

As Amended by House Committee

Session of 2023

HOUSE BILL No. 2302

By Committee on Water

2-6

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.

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

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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) (1) 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:

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(i) \$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

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(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

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

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

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

14 (3) 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

, or loan balances payable to USDA rural development for
public water supply or wastewater system projects or
improvements