



February 12, 2016

To: Senate Committee on Commerce

From: Kathleen A. Taylor, Kansas Bankers Association

Re: SB 365: Development of Environmentally Contaminated Property

Madam Chair and Members of the Committee:

Thank you for the opportunity to appear before you today in support of SB 365, which would help foster the development of certain environmentally contaminated properties in Kansas. The Kansas Bankers Association (KBA) is a nonprofit trade organization with 98% of Kansas chartered institutions as members, located all across the state of Kansas.

In recognition that KBA member real estate lending activity makes up a large percentage of the state's real estate loans, I was invited to represent the KBA as a member of the Bureau of Environmental Remediation's Advisory Committee. It was this committee that recognized there were certain properties languishing on the real estate market due to the fear of prospective purchasers that they could be liable for contamination cleanup costs. In response, SB 365 was developed, which will allow real property with certain environmental contamination to be purchased without the purchaser becoming liable for cleanup costs.

The KBA is supportive of this bill, as a usable tool for re-introducing properties that are virtually not marketable as contaminated property, back into the market for potential purchasers to put back into use. Specifically, the bill allows property obtained through foreclosure to be eligible for a Certificate of Environmental Liability Release, which would potentially be useful to a foreclosing lender trying to sell foreclosed properties.

As we see it, this bill will give reassurance to prospective purchasers that they will not be held liable for damage that was done by a previous landowner, which should help keep those properties viable. For these reasons, we respectfully request that when the Committee consider this bill, you consider it favorably for passage. Thank you.