

2012

BILL NO. ____

By Joint Committee on Energy and Environmental Policy

AN ACT concerning water; relating to reservoirs; relating to industrial-use fee; establishing the reservoir sustainability fund.

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

Section 1. (a) On and after July 1, 2012, there is hereby imposed a reservoir protection fee at the rate of \$.03 per 1,000 gallons of water appropriated for industrial use pursuant to a permit granted for surface water use below any federal reservoir in accordance with the Kansas water appropriation act; and for all contracts for water supply from federal reservoirs between any industrial user and the Kansas water office. In addition, this fee shall apply to those groundwater rights holders along the Kansas River who have been shown to benefit from reservoir assurance district releases.

(b) As used in this section, "industrial use" shall have the meanings provided by rules and regulations of the chief engineer of the division of water resources of the Kansas department of agriculture and the determination of gallons used shall be based upon figures supplied to the secretary of revenue by the division of water resources and the Kansas water office, as appropriate.

(c) The fees imposed by subsection (a) shall be based on the actual amount used for industrial use during the preceding calendar year as reported to the Kansas water office pursuant to contract or the chief engineer of the division of water resources of the Kansas department of agriculture in accordance with the provisions of K.S.A. 82a-732, and amendments thereto, except that the amount of surface water used for flow through cooling purposes for electric power generating plants shall be based on an average consumptive factor as determined by the division of water resources; If no water use report is filed for such year, the fee shall be based on

the amount authorized for industrial use in such year.

(d) The fee imposed by subsection (a) shall be paid quarterly by the industrial user and shall be transmitted to the department of revenue not later than 45 days following the end of each quarter. The industrial user may collect the fee directly from each consumer or may pay the amount owed to the department from moneys in its operating or other fund available for that purpose. The fees imposed by subsection (a) shall be paid by the owner of the permit. If any industrial user fails to pay the fee required to be collected and paid under this section, there shall be added, to the unpaid balance of the fee, penalty, and interest as prescribed under K.S.A. 79-3615, and amendments thereto, for the late payment of sales tax.

(e) The director of taxation shall administer, enforce and collect the fees imposed by this section. All laws, rules, and regulations of the secretary of revenue relating to the administration, enforcement, and collection of the retailers' sales tax shall apply to such fee insofar as they can be made applicable, and the secretary shall adopt such additional rules and regulations as necessary for the efficient and effective administration, enforcement, and collection thereof.

(f) The director of taxation shall remit all moneys collected from fees imposed pursuant to this section 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 reservoir protection fund created by section 2, and amendments thereto.

Sec. 2. There is hereby established in the state treasury the reservoir protection fund which shall be administered by the Kansas water office. All expenditures from the reservoir protection fund shall be for the maintenance and improvement of the reservoir from which the

moneys came. All expenditures from the reservoir protection fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the director of the Kansas water office or the designee of the director of the Kansas water office. All moneys received pursuant to subsection (c) of K.S.A. 82a-1306, and amendments thereto, shall be deposited in the state treasury in accordance with the provisions of K.S.A. 75-4215, and amendments thereto, and shall be credited to the reservoir protection fund.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.