

HOUSE BILL No. 2159

By Committee on Agriculture and Natural Resources

1-24

1 AN ACT concerning the department of health and environment; relating to
2 fees established for the regulation of wastewater treatment facilities,
3 water wells and underground injection control wells; providing for
4 additional sources of revenue for the water program management fund;
5 authorizing the secretary of health and environment to establish
6 additional fees for the regulation of underground injection control
7 wells; amending K.S.A. 65-166b, 65-4514 and 82a-1206 and K.S.A.
8 2022 Supp. 55-1,117 and repealing the existing sections.
9

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

11 Section 1. K.S.A. 2022 Supp. 55-1,117 is hereby amended to read as
12 follows: 55-1,117. (a) As used in this section, *and* K.S.A. 65-171d and
13 ~~K.S.A. 55-1,118 through 55-1,122, and amendments thereto:~~

14 (1) "Company or operator" means any form of legal entity including,
15 but not limited to, a corporation, limited liability company and limited or
16 general partnerships.

17 (2) "Secretary" means the secretary of health and environment.

18 (3) "Underground porosity storage" means the storage of
19 hydrocarbons in underground, porous and permeable geological strata
20 ~~which~~ *that* have been converted to hydrocarbon storage.

21 (b) For the purposes of protecting the health, safety and property of
22 the people of the state, and preventing surface and subsurface water
23 pollution and soil pollution detrimental to public health or to the plant,
24 animal and aquatic life of the state, the secretary of health and
25 environment shall adopt separate and specific rules and regulations
26 establishing requirements, procedures and standards for the following:

27 (1) Salt solution mining;

28 (2) the safe and secure underground storage of liquid petroleum gas
29 and hydrocarbons, other than natural gas in underground porosity storage;
30 and

31 (3) the safe and secure underground storage of natural gas in bedded
32 salt.

33 (c) Such rules and regulations shall include, but not be limited to:

34 (1) Site selection criteria;

35 (2) design and development criteria;

36 (3) operation criteria;

- 1 (4) casing requirements;
- 2 (5) monitoring and measurement requirements;
- 3 (6) safety requirements, including public notification;
- 4 (7) closure and abandonment requirements, including the financial
- 5 requirements of subsection (f); and
- 6 (8) ~~long-term~~long-term monitoring.

7 (d) (1) The secretary may adopt rules and regulations establishing
8 fees for the following services:

9 (A) Permitting, monitoring and inspecting salt solution mining
10 operators;

11 (B) permitting, monitoring and inspecting underground storage of
12 liquid petroleum gas and hydrocarbons, other than natural gas in
13 underground porosity storage; and

14 (C) permitting, monitoring and inspecting underground storage of
15 natural gas in bedded salt.

16 (2) The fees collected under this section by the secretary shall be
17 remitted by the secretary to the state treasurer in accordance with the
18 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of
19 each such remittance, the state treasurer shall deposit the entire amount in
20 the state treasury to the credit of the subsurface hydrocarbon storage fund.

21 (e) The secretary or the secretary's duly authorized representative
22 may impose on any holder of a permit issued pursuant to this section such
23 requirements relating to inspecting, monitoring, investigating, recording
24 and reporting as the secretary or representative deems necessary to
25 administer the provisions of this section and rules and regulations adopted
26 hereunder.

27 (f) Any company or operator receiving a permit under the provisions
28 of this act shall demonstrate annually to the department of health and
29 environment evidence, satisfactory to the department, that such permit
30 holders have financial ability to cover the cost of closure of such permitted
31 facility as required by the department.

32 (g) The secretary may enter into contracts for services from
33 consultants and other experts for the purposes of assisting in the drafting
34 of rules and regulations pursuant to this section.

