

**HOUSE BILL No. 2022**

By Representative Waymaster

12-31

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1 AN ACT concerning oil and gas wells; relating to the state corporation  
2 commission; investigation and determination of responsibility for  
3 abandoned wells; plugging abandoned wells; abolishing the well  
4 plugging assurance fund and transferring all assets and liabilities to the  
5 abandoned oil and gas well fund; amending K.S.A. 55-150, 55-161, 55-  
6 168, 55-178, 55-179, 55-180, 55-192 and 75-3036 and K.S.A. 2020  
7 Supp. 55-155 and repealing the existing sections; also repealing K.S.A.  
8 55-163, 55-166 and 55-167 and K.S.A. 2020 Supp. 55-193.

9  
10 *Be it enacted by the Legislature of the State of Kansas:*

11 Section 1. K.S.A. 55-150 is hereby amended to read as follows: 55-  
12 150. As used in this act unless the context requires a different meaning:

13 (a) "Commission" means the state corporation commission.

14 (b) "Contractor" means any person who acts as agent for an operator  
15 as a drilling, plugging, service rig or seismograph contractor in such  
16 operator's oil and gas, cathodic protection, gas gathering or underground  
17 natural gas storage operations.

18 (c) "Fresh water" means water containing not more than 1,000  
19 milligrams per liter, total dissolved solids.

20 (d) "Gas gathering system" means a natural gas pipeline system used  
21 primarily for transporting natural gas from a wellhead, or a metering point  
22 for natural gas produced by one or more wells, to a point of entry into a  
23 main transmission line, but shall not mean or include: (1) Lead lines from  
24 the wellhead to the connection with the gathering system which are owned  
25 by the producing person; ~~and~~ or (2) gathering systems under the  
26 jurisdiction of the federal energy regulatory commission.

27 (e) "Operator" means a person who is responsible for the physical  
28 operation and control of a well, gas gathering system or underground  
29 porosity storage of natural gas.

30 (f) "Person" means any natural person, partnership, governmental or  
31 political subdivision, firm, association, corporation or other legal entity.

32 (g) "Rig" means any crane machine used for drilling or plugging  
33 wells.

34 (h) "Underground porosity storage" has the meaning provided by

1 K.S.A. 55-1,115, and amendments thereto.

2 (i) "Usable water" means water containing not more than 10,000  
3 milligrams per liter, total dissolved solids.

4 (j) "Well" means a hole *or penetration of the surface of the earth*,  
5 drilled or recompleted for the purpose of:

6 (1) Producing oil or gas;

7 (2) injecting fluid, air or gas in the ground in connection with the  
8 exploration for or production of oil or gas;

9 (3) obtaining geological information in connection with the  
10 exploration for or production of oil or gas by taking cores or through  
11 seismic operations;

12 (4) disposing of fluids produced in connection with the exploration  
13 for or production of oil or gas;

14 (5) providing cathodic protection to prevent corrosion to lines, *tanks*  
15 *or structures*; or

16 (6) injecting or withdrawing natural gas.

17 Sec. 2. K.S.A. 2020 Supp. 55-155 is hereby amended to read as  
18 follows: 55-155. (a) Operators and contractors shall be licensed by the  
19 commission pursuant to this section.

20 (b) Every operator and contractor shall file an application or a  
21 renewal application with the commission. Application and renewal  
22 application forms shall be prescribed, prepared and furnished by the  
23 commission.

24 (c) No application or renewal application shall be approved until the  
25 applicant has:

26 (1) Provided sufficient information, as required by the commission,  
27 for purposes of identification;

28 (2) submitted evidence that all current and prior years' taxes for  
29 property associated with the drilling or servicing of wells have been paid;

30 (3) demonstrated to the commission's satisfaction that the applicant  
31 complies with all requirements of chapter 55 of the Kansas Statutes  
32 Annotated, and amendments thereto, all rules and regulations adopted  
33 thereunder and all commission orders and enforcement agreements, if the  
34 applicant is registered with the federal securities and exchange  
35 commission;

36 (4) demonstrated to the commission's satisfaction that the following  
37 comply with all requirements of chapter 55 of the Kansas Statutes  
38 Annotated, and amendments thereto, all rules and regulations adopted  
39 thereunder and all commission orders and enforcement agreements, if the  
40 applicant is not registered with the federal securities and exchange  
41 commission: (A) The applicant; (B) any officer, director, partner or  
42 member of the applicant; (C) any stockholder owning in the aggregate  
43 more than 5% of the stock of the applicant; and (D) any spouse, parent,

1 brother, sister, child, parent-in-law, brother-in-law or sister-in-law of the  
2 foregoing;

3 (5) paid an annual license fee of \$100, except that an applicant for a  
4 license who is operating one or more gas wells used strictly for personal  
5 use on the property where such gas wells are located shall pay an annual  
6 license fee of \$25;

7 (6) complied with subsection (d); and

8 (7) paid an annual license fee of \$25 for each rig operated by the  
9 applicant. The commission shall issue an identification tag for each such  
10 rig which shall be displayed on such rig at all times.

