committee

HOUSE BILL No. 2302

By Committee on Water

Proposed Amendments for HB 2302  
Senate Committee on  
Agriculture and Natural Resources  
March 15, 2023  
Office of Revisor of Statutes

1 AN ACT concerning water; relating to funding for the state water plan and  
2 water infrastructure projects; creating the water technical assistance  
3 fund and water projects grant fund; authorizing the Kansas water office  
4 to provide grants from such funds and adopt rules and regulations to  
5 establish the criteria for grants from such funds; distributing a portion  
6 of the revenue from the sales and compensating use tax to the state  
7 water plan fund; amending K.S.A. 82a-951 and K.S.A. 2022 Supp. 79-  
8 3620, 79-3710, 79-4804 and 82a-953a and repealing the existing  
9 sections.  
10

11 *Be it enacted by the Legislature of the State of Kansas:*

12 New Section 1. (a) ~~On July 1, 2023, and each July 1 thereafter~~  
13 ~~through July 1, 2028, No transfers to the state water plan fund pursuant to~~  
14 ~~K.S.A. 79-4804 and 82a-953a, and amendments thereto, shall be made if~~  
15 ~~the full amount of sales tax revenue authorized for distribution by K.S.A.~~  
16 ~~79-3620 and 79-3710, and amendments thereto, is transferred to the state~~  
17 ~~water plan fund.~~

18 (b) (i) The state water plan fund shall continue to be appropriated and  
19 expended for the purposes prescribed in K.S.A. 82a-951, and amendments  
20 thereto, except that:

21 (A) ~~on July 1, 2023, and each July 1 thereafter through July 1, 2028,~~  
22 ~~or as soon thereafter on such dates as moneys are available:~~

(1) ~~(f) \$5,000,000 shall be transferred from the state water plan fund to~~  
24 ~~the water technical assistance fund established in section 2, and~~  
25 ~~amendments thereto; and~~  
26 ~~(ii) \$15,000,000 shall be transferred from the state water plan fund to~~  
27 ~~the water projects grant fund established in section 3, and amendments~~  
28 ~~thereto; and~~

(2) ~~(b) for the fiscal years ending June 30, 2024, June 30, 2025, and June~~  
29 ~~30, 2026, an amount not less than \$15,000,000 from the state water plan~~  
30 ~~fund shall be applied toward the retirement of any water supply storage~~  
31 ~~debt for Milford and Perry Lake reservoirs until such debt is retired.~~  
32

33 (2) ~~The appropriation acts required by paragraph (1) shall only be~~  
34 ~~made if the full amount of sales tax revenue authorized for distribution by~~  
35 ~~K.S.A. 79-3620 and 79-3710, and amendments thereto, is transferred to~~  
36 ~~the state water plan fund.~~

(1)

the director of accounts and reports shall transfer \$45,000,000 from the state general fund to the state water plan fund.

provided for in this subsection

(2) On July 1, 2024, and each July 1 thereafter through fiscal year 2028, it is the intent of the legislature to provide for the transfer of \$60,000,000 from the state general fund to the state water plan fund.

if an appropriation is made for any fiscal year as provided in subsection (a), on July 1 of such fiscal year,

1 (3) The provisions of this section shall expire on July 1, 2028. On  
2 July 1, 2028, the director of accounts and reports shall transfer all moneys  
3 in the water technical assistance fund and the water projects grant fund to  
4 the state ~~water plan fund~~ and all liabilities of the water technical assistance  
5 fund and the water projects grant fund shall be imposed upon the state  
6 ~~water plan fund~~. On July 1, 2028, the water technical assistance fund and  
7 the water projects grant fund shall be abolished.

general  
general

8 (c) (1) (A) Notwithstanding any restrictions in K.S.A. 82a-951, and  
9 amendments thereto, the Kansas water authority may recommend to the  
10 legislature the appropriation of up to 10% of the unencumbered balance of  
11 the state water plan fund to be used to supplement salaries of existing state  
12 agency full-time equivalent employees and for funding new full-time  
13 equivalent positions created to implement the state water plan. Moneys  
14 from such appropriation may be used to supplement existing positions, but  
15 such moneys shall not be used to replace state general fund moneys, any  
16 fee fund moneys or other funding for positions existing on July 1, 2023.

