

## **Kansas Storage Tank Act; SB 406**

**SB 406** amends the Kansas Storage Tank Act to provide a reimbursement fund to assist property owners where abandoned underground storage tanks (USTs) are present.

The bill defines several terms, including the "Underground Storage Tank Redevelopment Fund," "abandoned underground storage tank," and "property owner." A "property owner" is defined as a person who owns real property on which an abandoned UST is located.

Specifically, the bill provides an opportunity for property owners to be eligible for reimbursement for expenses associated with the removal of abandoned USTs.

The following requirements must be met by a property owner in order to qualify for reimbursement:

- The property owner has never placed petroleum in the UST or withdrawn petroleum from the UST;
- The property owner is not the U.S. government or any of its agencies;
- The property owner is in substantial compliance with the Kansas Storage Tank Act;
- The property owner provides 30-day notice and access to the Kansas Department of Health and Environment (KDHE) to perform an environmental assessment of the site during UST removal; and
- If petroleum contamination was discovered during the environmental assessment of the site, the property owner would apply to the UST Fund to perform corrective action to address the contamination.

Property owners are not eligible for reimbursement unless the UST owner or operator was unable or unwilling to perform corrective action or cannot be found. In such cases KDHE is able to recover all reimbursements paid and any related administrative and legal expenses from the UST owner or operator.

If a property owner is eligible for reimbursement, then an application and UST removal plan needs to be submitted to and approved by KDHE. Upon approval of the UST removal plan, the property owner obtains and submits at least three bids to perform the UST removal. The Secretary of KDHE then has the discretion to reimburse the property owner for permanent closure expenses based on the following criteria:

- Whether the UST facility was registered with KDHE on or after May 1, 1981;
- The UST contained petroleum products; and
- A deed restriction was placed on the property prohibiting the installation of USTs for 10 years following the date of the UST removal.

Only expenses for activities that are reasonable and necessary to permanently close a UST facility are eligible for reimbursement. Reasonable and necessary activities eligible for reimbursement can include the following:

- Removal of the tank and piping system;
- Cleaning and disposal of tanks; and
- Disposal of waste petroleum and other waste material, including concrete.

The bill extends the sunset for the underground and above ground reimbursement funds from July 1, 2014, to July 1, 2024.

The bill also makes several technical changes to update references to federal code and associated effective dates. Technical changes also include references to the UST Redevelopment Fund named in existing statutes.