35 ~~(h)(1) For a period of two years from July 1, 2001, or until the rules
36 and regulations provided for in subsection (b)(3) are adopted, the injection
37 of working natural gas into underground storage in bedded salt is
38 prohibited, except that cushion gas may be injected into existing
39 underground storage in bedded salt. Natural gas currently stored in such
40 underground storage may be extracted.~~

41 ~~(2) Any existing underground storage of natural gas in bedded salt
42 shall comply with the rules and regulations adopted under this section
43 prior to the commencement of injection of working natural gas into such~~

1 ~~underground storage.~~

2 ~~(3) Rules and regulations adopted under subsection (b)(3) shall be~~
 3 ~~adopted on or before July 1, 2003.~~

4 ~~(†) No hydrocarbon storage shall be allowed in any underground~~
 5 ~~formation if water within the formation contains less than 5,000~~
 6 ~~milligrams per liter chlorides.~~

7 ~~(i) (1) The secretary shall adopt rules and regulations to establish~~
 8 ~~fees for permitting, monitoring, testing, inspecting and regulating~~
 9 ~~underground injection control class I wells. Such fees shall not exceed:~~

10 ~~(A) \$6,500 per active, hazardous waste injection well;~~

11 ~~(B) \$4,500 per active, non-hazardous waste injection well; or~~

12 ~~(C) \$1,000 for any hazardous or non-hazardous waste injection well~~
 13 ~~in monitoring or inactive status.~~

14 ~~(2) The secretary shall provide for a reduction in such fees for~~
 15 ~~facilities already subject to fees under subsection (d).~~

16 ~~(j) The secretary shall adopt rules and regulations to establish fees~~
 17 ~~for permitting, monitoring, testing, inspecting and regulating underground~~
 18 ~~injection control class V wells, but in no case shall such fees be~~
 19 ~~established for small-capacity, sanitary septic systems. Such fees shall not~~
 20 ~~exceed \$2,000 per well.~~

21 ~~(k) The secretary shall remit all moneys collected from fees~~
 22 ~~established in subsections (i) and (j) to the state treasurer in accordance~~
 23 ~~with the provisions of K.S.A. 75-4215, and amendments thereto. Upon~~
 24 ~~receipt of each such remittance, the state treasurer shall deposit the entire~~
 25 ~~amount in the state treasury to the credit of the subsurface hydrocarbon~~
 26 ~~storage fund established pursuant to K.S.A. 55-1,118, and amendments~~
 27 ~~thereto.~~

28 Sec. 2. K.S.A. 65-166b is hereby amended to read as follows: 65-
 29 166b. (a) There is hereby created in the state treasury the water program
 30 management fund. The secretary shall remit to the state treasurer, in
 31 accordance with the provisions of K.S.A. 75-4215, and amendments
 32 thereto, all moneys collected or received by the secretary from the
 33 following sources:

34 (1) Water pollution control permit system fees imposed pursuant to
 35 K.S.A. 65-166a, and amendments thereto;

36 (2) operators of water supply system and wastewater treatment
 37 facility certification fees imposed pursuant to K.S.A. 65-4513, and
 38 amendments thereto;

39 (3) water well contractor fees imposed pursuant to K.S.A. 82a-1206,
 40 and amendments thereto;

41 (4) interest attributable to investment of moneys in the water program
 42 management fund;

43 ~~(3)(5)~~ gifts, grants, reimbursements or appropriations intended to be

1 used for the purposes of the fund, but excluding federal grants and
2 cooperative agreements; and

3 ~~(4)~~(6) any other moneys provided by law.

4 Upon receipt of each such remittance, the state treasurer shall deposit in
5 the state treasury any amount remitted pursuant to this subsection to the
6 credit of the water program management fund.

7 (b) Moneys in the water program management fund shall be
8 expended for the following purposes:

9 (1) Monitoring and investigating the quality of waters of the state;

10 (2) payment of the state's share of the clean water act matching costs,
11 as required by the federal clean water act, 33 U.S.C. § 1256(d);

12 (3) payment for emergency action by the secretary as necessary or
13 appropriate to assure that the public health or safety is not threatened
14 whenever there is a release from a wastewater treatment facility;

15 (4) payment of the administrative, technical and legal costs incurred
16 by the secretary in carrying out the provisions of K.S.A. 65-159 through
17 65-171y, 65-4501 through 65-4517 and 82a-1201 through 82a-1219, and
18 amendments thereto, including the cost of any additional employees or
19 increased general operating costs of the department attributable therefore;
20 and

21 (5) development of educational materials and programs for informing
22 the public about water issues.

23 (c) Expenditures from the water program management fund shall be
24 made in accordance with appropriation acts upon warrants of the director
25 of accounts and reports issued pursuant to vouchers approved by the
26 secretary or a person designated by the secretary.

