

February 3, 2020

The Honorable Dan Kerschen, Chairperson
Senate Committee on Agriculture and Natural Resources
Statehouse, Room 225-E
Topeka, Kansas 66612

Dear Senator Kerschen:

SUBJECT: Fiscal Note for SB 286 by Senate Committee on Agriculture and Natural Resources

In accordance with KSA 75-3715a, the following fiscal note concerning SB 286 is respectfully submitted to your committee.

SB 286 would amend the Kansas Storage Tank Act by increasing the maximum per facility liability of the Aboveground Fund and the Underground Fund from \$1.0 million to \$2.0 million. The bill would also extend the sunset date of the funds from July 1, 2024, to July 1, 2034. Under current law, the funds are used to reimburse aboveground and underground storage tank owners up to \$1.0 million for incidents of environmental release, minus certain pre-approved costs associated with clean up and corrective action activities.

The Kansas Department of Health and Environment (KDHE) indicates there are ten to 20 sites that would need to be addressed within the next five years and may exceed the current \$1.0 million cap. However, the total cost is spread out over the lifetime of a site cleanup. As a result, KDHE estimates the bill would not substantially change current expenditures or maximum revenues to the Aboveground Fund or the Underground Fund. KDHE notes that average annual expenditures from both funds over the past five fiscal years was approximately \$13.0 million per fiscal year. KDHE estimates ongoing expenditures are anticipated to be consistent with previous fiscal years; however, actual expenditures will be based on industry demand for site cleanup efforts. KDHE indicates it would not require additional operating expenditures to administer the Kansas Storage Tank Act. Any fiscal effect associated with SB 286 is not reflected in *The FY 2021 Governor's Budget Report*.

Sincerely,



Larry L. Campbell
Division of the Budget

cc: Dan Thimmesch, Health & Environment