

## HOUSE BILL No. 2014

By Representative Sloan

1-8

1 AN ACT concerning water; authorizing the Kansas water office to  
2 establish the clean drinking water fee with the approval of the Kansas  
3 water authority; establishing a cap on the clean drinking water fee; uses  
4 of fee moneys; amending K.S.A. 2014 Supp. 82a-2101 and repealing  
5 the existing section.  
6

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

8 Section 1. K.S.A. 2014 Supp. 82a-2101 is hereby amended to read as  
9 follows: 82a-2101. (a) On and after January 1, ~~2002~~ 2016, ~~there is hereby~~  
10 ~~imposed a~~ *the Kansas water office, with the approval of the Kansas water*  
11 *authority, may impose by rules and regulations a clean drinking water fee*  
12 ~~at the a rate of \$ .03 not to exceed \$ .13 per 1,000 gallons of water sold at~~  
13 ~~retail by a public water supply system and delivered through mains, lines~~  
14 ~~or pipes. Such fee shall be paid, administered, enforced and collected in~~  
15 ~~the manner provided for the fee imposed by subsection (a)(1) of K.S.A.~~  
16 ~~82a-954(a)(1), and amendments thereto. The price to the consumer of~~  
17 ~~water sold at retail by any such system shall not include the amount of~~  
18 ~~such fee~~ *Public water supply systems shall not separately identify such fee*  
19 *on customer bills.*

20 (b) (1) A public water supply system may elect to opt out of the fee  
21 imposed by this section by notifying, before October 1, 2001, the Kansas  
22 water office and the department of revenue of the election to opt out.  
23 Except as provided by subsection (b)(2), such election shall be irrevocable.  
24 Such public water supply system shall continue to pay all applicable sales  
25 tax on direct and indirect purchases of tangible personal property and  
26 services purchased by such system.

27 (2) On and after January 1, ~~2005~~, 2016, *for any public water supply*  
28 *system which elected to opt out of the fee imposed by subsection (a) may*  
29 ~~elect to collect such fee as provided by subsection (a) and direct and~~  
30 ~~indirect purchases of tangible personal property and services by such~~  
31 ~~system shall be exempt from sales tax as provided by K.S.A. 79-3606, and~~  
32 ~~amendments thereto. Such election shall be irrevocable, the Kansas water~~  
33 ~~office, with the approval of the Kansas water authority, may impose by~~  
34 ~~rules and regulations a fee at a rate not to exceed \$ .13 per 1,000 gallons~~  
35 ~~of water sold at retail by such public water supply system and delivered~~  
36 ~~through mains, lines or pipes.~~

1 (c) The director of taxation shall remit to the state treasurer in  
2 accordance with the provisions of K.S.A. 75-4215, and amendments  
3 thereto, all moneys received or collected from the fee imposed pursuant to  
4 this section. Upon receipt thereof, the state treasurer shall deposit the  
5 entire amount in the state treasury and credit it as follows:

6 (1)  $\frac{5}{106}$  of such amount shall be credited to the state highway fund  
7 and the remainder to the state general fund; and

8 (2) on and after July 1, 2007,  $\frac{5}{106}$  of such amount shall be credited to  
9 the state highway fund and the remaining amount shall be credited to the  
10 state water plan fund created by K.S.A. 82a-951, and amendments thereto,  
11 for use as follows: (A) Not less than 15% shall be used to provide on-site  
12 technical assistance for public water supply systems, as defined in K.S.A.  
13 65-162a, and amendments thereto, to aid such systems in conforming to  
14 responsible management practices and complying with regulations of the  
15 United States environmental protection agency and rules and regulations  
16 of the department of health and environment; ~~and (B) not less than 5%~~  
17 ~~shall be used for water data collection and coordination of water data~~  
18 ~~repositories; and (C) the remainder shall be used to renovate and protect~~  
19 ~~lakes which are used directly as a source of water for such public water~~  
20 ~~supply systems, so long as where appropriate, watershed restoration and~~  
21 ~~protection practices are planned or in place~~ *protect the quantity and*  
22 *quality of drinking water supply in reservoirs, municipal drinking water*  
23 *lakes and rivers.*

24 (d) The Kansas department of agriculture division of conservation  
25 shall promulgate rules and regulations in coordination with the Kansas  
26 water office establishing the project application evaluation criteria for the  
27 use of such moneys under subsection ~~(c)(2)(B)~~ (c)(2)(C).

28 Sec. 2. K.S.A. 2014 Supp. 82a-2101 is hereby repealed.

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