17 (B) Eligible full-time equivalent positions that moneys may be used  
18 for pursuant to this paragraph include engineers, geologists, hydrologists,  
19 environmental scientists, attorneys, resource planners, grant specialists and  
20 any other similar positions.

21 (2) If at least two conservation districts present a joint proposal to the  
22 Kansas water authority for a position or positions to provide shared  
23 services to all districts involved in such proposal, the Kansas water  
24 authority may recommend that moneys be used to supplement the salary or  
25 salaries of such position or positions pursuant to paragraph (1).

26 (d) All reporting requirements established in K.S.A. 82a-951, and  
27 amendments thereto, shall continue and such reporting requirements shall  
28 apply to the water technical assistance fund established in section 2, and  
29 amendments thereto, and the water projects grant fund established in  
30 section 3, and amendments thereto.

31 New Sec. 2. (a) (1) There is hereby established in the state treasury  
32 the water technical assistance fund. The fund shall be administered by the  
33 Kansas water office. Expenditures from such fund shall be used for the  
34 purposes described in subsection (b). All expenditures shall be made in  
35 accordance with appropriation acts upon warrants of the director of  
36 accounts and reports issued pursuant to vouchers approved by the director  
37 of the Kansas water office, or such director's designee.

38 (2) Whenever the unencumbered balance of the water technical  
39 assistance fund exceeds \$15,000,000, such excess moneys may be  
40 recommended for appropriation by the Kansas water authority for the  
41 same purposes as any other moneys in the state water plan fund are  
42 appropriated.

43 (b) (1) The water technical assistance fund shall be used by the

1 Kansas water office to provide grants to  ~~municipalities~~ for the planning,  
2 engineering, managing and other technical assistance that may be  
3 necessary in the development of plans for water infrastructure projects or  
4 for processing the grant and loan applications for such water infrastructure  
5 projects. The Kansas water office may offer services directly, provide  
6 funding to other organizations to provide such services at no cost to a  
7 municipality or special district related to water or the Kansas water  
8 office may provide grants directly to applicants to cover expenses related  
9 to the hiring of such technical assistance.

10 (2) Any municipality,  ~~watershed district or conservation district or~~  
11  ~~special district related to water organized under the laws of the state of~~  
12 Kansas may apply for a grant, and the Kansas water office is authorized to  
13 award full or partial grants to such applicants. Municipalities with fewer  
14 than 2,000 residents shall be prioritized for the awarding of full grants.  
15 Watershed districts  ~~and~~, conservation districts, groundwater  
16 management districts and all special districts related to water shall not  
17 be prioritized for the awarding of full grants for the purposes of this  
18 section.

19 (c) The Kansas water office shall adopt rules and regulations to  
20 establish any necessary criteria for administering the water technical  
21 assistance fund and awarding grants for technical assistance. Such criteria  
22 shall include, but not be limited to, factors applicable to:

23 (1)  ~~Municipalities with greater than 2,000 residents of different~~  
24  ~~populations including the prioritization of small municipalities as~~  
25  ~~required by subsection (b)(2). Such factors may include, but not be~~  
26  ~~limited to, public health, socio-economic factors and the ability for a~~  
27  ~~municipality to repay any loans without grant assistance; and~~

28 (2) special districts such as watershed districts, conservation districts,  
29 groundwater management districts, rural water districts and any other  
30 similar districts formed for a special or single purpose related to water.

31 (d) The Kansas water authority shall encourage funding requests  
32 from state and local entities that cooperate with qualified nonprofit  
33 entities on projects that provide a direct benefit to water quantity and  
34 quality, including water infrastructures that are both natural and  
35 manmade, and include matching funds from non-state sources.

36 (f)(e) No single grant awarded for technical assistance pursuant to  
37 this section shall exceed \$1,000,000 unless specified by any appropriation  
38 act of the Kansas legislature.

39 New Sec. 3. (a) (1) There is hereby established in the state treasury  
40 the water projects grant fund. The fund shall be administered by the  
41 Kansas water office. Expenditures from such fund shall be used for the  
42 purposes described in subsection (b). All expenditures shall be made in  
43 accordance with appropriation acts upon warrants of the director of

1 accounts and reports issued pursuant to vouchers approved by the director  
2 of the Kansas water office, or such director's designee.