11 (d) In order to assure financial responsibility, each operator shall  
12 annually demonstrate compliance with one of the following provisions:

13 (1) The operator has obtained an individual performance bond or  
14 letter of credit, in an amount equal to \$.75 times the total aggregate depth  
15 of all wells, including active, inactive, injection or disposal, of the  
16 operator.

17 (2) The operator has obtained a blanket performance bond or letter of  
18 credit in an amount equal to the following, according to the number of  
19 wells, including active, inactive, injection or disposal, of the operator:

20 (A) Wells less than 2,000 feet in depth: 1 through 5 wells, \$7,500; 6  
21 through 25 wells, \$15,000; and over 25 wells, \$30,000.

22 (B) Wells 2,000 or more feet in depth: 1 through 5 wells, \$15,000; 6  
23 through 25 wells, \$30,000; and over 25 wells, \$45,000.

24 (3) The operator: (A) Has an acceptable record of compliance, as  
25 demonstrated during the preceding 36 months, with commission rules and  
26 regulations regarding safety and pollution or with commission orders  
27 issued pursuant to such rules and regulations; (B) has no outstanding  
28 undisputed orders issued by the commission or unpaid fines, penalties or  
29 costs assessed by the commission and has no officer or director that has  
30 been or is associated substantially with another operator that has any such  
31 outstanding orders or unpaid fines, penalties or costs; and (C) pays a  
32 nonrefundable fee of \$100 per year.

33 (4) The operator pays a nonrefundable fee equal to 6% of the amount  
34 of the bond or letter of credit that would be required by subsection (d)(2).

35 (5) The state has a first lien on tangible personal property associated  
36 with oil and gas production of the operator that has a salvage value equal  
37 to not less than the amount of the bond or letter of credit that would be  
38 required by subsection (d)(1) or ~~by subsection (d)(2)~~.

39 (6) The operator has provided other financial assurance approved by  
40 the commission.

41 (e) Upon the approval of the application or renewal application, the  
42 commission shall issue to such applicant a license which shall be in full  
43 force and effect until one year from the date of issuance or until

1 surrendered, suspended or revoked as provided in K.S.A. 55-162, and  
2 amendments thereto. No new license shall be issued to any applicant who  
3 has had a license revoked until the expiration of one year from the date of  
4 such revocation.

5 (f) If an operator transfers responsibility for the operation of a well or  
6 gas gathering system or for underground porosity storage of natural gas to  
7 another person, such operator shall file a notice of transfer of operator with  
8 the commission in accordance with rules and regulations of the  
9 commission. The commission shall, upon receipt of such notice, send a  
10 copy of such notice to the surface owner, as well as the contact  
11 information, including name, address, phone number, fax or email address,  
12 for a designated representative of the operator. The commission need not  
13 send such information if the operator verifies that the notice filed with the  
14 commission has been delivered to the surface owner. The commission  
15 need not send a copy of notice to the surface owner for transfers of  
16 responsibility for the operation of a gas gathering system or for  
17 underground porosity storage of natural gas to another person.

18 (g) The commission shall remit all moneys received from fees  
19 assessed pursuant to subsection (c)(7) ~~of this section~~ to the state treasurer  
20 in accordance with the provisions of K.S.A. 75-4215, and amendments  
21 thereto. Upon receipt of each such remittance, the state treasurer shall  
22 deposit the entire amount in the state treasury and credit 10% of each such  
23 deposit to the state general fund with the balance credited to the  
24 conservation fee fund created by K.S.A. 55-143, and amendments thereto.

