

## Testimony on SB 27

### Senate Agriculture and Natural Resources Committee

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Chair Kerschen and members of the Committee, thank you for the opportunity to provide testimony on behalf of the Kansas Department of Health and Environment in support of SB 27 related to the revisions of the Kansas Storage Tank Act (KSA 65-34,100 *et seq*). The KDHE Bureau of Environmental Remediation is responsible for protecting human health and the environment from releases of hazardous substances, petroleum products and other pollutants. The bureau manages several remediation programs with the goal of cleaning up contamination to reduce or eliminate the risk to human health and the environment, as well as return impacted properties to productive use.

As proposed, SB 27 amends the Kansas Storage Tank Act as necessary to ensure KDHE can continue to manage the Storage Tanks Program effectively now and in the upcoming years.

**Underground Storage Tank (UST) Redevelopment Fund and Compensation Advisory Board (KSA 65-34,134):** The sunset date will be extended from July 1, 2024 to July 1, 2032. KDHE can confidently predict a need to extend the program through at least 2032. The UST Redevelopment Fund provides reimbursement of preapproved costs to the property owner, up to \$25,000 per facility for the removal of abandoned underground storage tanks (USTs). A UST can be “abandoned” when there is no responsible tank owner and can be the result of foreclosure, dissolution of the business or bankruptcy. Eligibility requirements include no former association with the sale of petroleum at the facility.

Petroleum contamination is often identified during an assessment conducted at the time of a tank removal. KDHE anticipates more contamination will be discovered with the increase in abandoned tank removals. Identification of contamination helps ensure protection of future generations of Kansans.

This amendment will have a positive impact by extending the availability of the funds to reimburse future abandoned UST removal activities and assess potential contamination sources. Removal of

abandoned USTs at blighted properties will increase the community's economic growth and bring jobs to the community.

**Cleanup Funds:** As proposed, SB 27 extends the sunset date of the aboveground and underground cleanup funds from July 1, 2024 to July 1, 2034. KDHE can confidently predict a need to extend the program through at least 2034. There are currently 1,200 sites in the storage tank clean-up programs with an additional 25+ sites being added annually. In addition, the maximum liability of the aboveground and underground funds used for clean-up activities at petroleum contaminated sites is increased to \$2 million per release.

The current maximum cap is set at \$1 million, which reimburses preapproved costs to eligible tank owners. An increase from \$1 million to \$2 million is needed due to the increased lifetime project costs of remedial system design, installation, operation and maintenance. The remedial systems provide safe drinking water in Kansas communities that are impacted by petroleum contaminated groundwater. Many sites that were easier to clean-up have already been addressed. Of the sites that remain, much of the soil and groundwater contamination is in complex geology, which increases the overall cost of a site clean-up.

These amendments will have a positive impact by providing funds to reimburse future cleanup activities at petroleum contaminated sites. The need for the continuation of the reimbursement program is paramount to maintaining the health and environment of Kansans.

**Underground storage tank (UST) replacement program (KSA 65-34,139):** As proposed, SB 27 amends the Kansas Storage Tank Act as necessary to extend the sunset date from July 1, 2020 to July 1, 2030. KDHE can confidently predict a need to extend the program through at least 2030. The bill also increases the amount of reimbursable 'not to exceed' expenses from \$50,000 to \$100,000 per facility for UST replacement work completed on and after July 1, 2020. KDHE can confidently predict a need to extend the program through at least 2030. Kansas has one of the oldest inventories of USTs in the country and a full system upgrade can routinely cost over \$250,000. The current UST replacement program provides reimbursement of up to \$50,000 per facility for the removal of single-wall USTs and upgrade to double-wall UST systems. This bill will have a positive impact on tank owners by providing more incentive due to the maximum reimbursable amount increasing from \$50,000 to \$100,000 per facility.

**Fee Deposits:** As proposed, SB 27 amends the Kansas Storage Tank Act to direct the deposit of collected UST fees to the Storage Tank Fee Fund instead of the State General Fund. Storage tank regulation amendments (KAR 28-44) approved in 2020 increased UST permit fees collected from UST owners and operators for storage tank registration, permitting, installation application, contractor licensing and inspections. Retaining the full amount of the fees in the Storage Tank Fee Fund increases the program stability by using the funds for the intended purpose, such as 1) enhancing outreach efforts to the regulated community, 2) contributing to the costs of implementing, operating and maintaining a new on-line database and 3) supporting UST compliance, inspections, and enforcement. This amendment will have a positive impact on the tank owners, operators and contractors by enabling more effective and proficient correspondence relevant to a growth in electronic communication. Outreach efforts include educating the regulated community on new and existing tank compliance requirements through the development of a new, user-friendly guidance manual which is important due to the amended regulations completed in

July 2020. Efforts also include educating the tank owners and operators on becoming external users of the new database which will allow for online registration, permitting, and other electronic communications with the agency.

Thank you for the opportunity to share the importance of this bill. I welcome any questions.