

SESSION OF 2020

SUPPLEMENTAL NOTE ON SENATE BILL NO. 286

As Recommended by Senate Committee on
Agriculture and Natural Resources

Brief*

SB 286 would amend the Kansas Storage Tank Act by increasing limitations on the liability of the Underground Petroleum Storage Tank Release Trust Fund (Underground Fund) and the Aboveground Petroleum Storage Tank Release Trust Fund (Aboveground Fund) and by extending the sunset on both funds.

The bill would increase from \$1,000,000 to \$2,000,000, less the deductible amount, the limit the State may pay from the Underground Fund or the Aboveground Fund for any release from the petroleum storage tank. In continuing law, the owner or operator of a petroleum storage tank must agree to such limitation of state liability.

The bill would increase from \$1,000,000 to \$2,000,000 the total limitation on the liability of the Underground Fund for corrective action, less any applicable deductible amounts of the owner or operator for costs incurred in response to any one release from an underground petroleum storage tank.

The bill would also increase from \$1,000,000 to \$2,000,000 the total limitation on the liability of the Aboveground Fund for corrective action, less any applicable deductible amounts of the owner or operator for costs incurred in response to any one release from an aboveground petroleum storage tank.

*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 also extend the sunset from July 1, 2024, to July 1, 2034, for the Underground Fund and Aboveground Fund.

Background

The bill was introduced by the Senate Committee on Agriculture and Natural Resources on behalf of the Petroleum Marketers and Convenience Store Association of Kansas (PMCA of Kansas) on January 22, 2020.

In the Senate Committee hearing on February 7, 2020, a representative of the PMCA of Kansas testified as a proponent. The representative stated the Kansas Department of Health and Environment (KDHE) has the best program in the country for remediation of petroleum storage tank contamination and spoke to the value of the Underground Fund and Aboveground Fund. A representative of the Kansas Agribusiness Retailers Association, the Kansas Grain and Feed Association, and the Renew Kansas Biofuels Association and a representative of KDHE also testified as proponents. Representatives of Casey's General Stores, Inc., Dillons Stores, and the Kansas Cooperative Council provided written-only proponent testimony. No neutral or opponent testimony was provided.

According to the fiscal note prepared by the Division of the Budget on the bill, KDHE indicates enactment of the bill would not require additional operating expenditures to administer the Kansas Storage Tank Act. KDHE indicates average expenditures from both the Underground Fund and Aboveground Fund over the past five years was approximately \$13.0 million per fiscal year and the agency estimates ongoing expenditures will remain consistent with prior years, but actual expenditures will depend on industry demand for site cleanups. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2021 Governor's Budget Report*.