25 (h) The commission shall remit all moneys received pursuant to  
26 subsections (d)(3) and (d)(4) to the state treasurer in accordance with the  
27 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of  
28 each such remittance, the state treasurer shall deposit the entire amount in  
29 the state treasury to the credit of the ~~well plugging assurance fund~~  
30 *abandoned oil and gas well fund established pursuant to K.S.A. 55-192,*  
31 *and amendments thereto.*

32 Sec. 3. K.S.A. 55-161 is hereby amended to read as follows: 55-161.  
33 The commission shall investigate abandoned wells, and, based on actual or  
34 potential pollution problems, may select abandoned wells to be drilled out  
35 by the commission in order to test the integrity of the plugs. The cost of  
36 such testing shall be paid from the ~~well plugging assurance fund~~ or the  
37 abandoned oil and gas well fund, ~~as appropriate~~ *established pursuant to*  
38 *K.S.A. 55-192, and amendments thereto.*

39 Sec. 4. K.S.A. 55-168 is hereby amended to read as follows: 55-168.  
40 Whenever there are insufficient moneys in the ~~well plugging assurance~~  
41 ~~fund~~ or the abandoned oil and gas well fund *established pursuant to K.S.A.*  
42 *55-192, and amendments thereto,* to pay the liabilities of such fund, such  
43 liabilities shall be and are hereby imposed on the conservation fee fund,

1 *established pursuant to K.S.A. 55-143, and amendments thereto, provided*  
2 *such liabilities were incurred in accordance with the prioritization*  
3 ~~*schedules schedule established pursuant to subsection (b)(2) of K.S.A. 55-*~~  
4 ~~*166, and amendments thereto, and subsection (b)(2) of K.S.A. 55-192, and*~~  
5 ~~*amendments thereto.*~~

6 Sec. 5. K.S.A. 55-178 is hereby amended to read as follows: 55-178.

7 *(a) Any person who has reason to believe that any abandoned well* ~~*which*~~  
8 ~~*has been abandoned*~~ *is causing or is likely to cause the loss of any usable*  
9 ~~*water or pollution of any usable water strata or supply or the imminent loss*~~  
10 ~~*or pollution of any usable water through downward drainage by reason of*~~  
11 ~~*the fact that, because the well has not been plugged, was improperly*~~  
12 ~~*plugged; or that the plugging is no longer effective by reason of the*~~  
13 ~~*deterioration of the pipe or by any other cause, may file a complaint in*~~  
14 ~~*writing, so alleging, with the commission secretary. Such complaint shall*~~  
15 ~~*state the location of the well and the facts which caused why the*~~  
16 ~~*complainant to believe*~~ *believes that such well is causing or is likely to*  
17 ~~*cause the loss of any usable water or pollution of any usable water strata*~~  
18 ~~*or supply or the imminent loss or pollution of any usable water.*~~

19 *(b) Upon receipt of any complaint filed pursuant to this section, the*  
20 *commission shall conduct an investigation for the purpose of determining*  
21 *whether the well is an abandoned well causing or likely to cause loss of*  
22 *any usable water or pollution of any usable water strata or the imminent*  
23 *loss or pollution of any usable water. As a result of the investigation, the*  
24 *commission may take any action or issue any order pursuant to the*  
25 *provisions of the Kansas administrative procedure act as may be*  
26 *appropriate. Proceedings for reconsideration and judicial review of any*  
27 *order shall be conducted in the manner provided pursuant to K.S.A. 55-*  
28 *606, and amendments thereto.*

29 *(c) As used in this section, "abandoned well" means a well that is not*  
30 *claimed on an operator's license that is active with the commission and is*  
31 *unplugged, improperly plugged or no longer effectively plugged.*

32 Sec. 6. K.S.A. 55-179 is hereby amended to read as follows: 55-179.

33 ~~*(a) Upon receipt of any complaint filed pursuant to K.S.A. 55-178 and*~~  
34 ~~*amendments thereto, the commission shall make an investigation for the*~~  
35 ~~*purpose of determining whether such abandoned well is polluting or is*~~  
36 ~~*likely to pollute any usable water strata or supply or causing the loss of*~~  
37 ~~*usable water, or the commission may initiate such investigation on its own*~~  
38 ~~*motion. If the commission determines:*~~

39 ~~*(1) That such abandoned well is causing or likely to cause such*~~  
40 ~~*pollution or loss; and*~~

41 ~~*(2) (A) that no person is legally responsible for the proper care and*~~  
42 ~~*control of such well; or (B) that the person legally responsible for the care*~~  
43 ~~*and control of such well is dead, is no longer in existence, is insolvent or*~~

1 cannot be found, then, after completing its investigation, and as funds are  
2 available, the commission shall plug, replug or repair such well, or cause it  
3 to be plugged, replugged or repaired, in such a manner as to prevent any  
4 further pollution or danger of pollution of any usable water strata or supply  
5 or loss of usable water, and shall remediate pollution from the well,  
6 whenever practicable and reasonable. The cost of the investigation; the  
7 plugging, replugging or repair; and the remediation shall be paid by the  
8 commission from the well plugging assurance fund or the abandoned oil  
9 and gas well fund, as appropriate.