3 (2) Whenever the unencumbered balance of the water projects grant  
4 fund exceeds \$45,000,000, such excess moneys may be recommended for  
5 appropriation by the Kansas water authority for the same purposes as any  
6 other moneys in the state water plan fund are appropriated.

7 (b) The Kansas water office may provide full or partial funding in the  
8 form of grants to any municipality or special district related to water  
9 established pursuant to the laws of the state of Kansas for the following:

10 (A) Construction, repair, maintenance or replacement of water-related  
11 infrastructures and any related construction costs;

12 (B) matching moneys for grant or loan applications for water-related  
13 infrastructure projects; and

14 (C) grants that may be applied to an outstanding loan balance from the  
15 public water supply loan fund established in K.S.A. 65-163e, and  
16 amendments thereto, or the Kansas pollution control revolving fund  
17 established in K.S.A. 65-3322, and amendments thereto, subject to the  
18 provisions of subsection (c).

19 (c) The Kansas water office shall adopt rules and regulations to  
20 establish any necessary criteria for grants from the water projects grant  
21 fund. Such rules and regulations shall include any necessary criteria  
22 that may be applied to the selection of projects with outstanding loan  
23 balances from the public water supply loan fund established in K.S.A. 65-  
24 163e, and amendments thereto, or the Kansas pollution control revolving  
25 fund established in K.S.A. 65-3322, and amendments thereto. Such criteria  
26 shall be based on the following factors:

27 (1) The planned construction on the project with the outstanding loan  
28 balance is complete;

29 (2) the municipality or special district has made at least five years of  
30 payments on such project loans;

31 (3) awarding grants that provide repayment of up to:

32 (A) 90% of any remaining project loan balance for cities with fewer  
33 than 2,000 residents;

34 (B) 75% of any remaining project loan balance for cities with fewer  
35 than 5,000 residents;

36 (C) 50% of any remaining project loan balance for cities with fewer  
37 than 10,000 residents; and

38 (D) 25% of any remaining project loan balance for all other cities in  
39 Kansas; and

40 (4) any other relevant criteria including, but not limited to, the socio-  
41 economic status of the residents of any municipality, public health and the  
42 ability of any municipality to repay a loan without further assistance.

43 (d) No single grant awarded for a project pursuant to this section shall

(1)

(2) Water-related infrastructure projects that support the  
implementation of the state water plan shall be prioritized for  
the awarding of grants under this section.

1 be greater than \$8,000,000 unless specified by any appropriation act of the  
2 Kansas legislature.

3 (e) The Kansas water office and the department of health and  
4 environment shall coordinate the sharing of information regarding  
5 applicants for loans from the public water supply loan fund  
6 established in K.S.A. 65-163e, and amendments thereto, and the  
7 Kansas pollution control revolving fund established in K.S.A. 65-3322,  
8 and amendments thereto, and shall take into consideration the  
9 approval or likely approval of a grant by the Kansas water office when  
10 considering the eligibility of any municipality to receive moneys from  
11 such funds.

12 ~~Sec. 4. K.S.A. 2022 Supp. 79-3620 is hereby amended to read as~~  
13 ~~follows: 79-3620. (a) All revenue collected or received by the director of~~  
14 ~~taxation from the taxes imposed by this act shall be remitted to the state~~  
15 ~~treasurer in accordance with the provisions of K.S.A. 75-4215, and~~  
16 ~~amendments thereto. Upon receipt of each such remittance, the state~~  
17 ~~treasurer shall deposit the entire amount in the state treasury, less amounts~~  
18 ~~withheld as provided in subsection (b) and amounts credited as provided in~~  
19 ~~subsections (c), (d) and (e), to the credit of the state general fund.~~

20 ~~(b) A refund fund, designated as "sales tax refund fund" not to exceed~~  
21 ~~\$100,000 shall be set apart and maintained by the director from sales tax~~  
22 ~~collections and estimated tax collections and held by the state treasurer for~~  
23 ~~prompt payment of all sales tax refunds. Such fund shall be in such~~  
24 ~~amount, within the limit set by this section, as the director shall determine~~  
25 ~~is necessary to meet current refunding requirements under this act. In the~~  
26 ~~event such fund as established by this section is, at any time, insufficient to~~  
27 ~~provide for the payment of refunds due claimants thereof, the director shall~~  
28 ~~certify the amount of additional funds required to the director of accounts~~  
29 ~~and reports who shall promptly transfer the required amount from the state~~  
30 ~~general fund to the sales tax refund fund, and notify the state treasurer,~~  
31 ~~who shall make proper entry in the records.~~

