



February 5, 2020

Memorandum:

To: Senate Agriculture and Natural Resources Committee
From: Thomas M. Palace Executive Director PMCA of Kansas
Re: Testimony Supporting SB 285

Mr. Chairman and Members of the Senate Agriculture and Natural Resources Committee:

My name is Tom Palace. I am the Executive Director of the Petroleum Marketers and Convenience Store Association of Kansas (PMCA of Kansas), a statewide trade association representing over 300 independent Kansas petroleum distribution companies and convenience store retailers throughout Kansas.

We stand before you as a proponent of SB 285.

The State is trying to achieve more tank closures of UST's that are no longer being used and have been abandoned.

Removal of abandoned tanks under this program leads to quicker identification of potential contamination. The current program was established for eligible property owners who want to remove abandoned UST's from their property.

The program has been successful, and extension of the sunset state is needed to encourage more abandoned UST removal.

The program has helped decrease the number of blighted properties.

Application must be made to the State and pre-approved for specific cost reimbursement. Over 95 facilities have participated in this program since it began in 2012 resulting in the removal of 293 abandoned UST's. There are currently 270 abandoned UST's that KDHE is aware of that remain in the ground.

SB 285 – extends the Underground Storage Tank Redevelopment fund from 2024-2032.

- The Redevelopment Fund allows for funding to pull abandoned UST's up to \$25,000.
- Provides for permanent closure of UST's.
- The UST redevelopment fund compensation advisory board.

Thank you Mr. Chairman I urge the committee to approve the bill and extend the sunset provision of the Redevelopment Fund to remove abandoned tanks.

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Kansas UST Property Redevelopment Trust Fund Overview

The Kansas Storage Tank Act was amended by Senate Bill 406, effective July 1, 2012, to provide a reimbursement fund to assist property owners for removal of abandoned petroleum UST(s). The new fund allows for reimbursement of 90% of the cost up to \$25,000 per facility for permanent closure of UST's. The following is a summary of the bill.

The Kansas essential fuels supply trust fund has been designated as the UST redevelopment fund. The funds credited may be expended to reimburse eligible property owners for allowable expenses for permanent closure of an abandoned underground storage tank. The language also allows the Secretary of Health and Environment to conduct the same activities if the owner or operator of the underground storage tank has not been identified or is unable or unwilling to perform permanent closure. K.S.A. 65-34,131.

An abandoned UST must exhibit one or more of the following conditions. 1) Is not in use for more than three months, 2) Does not have a current tank permit issued by the department or 3) Has been temporarily closed, in accordance with department guidelines, for more than twelve months. The definition of property owner, for the purposes of the UST redevelopment fund, is a person who owns real property on which an abandoned UST is located.

A property owner is eligible for reimbursement if the property owner had been approved by the secretary and the property owner 1) has never placed petroleum in the UST or withdrawn petroleum from the UST, 2) is not the United States government or any of its agencies, 3) is in substantial compliance with the Kansas storage tank act, 4) provides 30 day notice and access to the department to perform an environmental assessment of the site during the UST removal. In addition, if petroleum contamination is discovered during the environmental assessment of the site, the property owner applies to the underground fund to perform corrective action to address the contamination.

The Kansas UST Property Redevelopment Trust Fund is structured in a manner similar to the Petroleum Storage Tank Release Trust Funds. The property owner must submit, and have approved by KDHE, an application to the redevelopment fund. Prior to removal of the UST the following requirements must be met. 1) Bids must be acquired from persons qualified to perform UST removals, 2) Allowable costs must be approved by KDHE and 3) a deed restriction must be placed on the property prohibiting the installation of UST's for the 10 years following the date of the UST removal. As a condition for reimbursement, the applicant must provide a notarized copy of the recorded deed restriction for the property with the seal of the register of deeds to the department.

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