

SESSION OF 2007

SUPPLEMENTAL NOTE ON SENATE BILL NO. 190

As Recommended by Senate Committee on
Natural Resources

Brief*

SB 190 would require operators of underground petroleum storage tanks to complete training commensurate with their responsibilities for operation of the tanks. The bill would establish three training levels as follows:

- Persons having primary responsibility for on-site operation and maintenance of underground storage tank systems;
- Persons having daily on-site responsibility for the operation and maintenance of underground systems; and
- Daily, on-site employees having primary responsibility for addressing emergencies presented by a spill or release from storage systems.

With respect to financial responsibility, the bill would delete current language and require that contractors maintain evidence of financial responsibility in an amount equal to or greater than \$1,000,000 per occurrence and \$2,000,000 annual aggregate for the cost of corrective action directly related to releases caused by improper manufacture, installation, or repair of tanks or piping. This requirement would not apply to the installation or repair of a fuel tank or piping performed by the owner or operator of a fuel tank or piping. The Secretary of Health and Environment would be permitted to adopt rules and regulations to implement this portion of the bill.

In addition, the bill would permit the funds in the Underground Petroleum Storage Tank Release Trust Fund to be used for administrative, technical and legal costs; for additional enforcement; and reporting and operator training as required by the federal Energy Policy Act of 2005.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

The bill would extend the sunset provision for reimbursement of those owners of aboveground storage tank facilities or bulk plants for costs incurred in upgrading a facility or for closure expenses from October 30, 2007 until July 1, 2009. The bill also would extend the sunset date for the Kansas Essential Fuels Supply Trust Fund Compensation Advisory Board and the Kansas Essential Fuels Supply Trust Fund from July 1, 2010 until July 1, 2012.

Background

At the hearing on the bill, a spokesperson from the Kansas Department of Health and Environment (KDHE) spoke as a proponent and indicated that the bill would provide the additional authority needed by the agency to comply with new federal requirements and to maintain U.S. Environmental Protection Agency approval of the Kansas Storage Tank Program. In addition, a representative of the Petroleum Marketers and Convenience Store Association of Kansas appeared as a proponent of the bill. Written testimony in support of the bill was provided by the Kansas Cooperative Council and the Kansas Agribusiness Retailer's Association.

The fiscal note on the bill states that the Department of Health and Environment estimates that the bill would increase costs by \$538,643 for FY 2008, and by approximately the same amount in future years. The estimate includes the salaries and wages for 3.0 FTE Environmental Technician positions and 1.0 FTE Environmental Scientist I position; contractual services costs for operator training programs; general operating supplies; and capital outlay costs for equipment. The costs outlined in the fiscal note are detailed below.

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| Salaries and Wages | \$ 198,580 |
| Contractual Services | 305,489 |
| Commodities | 17,774 |
| Capital Outlay | 16,800 |
| Total | <u>\$ 538,643</u> |

The fiscal note states that the Department would fund the activities required in SB 190 from the Underground Storage Tank Fund of KDHE. Any increase in expenditures resulting from passage of this bill would be in addition to amounts recommended in *The FY 2008 Governor's Budget Report*.