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### MEMORANDUM

To: Chairman Holmes and members of the House Energy and Utilities Committee  
From: Matt Sterling, Assistant Revisor of Statutes  
Date: February 7, 2012  
Subject: House Bill 2624

HB 2624 concerns the oil and gas valuation depletion trust fund. Under current law, a percentage of moneys collected for the mineral severance tax are deposited in the state treasury and credited to the oil and gas valuation depletion trust fund. Within the fund, each county's trust account is credited in proportion to the amount of oil and gas valuation depletion trust fund receipts collected from that county.

The bill would require the board of county commissioners of each county to establish a county oil and gas valuation depletion trust fund to be administered by the county treasurer. The director of taxation would certify the amount due the county from the county's oil and gas depletion trust account within the state treasury and the state treasurer would pay each county the amount credited to the county's trust account.

The county would hold the money in trust until the oil and gas leasehold property tax valuation was less than 50% for the second succeeding tax year after the county had \$100,000 or more in excise tax receipts. Upon this occurring, the director of taxation would certify the county's property tax valuation and authorize the county treasurer to release 20% of the funds in the county's trust fund to the county's general fund for use as directed by the board.

In making the county budget, any amounts credited to, the amount on hand in and the amount expended from the county fund would be provided for the information of the taxpayers of the county. Moneys in the county fund would be subject to the provisions of K.S.A. 79-2925

through 79-2937, concerning municipal budgets and could be invested in accordance with the provisions of K.S.A. 10-131, with interest credited to the fund.