

January 19, 2021

The Honorable Dan Kerschen, Chairperson
Senate Committee on Agriculture and Natural Resources
Statehouse, Room 225A-E
Topeka, Kansas 66612

Dear Senator Kerschen:

SUBJECT: Fiscal Note for SB 27 by Senate Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning SB 27 is respectfully submitted to your committee.

SB 27 would make several amendments to provisions of the Kansas Storage Tank Act, which is administered by the Kansas Department of Health and Environment (KDHE). The bill would increase the maximum per facility liability of the Underground Petroleum Storage Tank Release Trust Fund (Underground Fund) and the Aboveground Petroleum Storage Tank Release Trust Fund (Aboveground Fund) from \$1.0 million to \$2.0 million. The bill would also extend the sunset dates of both funds from July 1, 2024 to July 1, 2034.

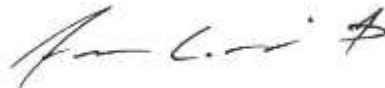
The bill would increase the maximum amount KDHE may reimburse facilities for approved underground storage tank replacement costs from \$50,000 to \$100,000 per facility. Reimbursements would be for the costs of secondary containment systems. The provisions regarding reimbursements for underground storage tank replacements would be extended from June 30, 2020 to June 30, 2030.

Under current law, underground storage tank fees are deposited into the State General Fund. SB 27 would direct underground storage tank fees to the Storage Tank Fee Fund. The bill would also extend the UST Redevelopment Fund and the UST Redevelopment Fund Compensation Advisory Board from July 1, 2024 to July 1, 2032.

Estimated State Fiscal Effect				
	FY 2021 SGF	FY 2021 All Funds	FY 2022 SGF	FY 2022 All Funds
Revenue	--	--	(\$141,500)	--
Expenditure	--	--	--	--
FTE Pos.	--	--	--	--

KDHE estimates the bill would decrease revenue to the State General Fund by \$141,500 annually and increase revenue to the Storage Tank Fee Fund by the same amount. The estimate includes \$137,500 from UST permit fees (5,500 tanks x \$25 per tank); \$3,500 from installation permit fees (35 installations x \$100 per tank); and \$500 from tank registration fees (25 tanks x \$20 per tank). KDHE indicates the bill would not require additional operating expenditures to administer the Kansas Storage Tank Act. Any fiscal effect associated with SB 27 is not reflected in *The FY 2022 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt
Director of the Budget

cc: Dan Thimmesch, Health & Environment