32 ~~(c) (1) On January 1, 2023, the state treasurer shall credit 17% of the~~  
33 ~~revenue collected and received from the tax imposed by K.S.A. 79-3603,~~  
34 ~~and amendments thereto, at the rates provided in K.S.A. 79-3603, and~~  
35 ~~amendments thereto, and K.S.A. 2022 Supp. 79-3603d, and amendments~~  
36 ~~thereto, and deposited as provided by subsection (a), exclusive of amounts~~  
37 ~~credited pursuant to subsection (d), in the state highway fund.~~

38 ~~(2) On January 1, 2025, and thereafter, the state treasurer shall credit~~  
39 ~~18% of the revenue collected and received from the tax imposed by K.S.A.~~  
40 ~~79-3603, and amendments thereto, at the rates provided in K.S.A. 79-~~  
41 ~~3603, and amendments thereto, and K.S.A. 2022 Supp. 79-3603d, and~~  
42 ~~amendments thereto, and deposited as provided by subsection (a),~~  
43 ~~exclusive of amounts credited pursuant to subsection (d), in the state~~

*Remove Sections 4 and 5*

1 highway fund.

2 ~~(3) On and after July 1, 2023, and prior to July 1, 2028, the state~~  
3 ~~treasurer shall credit 1.231% of the revenue collected and received from~~  
4 ~~the tax imposed by K.S.A. 79-3603, and amendments thereto, at the rates~~  
5 ~~provided in K.S.A. 79-3603, and amendments thereto, and K.S.A. 2022~~  
6 ~~Supp. 79-3603d, and amendments thereto, and deposited as provided by~~  
7 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~  
8 ~~the state water plan fund.~~

9 ~~(d) The state treasurer shall credit all revenue collected or received~~  
10 ~~from the tax imposed by K.S.A. 79-3603, and amendments thereto, as~~  
11 ~~certified by the director, from taxpayers doing business within that portion~~  
12 ~~of a STAR bond project district occupied by a STAR bond project or~~  
13 ~~taxpayers doing business with such entity financed by a STAR bond~~  
14 ~~project as defined in K.S.A. 12-17,162, and amendments thereto, that was~~  
15 ~~determined by the secretary of commerce to be of statewide as well as~~  
16 ~~local importance or will create a major tourism area for the state or the~~  
17 ~~project was designated as a STAR bond project as defined in K.S.A. 12-~~  
18 ~~17,162, and amendments thereto, to the city bond finance fund, which fund~~  
19 ~~is hereby created. The provisions of this subsection shall expire when the~~  
20 ~~total of all amounts credited hereunder and under K.S.A. 79-3710(d), and~~  
21 ~~amendments thereto, is sufficient to retire the special obligation bonds~~  
22 ~~issued for the purpose of financing all or a portion of the costs of such~~  
23 ~~STAR bond project.~~

24 ~~(e) All revenue certified by the director of taxation as having been~~  
25 ~~collected or received from the tax imposed by K.S.A. 79-3603(c), and~~  
26 ~~amendments thereto, on the sale or furnishing of gas, water, electricity and~~  
27 ~~heat for use or consumption within the intermodal facility district~~  
28 ~~described in this subsection, shall be credited by the state treasurer to the~~  
29 ~~state highway fund. Such revenue may be transferred by the secretary of~~  
30 ~~transportation to the rail service improvement fund pursuant to law. The~~  
31 ~~provisions of this subsection shall take effect upon certification by the~~  
32 ~~secretary of transportation that a notice to proceed has been received for~~  
33 ~~the construction of the improvements within the intermodal facility~~  
34 ~~district, but not later than December 31, 2010, and shall expire when the~~  
35 ~~secretary of revenue determines that the total of all amounts credited~~  
36 ~~hereunder and pursuant to K.S.A. 79-3710(e), and amendments thereto, is~~  
37 ~~equal to \$53,300,000, but not later than December 31, 2045. Thereafter, all~~  
38 ~~revenues shall be collected and distributed in accordance with applicable~~  
39 ~~law. For all tax reporting periods during which the provisions of this~~  
40 ~~subsection are in effect, none of the exemptions contained in K.S.A. 79-~~  
41 ~~3601 et seq., and amendments thereto, shall apply to the sale or furnishing~~  
42 ~~of any gas, water, electricity and heat for use or consumption within the~~  
43 ~~intermodal facility district. As used in this subsection, "intermodal facility~~