10 (b) For the purposes of this section, a person who is legally  
11 responsible for the proper care and control of an abandoned well shall  
12 include, but is not limited to, one or more of the following: Any operator  
13 of a waterflood or other pressure maintenance program deemed to be  
14 causing pollution or loss of usable water; the current or last operator of the  
15 lease upon which such well is located, irrespective of whether such  
16 operator plugged or abandoned such well; the original operator who  
17 plugged or abandoned such well; and any person who without  
18 authorization tampers with or removes surface equipment or downhole  
19 equipment from an abandoned well.

20 (c) Whenever the commission determines that a well has been  
21 abandoned and is causing or is likely to cause pollution of any usable  
22 water strata or supply or loss of usable water, and whenever the  
23 commission has reason to believe that a particular person is legally  
24 responsible for the proper care and control of such well, the commission  
25 shall cause such person to come before it at a hearing held in accordance  
26 with the provisions of the Kansas administrative procedure act to show  
27 cause why the requisite care and control has not been exercised with  
28 respect to such well. After such hearing, if the commission finds that the  
29 person is legally responsible for the proper care and control of such well  
30 and that such well is abandoned, in fact, and is causing or is likely to cause  
31 pollution of any usable water strata or supply or loss of usable water, the  
32 commission may make any order or orders prescribed in K.S.A. 55-162,  
33 and amendments thereto. Proceedings for reconsideration and judicial  
34 review of any of the commission's orders may be held pursuant to K.S.A.  
35 55-606, and amendments thereto.

36 (d) For the purpose of this section, any well which has been  
37 abandoned, in fact, and has not been plugged pursuant to the rules and  
38 regulations in effect at the time of plugging such well shall be and is  
39 hereby deemed likely to cause pollution of any usable water strata or  
40 supply.

41 (e) For the purpose of this section, the person legally responsible for  
42 the proper care and control of an abandoned well shall not include the  
43 landowner or surface owner unless the landowner or surface owner has

1 operated or produced the well, has deliberately altered or tampered with  
2 such well thereby causing the pollution or has assumed by written contract  
3 such responsibility. (a) If the commission determines that a well is an  
4 abandoned well and has reason to believe that any person is legally  
5 responsible for the proper care and control of such well, the commission  
6 shall cause any such person to come before the commission in accordance  
7 with the provisions of the Kansas administrative procedure act. If the  
8 commission finds that any person is, in fact, legally responsible for the  
9 proper care and control of such well, the commission may issue any orders  
10 obligating any such person to plug the well or to otherwise cause such  
11 well to be brought into compliance with all rules and regulations of the  
12 commission and may order any other remedies as may be just and  
13 reasonable. Proceedings for reconsideration and judicial review of any  
14 order shall be conducted in the manner provided pursuant to K.S.A. 55-  
15 606, and amendments thereto.

16 (b) A person that is legally responsible for the proper care and  
17 control of an abandoned well shall be limited to one or more of the  
18 following:

19 (1) ~~Any person, including any operator of an injection well, disposal~~  
20 ~~well or pressure maintenance program, causing pollution or loss of usable~~  
21 ~~water through the well,~~ **including any operator of an injection well,**  
22 **disposal well or pressure maintenance program};**

23 (2) the most recent operator to produce from or inject or dispose into  
24 the well, but if no production or injection has occurred, the person that  
25 caused the well to be drilled. A person shall not be legally responsible for  
26 a well pursuant to this paragraph if: (A) Such person can demonstrate that  
27 the well was physically operating or was in compliance with temporary  
28 abandonment regulations immediately before such person transferred or  
29 assigned the well to an operator with an active operator's license; and (B)  
30 a completed report of transfer was filed pursuant to commission  
31 regulations if transferred or assigned after August 28, 1997;

