

1515 E. 30th Avenue
Hutchinson, KS 67502
www.kansasco-op.coop



Phone: 785-233-4085
Toll Free: 888-603-2667

Date: February 5, 2020
To: Senator Dan Kerschen, Chairman, Senate Agriculture & Natural Resources Committee
From: Shahira Stafford, Kansas Cooperative Council
RE: Senate Bill 287, sunset extension and reimbursement increase for underground storage tank upgrades

Mr. Chairman and Members of the Committee,

Thank you for allowing us to provide our support of Senate Bill 287. My name is Shahira Stafford, and I represent the Kansas Cooperative Council (KCC). The KCC represents all types of cooperatively-structured businesses including agriculture, utility, financial, and consumer coops. Simply, cooperatives differ from other businesses because they are member-owned, member-controlled, democratically-governed, and profits are returned to our patrons.

Agricultural cooperatives often have grain, agronomy, precision ag, seed, feed, and fuel operations. Some of our members have underground storage tanks (USTs) at their facilities that need to be upgraded from single-wall to double-wall systems, as mandated by the Federal Energy Act of 2005. However, the estimated cost to upgrade tanks at one site is between \$300,000 to \$400,000. This is a tremendous financial impact on our members, especially those with multiple facilities.

SB 287 would allow reimbursement of \$100,000 to eligible tank owners that want to replace their old tanks with newer and safer secondary containment. The average age of USTs in Kansas is over 25 years, which is higher than the national average. SB 287 is needed to serve as an incentive for upgrades that many tank owners have seen as cost prohibitive in the past.

As this reimbursement program is set to expire this year, SB 287 also extends the sunset through 2030. For these reasons, the KCC supports the provisions set forth in the bill, and we respectfully request that the committee pass SB 287 favorably.

Shahira Stafford
Kansas Cooperative Council
(785) 845-8535