1 "District" shall consist of an intermodal transportation area as defined by  
2 K.S.A. 12-1770a(oo), and amendments thereto, located in Johnson county  
3 within the polygonal-shaped area having Waverly Road as the eastern  
4 boundary, 191<sup>st</sup> Street as the southern boundary, Four Corners Road as the  
5 western boundary, and Highway 56 as the northern boundary, and the  
6 polygonal-shaped area having Poplar Road as the eastern boundary, 183<sup>rd</sup>  
7 Street as the southern boundary, Waverly Road as the western boundary,  
8 and the BNSF mainline track as the northern boundary, that includes  
9 capital investment in an amount exceeding \$150 million for the  
10 construction of an intermodal facility to handle the transfer, storage and  
11 distribution of freight through railway and trucking operations.

12 Sec. 5. K.S.A. 2022 Supp. 79-3710 is hereby amended to read as  
13 follows: 79-3710. (a) All revenue collected or received by the director  
14 under the provisions of this act shall be remitted to the state treasurer in  
15 accordance with the provisions of K.S.A. 75-4215, and amendments  
16 thereto. Upon receipt of each such remittance, the state treasurer shall  
17 deposit the entire amount in the state treasury, less amounts set apart as  
18 provided in subsection (b) and amounts credited as provided in subsection  
19 (c), (d) and (e), to the credit of the state general fund.

20 (b) A revolving fund, designated as "compensating tax refund fund"  
21 not to exceed \$10,000 shall be set apart and maintained by the director  
22 from compensating tax collections and estimated tax collections and held  
23 by the state treasurer for prompt payment of all compensating tax refunds.  
24 Such fund shall be in such amount, within the limit set by this section, as  
25 the director shall determine is necessary to meet current refunding  
26 requirements under this act.

27 (c) (1) On January 1, 2023, the state treasurer shall credit 17% of the  
28 revenue collected and received from the tax imposed by K.S.A. 79-3703,  
29 and amendments thereto, at the rates provided in K.S.A. 79-3703, and  
30 amendments thereto, and K.S.A. 2022 Supp. 79-3603d, and amendments  
31 thereto, and deposited as provided by subsection (a), exclusive of amounts  
32 credited pursuant to subsection (d), in the state highway fund.

33 (2) On January 1, 2025, and thereafter, the state treasurer shall credit  
34 18% of the revenue collected and received from the tax imposed by K.S.A.  
35 79-3703, and amendments thereto, at the rates provided in K.S.A. 79-  
36 3703, and amendments thereto, and K.S.A. 2022 Supp. 79-3603d, and  
37 amendments thereto, and deposited as provided by subsection (a),  
38 exclusive of amounts credited pursuant to subsection (d), in the state  
39 highway fund.

40 (3) ~~On and after July 1, 2023, and prior to July 1, 2028, the state~~  
41 ~~treasurer shall credit 1.231% of the revenue collected and received from~~  
42 ~~the tax imposed by K.S.A. 79-3703, and amendments thereto, at the rates~~  
43 ~~provided in K.S.A. 79-3703, and amendments thereto, and K.S.A. 2022~~

~~Supp. 79-3603d, and amendments thereto, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state water plan fund.~~

~~(d) The state treasurer shall credit all revenue collected or received from the tax imposed by K.S.A. 79-3703, and amendments thereto, as certified by the director, from taxpayers doing business within that portion of a redevelopment district occupied by a redevelopment project that was determined by the secretary of commerce to be of statewide as well as local importance or will create a major tourism area for the state as defined in K.S.A. 12-1770a, and amendments thereto, to the city bond finance fund created by K.S.A. 79-3620(d), and amendments thereto. The provisions of this subsection shall expire when the total of all amounts credited hereunder and under K.S.A. 79-3620(d), and amendments thereto, is sufficient to retire the special obligation bonds issued for the purpose of financing all or a portion of the costs of such redevelopment project.~~