32 (3) the person that most recently accepted responsibility for the well  
33 by accepting an assignment or by signing an agreement or other written  
34 document, between private parties, in which the person accepted  
35 responsibility. Accepting an assignment of a lease, obtaining a new lease  
36 or signing an agreement or any other written document between private  
37 parties shall not in and of itself create responsibility for a well located  
38 upon the land covered thereby unless such instrument adequately  
39 identifies the well and expressly transfers responsibility for such well;

40 (4) the operator that most recently filed a completed report of  
41 transfer with the commission in which such operator accepted  
42 responsibility for the well or, if no completed report of transfer has been  
43 filed, the operator that most recently filed a well inventory with the

1 *commission in which such operator accepted responsibility for the well.*  
2 *Any modification made by commission staff of any such documents shall*  
3 *not alter legal responsibility unless the operator was informed of such*  
4 *modification and approved of the modification in writing;*

5 *(5) the operator that most recently plugged the well, if no commission*  
6 *funds were used; and*

7 *(6) any person that does any of the following to an abandoned well*  
8 *without authorization from the commission: (A) Tamper with or removes*  
9 *surface or downhole equipment that was physically attached to the well or*  
10 *inside the well bore; (B) intentionally destroys, buries or damages the*  
11 *well; (C) intentionally alters the physical status of the well in a manner*  
12 *that will result in more than a de minimis increase in plugging costs; or*  
13 *(D) conducts any physical operations upon the well.*

14 *(c) If the commission determines that no person is legally responsible*  
15 *for the proper care and control of an abandoned well, or that each legally*  
16 *responsible person is dead, no longer in existence, insolvent or can no*  
17 *longer be found, then the commission shall cause such well to be plugged*  
18 *as funds become available. The cost of such plugging shall be paid by the*  
19 *commission from the abandoned oil and gas well fund created pursuant to*  
20 *K.S.A. 55-192, and amendments thereto.*

21 *(d) The validity of any order issued by the commission prior to July*  
22 *1, 2021, shall not be affected by the provisions of this section but shall*  
23 *apply to any determination of responsibility regarding any abandoned*  
24 *well.*

25 *(e) As used in this section, "abandoned well" means a well that is not*  
26 *claimed on an operator's license that is active with the commission and is*  
27 *unplugged, improperly plugged or no longer effectively plugged.*

28 **Sec. 7.** K.S.A. 55-180 is hereby amended to read as follows: 55-180.

29 (a) The fact that any person has initiated or supported a proceeding before  
30 the commission, or has remedied or attempted to remedy the condition of  
31 any well under the authority of this act, shall not be construed as an  
32 admission of liability or received in evidence against such person in any  
33 action or proceeding wherein responsibility for or damages from surface or  
34 subsurface pollution, or injury to any usable water or oil-bearing or gas-  
35 bearing formation, is or may become an issue; nor shall such fact be  
36 construed as releasing or discharging any action, cause of action or claim  
37 against such person existing in favor of any third person for damages to  
38 property resulting from surface or subsurface pollution, or injury to any  
39 usable water or oil-bearing or gas-bearing formation.

40 (b) The commission, on its own motion, may initiate an investigation  
41 into any pollution problem related to oil and gas activity. In taking such  
42 action the commission may require or perform the testing, sampling,  
43 monitoring or disposal of any source of groundwater pollution related to



1 oil and gas activities.

2 (c) Any abandoned well may be plugged by any person if such: (1)  
3 Person has written consent from a surface owner of the land upon which  
4 the well is located or has other legal access to such land; and (2) plugging  
5 is done by a person licensed by the commission and in accordance with all  
6 rules and regulations of the commission.

7 ~~(e)~~(d) The commission or any other person authorized by the  
8 commission who has no obligation to plug, replug or repair any abandoned  
9 well, but who does so in accordance with the provisions of this act, shall  
10 have a cause of action for the reasonable cost and expense incurred in  
11 plugging, replugging or repairing the well against any person who is  
12 legally responsible for the proper care and control of such well pursuant to  
13 the provisions of K.S.A. 55-179, and amendments thereto, and the  
14 commission or other person shall have a lien upon the interest of such  
15 obligated person in and to the oil and gas rights in the land and equipment  
16 located thereon.

