

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 287 by Senate Committee on Agriculture and Natural Resources

In accordance with KSA 75-3715a, the following fiscal note concerning SB 287 is respectfully submitted to your committee.

Under current law, underground storage tank (UST) owners can apply to the state for reimbursement of costs to remove single-wall UST systems to be replaced by double-wall UST systems. SB 287 would amend the Kansas Storage Tank Act by increasing the maximum amount of pre-approved reimbursable UST replacement costs from \$50,000 to \$100,000 per facility for all storage tanks replaced on and after July 1, 2020. The bill would also extend the sunset date of reimbursement provisions from June 30, 2020, to June 30, 2030.

The Kansas Department of Health and Environment (KDHE) estimates reimbursement expenditures from the UST Redevelopment Fund would increase by \$250,000 in FY 2021. The expenditures would be offset by an identical amount of revenue deposited into the fund from the environmental assurance fee of \$0.01 on each gallon of petroleum product, excluding aviation fuel, manufactured in or imported into Kansas. KDHE estimates ongoing reimbursements could increase by \$400,000 annually. Currently, annual UST reimbursement expenditures are limited to \$3.0 million per fiscal year and subject to monies available in the UST Redevelopment Fund. SB 287 would not change these limitations. KDHE indicates it would not require additional operating expenditures to administer the Kansas Storage Tank Act. Any fiscal effect associated with SB 287 is not reflected in *The FY 2021 Governor's Budget Report*.

Sincerely,



Larry L. Campbell
Division of the Budget

cc: Dan Thimmesch, Health & Environment