~~This subsection shall not apply to a project designated as a special bond project as defined in K.S.A. 12-1770a(z), and amendments thereto.~~

~~(e) All revenue certified by the director of taxation as having been collected or received from the tax imposed by K.S.A. 79-3603(c), and amendments thereto, on the sale or furnishing of gas, water, electricity and heat for use or consumption within the intermodal facility district described in this subsection, shall be credited by the state treasurer to the state highway fund. Such revenue may be transferred by the secretary of transportation to the rail service improvement fund pursuant to law. The provisions of this subsection shall take effect upon certification by the secretary of transportation that a notice to proceed has been received for the construction of the improvements within the intermodal facility district, but not later than December 31, 2010, and shall expire when the secretary of revenue determines that the total of all amounts credited hereunder and pursuant to K.S.A. 79-3620(e), and amendments thereto, is equal to \$53,300,000, but not later than December 31, 2045. Thereafter, all revenues shall be collected and distributed in accordance with applicable law. For all tax reporting periods during which the provisions of this subsection are in effect, none of the exemptions contained in K.S.A. 79-3601 et seq., and amendments thereto, shall apply to the sale or furnishing of any gas, water, electricity and heat for use or consumption within the intermodal facility district. As used in this subsection, "intermodal facility district" shall consist of an intermodal transportation area as defined by K.S.A. 12-1770a(o), and amendments thereto, located in Johnson county within the polygonal-shaped area having Waverly Road as the eastern boundary, 191<sup>st</sup> Street as the southern boundary, Four Corners Road as the western boundary, and Highway 56 as the northern boundary, and the polygonal-shaped area having Poplar Road as the eastern boundary, 183<sup>rd</sup>~~



*Renumber Sections Accordingly*

1 ~~Street as the southern boundary, Waverly Road as the western boundary,~~  
2 ~~and the BNSF mainline track as the northern boundary, that includes~~  
3 ~~capital investment in an amount exceeding \$150 million for the~~  
4 ~~construction of an intermodal facility to handle the transfer, storage and~~  
5 ~~distribution of freight through railway and trucking operations.~~

6 Sec. 6. K.S.A. 2022 Supp. 79-4804 is hereby amended to read as  
7 follows: 79-4804. (a) After the transfer of moneys pursuant to K.S.A. 79-  
8 4806, and amendments thereto, an amount equal to 85% of the balance of  
9 all moneys credited to the state gaming revenues fund shall be transferred  
10 and credited to the state economic development initiatives fund.  
11 Expenditures from the state economic development initiatives fund  
12 be made in accordance with appropriations acts for the financing of such  
13 programs supporting and enhancing the existing economic foundation of  
14 the state and fostering growth through the expansion of current, and the  
15 establishment and attraction of new, commercial and industrial enterprises  
16 as provided by this section and as may be authorized by law and not less  
17 than 1/2 of such money shall be distributed equally among the  
18 congressional districts of the state. Except as provided by subsection (g),  
19 all moneys credited to the state economic development initiatives fund  
20 shall be credited within the fund, as provided by law, to an account or  
21 accounts of the fund, which are created by this section or for state fiscal  
22 years 2022, 2023 and 2024, to an account or accounts of the fund created  
23 by appropriation acts.

24 (b) There is hereby created the Kansas capital formation account in  
25 the state economic development initiatives fund. All moneys credited to  
26 the Kansas capital formation account shall be used to provide, encourage  
27 and implement capital development and formation in Kansas.

28 (c) There is hereby created the Kansas economic development  
29 research and development account in the state economic development  
30 initiatives fund. All moneys credited to the Kansas economic development  
31 research and development account shall be used to promote, encourage  
32 and implement research and development programs and activities in  
33 Kansas and technical assistance funded through state educational  
34 institutions under the supervision and control of the state board of regents  
35 or other Kansas colleges and universities.

36 (d) There is hereby created the Kansas economic development  
37 endowment account in the state economic development initiatives fund.  
38 All moneys credited to the Kansas economic development endowment  
39 account shall be accumulated and invested as provided in this section to  
40 provide an ongoing source of funds, which shall be used for economic  
41 development activities in Kansas, including, but not limited to, continuing  
42 appropriations or demand transfers for programs and projects, which shall  
43 include, but are not limited to, specific community infrastructure projects

1 in Kansas that stimulate economic growth.