17 ~~(d)~~(e) Any moneys recovered by the commission in an action  
18 pursuant to subsection ~~(e)~~(d) shall be remitted to the state treasurer in  
19 accordance with the provisions of K.S.A. 75-4215, and amendments  
20 thereto. Upon receipt of each such remittance, the state treasurer shall  
21 deposit the entire amount in the state treasury to the credit of the  
22 conservation fee fund, ~~well plugging assurance fund established pursuant~~  
23 ~~to K.S.A. 55-143, and amendments thereto,~~ or the abandoned oil and gas  
24 well fund established pursuant to K.S.A. 55-192, and amendments thereto,  
25 as appropriate based on the fund from which the costs incurred by the  
26 commission were paid.

27 (f) (1) For any well that has been abandoned for five years or more,  
28 any person who has no obligation to plug, replug or repair the well, that  
29 causes such well to be plugged may seek reimbursement from the  
30 abandoned oil and gas well fund created pursuant to K.S.A. 55-192, and  
31 amendments thereto. The commission shall adopt rules and regulations for  
32 determining whether, how and to what extent a request for reimbursement  
33 shall be granted.

34 (2) The provisions of this subsection shall not entitle any person to  
35 receive reimbursement for the plugging of any abandoned well that has  
36 been abandoned for five years or more unless such reimbursement is  
37 approved pursuant to the rules and regulations established by the  
38 commission for such purpose.

39 (g) No person shall become legally responsible for the care and  
40 control of any well solely on the basis of having appropriately plugged a  
41 well pursuant to this section.

42 (h) As used in this section, "abandoned well" means a well that is not  
43 claimed on an operator's license that is active with the commission and is

1 *unplugged, improperly plugged or no longer effectively plugged.*

2 Sec. 8. K.S.A. 55-192 is hereby amended to read as follows: 55-192.

3 (a) There is hereby established in the state treasury the abandoned oil and  
4 gas well fund.

5 (b) Moneys in the abandoned oil and gas well fund shall be used only  
6 for the purpose of paying the costs of: (1) Investigation and remediation of  
7 contamination sites; (2) investigation of abandoned wells, and their well  
8 sites, ~~drilling of which began before July 1, 1996; and~~ (3) plugging,  
9 replugging or repairing abandoned wells; and remediation of the well sites;  
10 ~~drilling of which began before July 1, 1996,~~ in accordance with a  
11 prioritization schedule adopted by the commission and based on the degree  
12 of threat to public health or the environment; *and (4) any reimbursement*  
13 *authorized by the commission pursuant to K.S.A. 55-180, and amendments*  
14 *thereto.* No moneys credited to the fund shall be used to pay administrative  
15 expenses of the commission or to pay compensation or other expenses of  
16 employing personnel to carry out the duties of the commission.

17 (c) On or before the 10<sup>th</sup> day of each month, the director of accounts  
18 and reports shall transfer from the state general fund to the abandoned oil  
19 and gas well fund interest earnings based on: (1) The average daily balance  
20 of moneys in the abandoned oil and gas well fund for the preceding month;  
21 and (2) the net earnings rate for the pooled money investment portfolio for  
22 the preceding month.

23 (d) All expenditures from the abandoned oil and gas well fund shall  
24 be made in accordance with appropriations acts upon warrants of the  
25 director of accounts and reports issued pursuant to vouchers approved by  
26 the chairperson of the state corporation commission or a person designated  
27 by the chairperson.

28 (e) *On July 1, 2021: (1) The director of accounts and reports shall*  
29 *transfer all moneys in the well plugging assurance fund established*  
30 *pursuant to K.S.A. 55-166, prior to its repeal, to the abandoned oil and*  
31 *gas well fund; (2) all liabilities of the well plugging assurance fund are*  
32 *hereby transferred to and imposed on the abandoned oil and gas well*  
33 *fund; and (3) the well plugging assurance fund is hereby abolished.*

34 Sec. 9. K.S.A. 75-3036 is hereby amended to read as follows: 75-

35 3036. (a) The state general fund is exclusively defined as the fund into  
36 which shall be placed all public moneys and revenue coming into the state  
37 treasury not specifically authorized by the constitution or by statute to be  
38 placed in a separate fund, and not given or paid over to the state treasurer  
39 in trust for a particular purpose, which unallocated public moneys and  
40 revenue shall constitute the general fund of the state. Moneys received or  
41 to be used under constitutional or statutory provisions or under the terms  
42 of a gift or payment for a particular and specific purpose are to be kept as  
43 separate funds and shall not be placed in the general fund or ever become a

1 part of it.

