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FLOOR DEBATE

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the reports that come back on water usage are broken down by the different natural resource districts. Each natural resource district, of course, has their own system with respect to ground water users. And then over time, the department may either refund or credit contingency deposits already made against future contingency deposits, if in a particular year the state is in compliance with the compact. If you're in compliance there's no further deposit made, and eventually, they may even refund a deposit, if over time the years pass and there are no additional deposits required. But the, I think, important thing about this system would be that it would provide a financial incentive for the NRDs and the irrigators to keep their water usage at levels appropriate to meet our compact obligations to Kansas, and as noted above, the mechanism set up does not become operative until 2009, the end of the first multiyear accounting period under the compact. Until that time, the state would likely be required to pay for any damages resulting from noncompliance, from General Funds. So you know, we had a little discussion today about the fact that with the tax cuts, we'll be \$195 million in the hole two years off in the future, assuming that all of our assumptions are relatively correct. With the additional large expenditures that are going through with A bills on General File, Select File, and Final Reading, we are going to have...that \$195 million deficit will be considerably higher than that. It behooves us, as we look into the future, to try to control General Fund expenses as much as we possibly can, and we don't want to be permanently funding those water shortages in the Republican Valley. We want to get the overdevelopment curtailed, get the system going, and to provide incentives that encourage a result that doesn't require state General Funds for long-term funding. So with that explanation, I would recommend this as another tool that should and could be used in the Republican Valley...

SENATOR BAKER: One minute.

SENATOR BEUTLER: ...to help us with our problem. Thank you, Senator Baker.

SENATOR BAKER: Thank you, Senator Beutler. You've heard the opening on AM2936. Senator Schrock, you're recognized to speak.