

SESSION OF 2022

SUPPLEMENTAL NOTE ON SENATE BILL NO. 417

As Amended by Senate Committee on
Agriculture and Natural Resources

Brief*

SB 417, as amended, would establish new permit renewal fee limitations for solid waste disposal areas (disposal areas) and solid waste processing facilities (processing facilities) that are regulated by the federal standards for the disposal of coal combustion residuals (CCR).

[*Note:* CCR are generated when coal is burned in electric power plants and then disposed of in landfills or surface impoundments.]

The bill would establish the annual permit fee for disposal areas and processing facilities that are permitted by the Secretary of Health and Environment and subject to the federal requirements at a minimum of \$12,000 to a maximum of \$16,000. The new annual permit fee limitations would apply until a new fee schedule is adopted by the Secretary through rules and regulations.

The bill would require that if a single permit encompasses more than one disposal area or processing facility, the total fee for the permit would be an amount equal to the sum of the fees for each disposal area and processing facility subject to federal standards encompassed in the permit.

The bill would provide that if disposal areas or processing facilities operating under a federally-issued CCR permit that includes all federal requirements, the disposal

*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>

area or processing facility would not be subject to the fees established in the bill, but subject to the existing fee, which is not less than \$1,000 and not more than \$4,000.

In addition, upon a determination by the Kansas Department of Health and Environment (KDHE) that a disposal area or processing facility has met all applicable federal post-closure care requirements and state regulations, the disposal area or processing facility would no longer be subject to permitting under provisions of the bill.

The first annual permit fee would be due on September 1, 2022.

Background

The bill was introduced by the Senate Committee on Agriculture and Natural Resources at the request of Senator Doll.

Senate Committee on Agriculture and Natural Resources

In the Senate Committee hearing, **proponent** testimony was provided by a representative of Evergy, Kansas City Board of Public Utilities, and Sunflower Power Electric Corporation. The representative stated the electric utilities with CCR disposal units have been working with KDHE to modify the State's industrial solid waste permitting program to achieve approval for a state CCR permitting program from the U.S. Environmental Protection Agency (EPA). The representative further stated the increase in the annual permit fee limitations would provide the funding needed by KDHE to administer such state approved program.

Neutral testimony was provided by the Director of the Bureau of Waste Management (BWM), KDHE, who stated the increase in permit renewal fees will provide the BWM with the

necessary resources to implement and administer the federal CCR permitting program in lieu of the EPA.

No **opponent** testimony was provided.

The Senate Committee amended the bill to:

- Revert the permit renewal fees back to the minimum of \$1,000 and the maximum of \$4,000, if a state program is not approved by the EPA;
- Clarify solid waste disposal areas or solid waste processing facilities would no longer be subject to permit renewal fees after KDHE determines such areas or facilities have met all applicable post-closure care requirements; and
- Make technical changes.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, KDHE estimates revenue of \$192,000 and expenditures of \$57,872 in FY 2023. The agency states the program would require on-going costs beyond FY 2023, and the revenue would depend on the number of CCR disposal units, which could change over time. Any fiscal effect associated with the bill is not reflected in *The FY 2023 Governor's Budget Report*.

Kansas Department of Health and Environment; solid waste; fees