2 (b) The following funds shall be used for the purposes set forth in the  
3 statutes concerning such funds and for no other governmental purposes. It  
4 is the intent of the legislature that the following funds and the moneys  
5 deposited in such funds shall remain intact and inviolate for the purposes  
6 set forth in the statutes concerning such funds: Board of accountancy fee  
7 fund, K.S.A. 1-204 and 75-1119b, and amendments thereto, and special  
8 litigation reserve fund of the board of accountancy; bank commissioner fee  
9 fund, K.S.A. 9-1703, 16a-2-302 and 75-1308, and amendments thereto,  
10 bank investigation fund, K.S.A. 9-1111b, and amendments thereto,  
11 consumer education settlement fund and litigation expense fund of the  
12 state bank commissioner; securities act fee fund and investor education  
13 and protection fund, K.S.A. 17-12a601, and amendments thereto, of the  
14 office of the securities commissioner of Kansas; credit union fee fund,  
15 K.S.A. 17-2236, and amendments thereto, of the state department of credit  
16 unions; court reporters fee fund, K.S.A. 20-1a02, and amendments thereto,  
17 and bar admission fee fund, K.S.A. 20-1a03, and amendments thereto, of  
18 the judicial branch; fire marshal fee fund, K.S.A. 31-133a and 31-134, and  
19 amendments thereto, and boiler inspection fee fund, K.S.A. 44-926, and  
20 amendments thereto, of the state fire marshal; food service inspection  
21 reimbursement fund, K.S.A. 36-512, and amendments thereto, of the  
22 Kansas department of agriculture; wage claims assignment fee fund,  
23 K.S.A. 44-324, and amendments thereto, and workmen's compensation fee  
24 fund, K.S.A. 74-715, and amendments thereto, of the department of labor;  
25 veterinary examiners fee fund, K.S.A. 47-820, and amendments thereto, of  
26 the state board of veterinary examiners; mined-land reclamation fund,  
27 K.S.A. 49-420, and amendments thereto, of the department of health and  
28 environment; conservation fee fund and ~~well plugging assurance fund~~  
29 *abandoned oil and gas well fund*, K.S.A. 55-155, 55-176, 55-192, 55-609,  
30 55-711 and 55-901, and amendments thereto, gas pipeline inspection fee  
31 fund, K.S.A. 66-1,155, and amendments thereto, and public service  
32 regulation fund, K.S.A. 66-1503, and amendments thereto, of the state  
33 corporation commission; land survey fee fund, K.S.A. 58-2011, and  
34 amendments thereto, of the state historical society; real estate recovery  
35 revolving fund, K.S.A. 58-3074, and amendments thereto, of the Kansas  
36 real estate commission; appraiser fee fund, K.S.A. 58-4107, and  
37 amendments thereto, and appraisal management companies fee fund of the  
38 real estate appraisal board; amygdalin (laetrile) enforcement fee fund,  
39 K.S.A. 65-6b10, and amendments thereto; mortuary arts fee fund, K.S.A.  
40 65-1718, and amendments thereto, of the state board of mortuary arts;  
41 board of barbering fee fund, K.S.A. 65-1817a, and amendments thereto, of  
42 the Kansas board of barbering; cosmetology fee fund, K.S.A. 65-1951 and  
43 74-2704, and amendments thereto, of the Kansas state board of