2 (e) Except as provided in subsection (f), the director of investments  
3 may invest and reinvest moneys credited to the state economic  
4 development initiatives fund in accordance with investment policies  
5 established by the pooled money investment board under K.S.A. 75-4232,  
6 and amendments thereto, in the pooled money investment portfolio. All  
7 moneys received as interest earned by the investment of the moneys  
8 credited to the state economic development initiatives fund shall be  
9 deposited in the state treasury and credited to the Kansas economic  
10 development endowment account of such fund.

11 (f) Moneys credited to the Kansas economic development  
12 endowment account of the state economic development initiatives fund  
13 may be invested in government guaranteed loans and debentures as  
14 provided by law in addition to the investments authorized by subsection  
15 (e) or in lieu of such investments. All moneys received as interest earned  
16 by the investment under this subsection of the moneys credited to the  
17 Kansas economic development endowment account shall be deposited in  
18 the state treasury and credited to the Kansas economic development  
19 endowment account of the state economic development initiatives fund.

20 (g) Except as provided further *and in section 1, and amendments*  
21 *thereto*, in each fiscal year, the director of accounts and reports shall make  
22 transfers in equal amounts on July 15 and January 15 that in the aggregate  
23 equal \$2,000,000 from the state economic development initiatives fund to  
24 the state water plan fund created by K.S.A. 82a-951, and amendments  
25 thereto. ~~In state fiscal year 2022, the director of accounts and reports shall~~  
26 ~~make transfers in equal amounts on July 15 and January 15 that in the~~  
27 ~~aggregate equal \$1,710,264 from the state economic development~~  
28 ~~initiatives fund to the state water plan fund. No other moneys credited to~~  
29 the state economic development initiatives fund shall be used for: (1)  
30 Water-related projects or programs, or related technical assistance; or (2)  
31 any other projects or programs, or related technical assistance that meet  
32 one or more of the long-range goals, objectives and considerations set  
33 forth in the state water resource planning act.

34 Sec. 7. K.S.A. 82a-951 is hereby amended to read as follows: 82a-  
35 951. (a) On and after July 1, 1989, there is hereby created, in the state  
36 treasury, the state water plan fund. All moneys in the state water plan fund  
37 shall be expended in accordance with appropriations acts for  
38 implementation of the state water plan formulated pursuant to K.S.A. 82a-  
39 903 et seq. and amendments thereto. *Except as provided in section 1, and*  
40 *amendments thereto*, such moneys shall be used only for the establishment  
41 and implementation of water-related projects or programs, and related  
42 technical assistance, and shall not be used for: (1) Replacing full time  
43 equivalent positions of any state agency; or (2) recreational projects which

1 do not meet one or more of the long-range goals, objectives and  
2 considerations set forth in the state water resource planning act.

3 (b) On or before December 1 of each year, the Kansas water authority  
4 shall submit to the governor and the legislature a report setting out: (1) An  
5 account of all moneys expended from the state water plan fund, *the water*  
6 *technical assistance fund and the water projects grant fund* during each  
7 such fiscal year; and (2) a five-year capital development plan for state  
8 water plan projects.

9 Sec. 8. K.S.A. 2022 Supp. 82a-953a is hereby amended to read as  
10 follows: ~~82a-953a. Subject to the provisions of section 1, and amendments~~  
11 ~~thereto~~, during each fiscal year, the director of accounts and reports shall  
12 transfer \$6,000,000 from the state general fund to the state water plan fund  
13 created by K.S.A. 82a-951, and amendments thereto, 1/2 of such amount to  
14 be transferred on July 15 and 1/2 to be transferred on January 15. ~~During~~  
15 ~~the fiscal year ending June 30, 2022, the transfer shall not exceed~~  
16 ~~\$4,005,632.~~

17 Sec. 9. K.S.A. 82a-951 and K.S.A. 2022 Supp. 79-3620, 79-3710, 79-  
18 4804 and 82a-953a are hereby repealed.

19 Sec. 10. This act shall take effect and be in force from and after its  
20 publication in the statute book.