

Testimony on HB 2575

Senate Agriculture and Natural Resources Committee

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Good morning and thank you Chair Kerschen and members of the committee for the opportunity to provide verbal testimony in support of HB 2575 related to the revisions of the Kansas Drycleaner Environmental Response Act (KSA 65-34,141 *et seq.*). I am Bob Jurgens, Director of the Bureau of Environmental Remediation with the Kansas Department of Health and Environment (KDHE). The bureau is responsible for managing the Dry Cleaner Program, which includes registration of active facilities, compliance inspections, and state-lead assessment and cleanup of contaminated sites. The bureau drafted HB2575 after consultation with the Kansas Drycleaner Technical Advisory Committee, which consists of current dry-cleaning facility owners/operators.

As proposed, HB 2575 provides four primary changes:

1. Clarifies the definitions of operator. This definition was added to more clearly define the facility operator vs. a real property owner who may not be involved in facility operations;
2. Increases the deductible paid towards the cleanup for the site by operators of contaminated dry-cleaning facilities and property owners who benefited financially from the operation of the contaminated dry-cleaning facility;
3. Provides additional funding to the Drycleaner Environmental Response Trust Fund (Fund) to respond in a more-timely manner to contamination attributed to retail dry cleaning facilities; and
4. Increases the maximum penalties for dry cleaning facility operators who fail to collect and submit the gross receipts environmental surcharge; as well as solvent distributors who fail to collect and pay the per-gallon solvent fee.

The dry-cleaning industry has seen a positive transition to greener cleaning methods. Unfortunately, many historic and current dry cleaner facilities were already contaminated due to practices that were considered acceptable in the past. Approximately \$27.5 million in receipts have been collected over the past 24 years. The bureau has spent nearly \$27.4 million during that time managing the program and assessing, remediating and monitoring the 186 sites in the program.

The fund has seen a significant decrease in annual receipts since the inception of the program in 1995. Graph 1, which is attached to my testimony, depicts the annual revenue and cumulative number of sites in the program. The graph shows a high of approximately \$1,500,000 was received in 2001 compared to a low of \$721,000 in 2018. This significant reduction in revenue is largely due to reductions in the use of the industry as the public wears less formal clothing requiring dry cleaning, as well as enhanced efficiencies in newer equipment which have resulted in facilities using less solvent.

Unfortunately, the decline in revenue coincides with a continued rise in the number of sites needing cleanup as historical releases of dry-cleaning solvents are discovered. Over \$60 million is projected as a need to complete final assessments, monitor contamination and implement remediation systems to clean up contaminated soil and groundwater. The enhanced funding will allow the bureau to identify and clean up contaminated sites in a more-timely manner, thereby preventing future generations from being impacted by contamination. The fund has also been effective in promoting redevelopment of contaminated properties. HB2575 will help Kansas maintain this important program and retain control over its implementation.

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

Graph 1