1 cosmetology; healing arts fee fund, K.S.A. 65-2011, 65-2855, 65-2911, 65-  
2 5413, 65-5513, 65-6910, 65-7210 and 65-7309, and amendments thereto,  
3 and medical records maintenance trust fund, of the state board of healing  
4 arts; other state fees fund, K.S.A. 65-4024b, and amendments thereto, of  
5 the Kansas department for aging and disability services; board of nursing  
6 fee fund, K.S.A. 74-1108, and amendments thereto, of the board of  
7 nursing; dental board fee fund, K.S.A. 74-1405, and amendments thereto,  
8 and special litigation reserve fund, of the Kansas dental board; optometry  
9 fee fund, K.S.A. 74-1503, and amendments thereto, and optometry  
10 litigation fund, of the board of examiners in optometry; state board of  
11 pharmacy fee fund, K.S.A. 74-1609, and amendments thereto, and state  
12 board of pharmacy litigation fund, of the state board of pharmacy;  
13 abstracters' fee fund, K.S.A. 74-3903, and amendments thereto, of the  
14 abstracters' board of examiners; athletic fee fund, K.S.A. 74-50,188, and  
15 amendments thereto, of the department of commerce; hearing instrument  
16 board fee fund, K.S.A. 74-5805, and amendments thereto, and hearing  
17 instrument litigation fund of the Kansas board of examiners in fitting and  
18 dispensing of hearing instruments; commission on disability concerns fee  
19 fund, K.S.A. 74-6708, and amendments thereto, of the governor's  
20 department; technical professions fee fund, K.S.A. 74-7009, and  
21 amendments thereto, and special litigation reserve fund of the state board  
22 of technical professions; behavioral sciences regulatory board fee fund,  
23 K.S.A. 74-7506, and amendments thereto, of the behavioral sciences  
24 regulatory board; governmental ethics commission fee fund, K.S.A. 25-  
25 4119e, and amendments thereto, of the governmental ethics commission;  
26 emergency medical services board operating fund, K.S.A. 75-1514, and  
27 amendments thereto, of the emergency medical services board; fire service  
28 training program fund, K.S.A. 75-1514, and amendments thereto, of the  
29 university of Kansas; uniform commercial code fee fund, K.S.A. 75-448,  
30 and amendments thereto, of the secretary of state; prairie spirit rails-to-  
31 trails fee fund of the Kansas department of wildlife, parks and tourism;  
32 water marketing fund, K.S.A. 82a-1315c, and amendments thereto, of the  
33 Kansas water office; insurance department service regulation fund, K.S.A.  
34 40-112, and amendments thereto, of the insurance department; state fair  
35 special cash fund, K.S.A. 2-220, and amendments thereto, of the state fair  
36 board; scrap metal theft reduction fee fund, K.S.A. 2020 Supp. 50-6,109a,  
37 and amendments thereto; and any other fund in which fees are deposited  
38 for licensing, regulating or certifying a person, profession, commodity or  
39 product.

40 (c) If moneys received pursuant to statutory provisions for a specific  
41 purpose by a fee agency are proposed to be transferred to the state general  
42 fund or a special revenue fund to be expended for general government  
43 services and purposes in the governor's budget report submitted pursuant

1 to K.S.A. 75-3721, and amendments thereto, or any introduced house or  
2 senate bill, the person or business entity who paid such moneys within the  
3 preceding 24-month period shall be notified by the fee agency within 30  
4 days of such submission or introduction:

5 (1) By electronic means, if the fee agency has an electronic address  
6 on record for such person or business entity. If no such electronic address  
7 is available, the fee agency shall send written notice by first class mail; or

8 (2) any agency that receives fees from a tax, fee, charge or levy paid  
9 to the commissioner of insurance shall post the notification required by  
10 this subsection on such agency's website.

11 (d) Any such moneys ~~which~~ *that* are wrongfully or by mistake placed  
12 in the general fund shall constitute a proper charge against such general  
13 fund. All legislative appropriations which do not designate a specific fund  
14 from which they are to be paid shall be considered to be proper charges  
15 against the general fund of the state. All revenues received by the state of  
16 Kansas or any department, board, commission, or institution of the state of  
17 Kansas, and required to be paid into the state treasury shall be placed in  
18 and become a part of the state general fund, except as otherwise provided  
19 by law.

20 (e) The provisions of this section shall not apply to the 10% credited  
21 to the state general fund to reimburse the state general fund for accounting,  
22 auditing, budgeting, legal, payroll, personnel and purchasing services, and  
23 any and all other state governmental services, as provided in K.S.A. 75-  
24 3170a, and amendments thereto.

25 (f) Beginning on January 8, 2018, the director of the budget shall  
26 prepare a report listing the unencumbered balance of each fund in  
27 subsection (b) on June 30 of the previous fiscal year and January 1 of the  
28 current fiscal year. Such report shall be delivered to the secretary of the  
29 senate and the chief clerk of the house of representatives on or before the  
30 first day of the regular legislative session each year.

31 (g) As used in this section, "fee agency" shall include the state  
32 agencies specified in K.S.A. 75-3717(f), and amendments thereto, and any  
33 other state agency that collects fees for licensing, regulating or certifying a  
34 person, profession, commodity or product.

35 Sec. 10. K.S.A. 55-150, 55-161, 55-163, 55-166, 55-167, 55-168, 55-  
36 178, 55-179, 55-180, 55-192 and 75-3036 and K.S.A. 2020 Supp. 55-155  
37 and 55-193 are hereby repealed.

38 Sec. 11. This act shall take effect and be in force from and after its  
39 publication in the ~~statute book~~ ***Kansas register***.