27 (d) On or before the 10th day of each month, the director of accounts
28 and reports shall transfer from the state general fund to the water program
29 management fund interest earnings based on:

30 (1) The average daily balance of moneys in the water program
31 management fund for the preceding month; and

32 (2) the net earnings rate of the pooled money investment portfolio for
33 the preceding month.

34 (e) The water program management fund shall be used for the
35 purposes set forth in this act and for no other governmental purposes. It is
36 the intent of the legislature that the fund shall remain intact and inviolate
37 for the purposes set forth in this act, and moneys in the fund shall not be
38 subject to the provisions of K.S.A. 75-3722, 75-3725a and 75-3726a, and
39 amendments thereto.

40 (f) The secretary shall prepare and deliver to the legislature, on or
41 before the first day of each regular legislative session, a report ~~which~~ that
42 summarizes all expenditures from the water program management fund,
43 fund revenues and recommendations regarding the adequacy of the fund to

1 support necessary water program management programs.

2 Sec. 3. K.S.A. 65-4514 is hereby amended to read as follows: 65-
3 4514.-(a) The secretary shall remit all moneys received by or for the
4 secretary from fees, charges or penalties *from the certification of operators*
5 *of water supply systems and wastewater treatment facilities under the*
6 *provisions of this act and the rules and regulations adopted hereunder to*
7 the state treasurer in accordance with the provisions of K.S.A. 75-4215,
8 and amendments thereto. Upon receipt of each such remittance, the state
9 treasurer shall deposit the entire amount in the state treasury to the credit
10 of the ~~state general fund~~ *water program management fund established*
11 *pursuant to K.S.A. 65-166b, and amendments thereto.*

12 (b) ~~On July 1, 1983, the director of accounts and reports shall transfer~~
13 ~~all moneys in the certification of operators of water supply systems and~~
14 ~~wastewater treatment facilities fee fund to the state general fund. All~~
15 ~~liabilities of the certification of operators of water supply systems and~~
16 ~~wastewater treatment facilities fee fund are hereby transferred to and~~
17 ~~imposed upon the state general fund. The certification of operators of~~
18 ~~water supply systems and wastewater treatment facilities fee fund is~~
19 ~~hereby abolished.~~

20 Sec. 4. K.S.A. 82a-1206 is hereby amended to read as follows: 82a-
21 1206. (a) Every well contractor desiring to engage in the business of
22 constructing, reconstructing or treating water wells in this state shall make
23 initial application for a license to the secretary. Every contractor making
24 such application shall set out such information as may be required upon
25 forms to be adopted and furnished by the secretary. The secretary shall
26 charge an application fee as established by rules and regulations for the
27 filing of such initial application by a contractor, and the secretary shall not
28 act upon any application until such application fee has been paid.

29 (b) All application fees and license fees collected hereunder shall be
30 remitted to the state treasurer in accordance with the provisions of K.S.A.
31 75-4215, and amendments thereto. Upon receipt of each such remittance,
32 the state treasurer shall deposit the entire amount in the state treasury to
33 the credit of the ~~state general fund~~. ~~On July 1, 1983, the director of~~
34 ~~accounts and reports shall transfer all moneys in the water well contractors~~
35 ~~licensing fund to the state general fund. All liabilities of the water well~~
36 ~~contractors licensing fund are hereby transferred to and imposed upon the~~
37 ~~state general fund. The water well contractors licensing fund is hereby~~
38 ~~abolished~~ *water program management fund established pursuant to K.S.A.*
39 *65-166b, and amendments thereto.*

40 (c) A license to construct water wells shall be issued to any applicant
41 if, under the standards set forth in K.S.A. 82a-1207, and amendments
42 thereto, the secretary shall determine such applicant is qualified to conduct
43 water well construction operations. In the granting of such licenses due

1 regard shall be given to the interest of the state of Kansas in the protection
2 of its underground water resources. Application fees paid hereunder shall
3 be retained by the secretary whether such initial license is issued or denied,
4 but if denied, the license fee shall be refunded.

5 (d) Applicants for licenses hereunder who are engaged in business as
6 water well contractors in this state, if incorporated, shall submit evidence
7 of current good standing with the registration requirements for
8 corporations of the secretary of state.

9 Sec. 5. K.S.A. 65-166b, 65-4514 and 82a-1206 and K.S.A. 2022
10 Supp. 55-1,117 are hereby repealed.

11 Sec. 6. This act shall take effect and be in force from and after its
12 publication in the statute book.