## SENATE BILL No. 482

By Committee on Ways and Means

3-4

AN ACT concerning the department of health and environment; relating to air quality control; Kansas air quality act; fees imposed pursuant to rules and regulations; prohibiting fee increases and the imposition of new fees; amending K.S.A. 65-3001, 65-3005, 65-3006, 65-3007, 65-3008, 65-3022, 65-3024 and 65-3028 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

New Section 1. (a) (1) All rules and regulations of the secretary in effect on July 1, 2020, that impose fees pursuant to the Kansas air quality act shall be the only fees imposed by the secretary pursuant to such act, and such fees shall remain unchanged and in full force and effect until a subsequent legislative enactment authorizes such fees to be increased or authorizes the imposition of new fees pursuant to the Kansas air quality act.

- (2) On and after July 1, 2020, the secretary shall not:
- (A) Amend or modify any rule and regulation adopted pursuant to the Kansas air quality act if such amendment or modification would increase any fee imposed pursuant to the rules and regulations adopted on or before July 1, 2020; or
- (B) adopt, create or impose any new fee through rules and regulations adopted pursuant to the Kansas air quality act if such fee was not imposed pursuant to the rules and regulations adopted on or before July 1, 2020.
- (3) Any fees imposed by the secretary that do not comply with the provisions of this section shall be declared null and void.
- (b) This section shall be a part of and supplemental to the Kansas air quality act.
- Sec. 2. K.S.A. 65-3001 is hereby amended to read as follows: 65-3001. K.S.A. 65-3002, 65-3003, 65-3005 through 65-3013 and 65-3015 through 65-3020 and K.S.A., 65-3008a, 65-3008b and 65-3024 through 65-3028, and amendments thereto, and section 1, and amendments thereto, shall be known and may be cited as the Kansas air quality act.
- Sec. 3. K.S.A. 65-3005 is hereby amended to read as follows: 65-3005. (a) The secretary shall have the power to:
- (1) Except as provided in section 1, and amendments thereto, adopt, amend and repeal rules and regulations implementing and consistent with

this act.

- (2) Hold hearings relating to any aspect of or matter in the administration of this act concerning air quality control, and in connection therewith, compel the attendance of witnesses and the production of evidence.
- (3) Issue such orders, permits and approvals as may be necessary to effectuate the purposes of this act and enforce the same by all appropriate administrative and judicial proceedings.
- (4) Require access to records relating to emissions—which that cause or contribute to air pollution.
- (5) Prepare and develop a comprehensive plan or plans for the prevention, abatement and control of air pollution originating in Kansas that affects air quality in Kansas or in other states, or both.
- (6) Adopt rules and regulations governing such public notification and comment procedures as authorized by this act.
- (7) Encourage voluntary cooperation by persons or affected groups to achieve the purposes of this act.
- (8) (A) Encourage local units of government to handle air pollution problems within their respective jurisdictions and on a cooperative basis; (B) provide technical and consultative assistance therefor; and (C) enter into agreements with local units of government to administer all or part of the provisions of the Kansas air quality act in the units' respective jurisdictions.
- (9) Encourage and conduct studies, investigations and research relating to air contamination and air pollution and their causes, effects, prevention, abatement and control.
- (10) Encourage air contaminant emission sources to voluntarily implement strategies, including the development and use of innovative technologies, market-based principles and other private initiatives to reduce or prevent pollution.
- (11) Determine by means of field studies and sampling the degree of air contamination and air pollution in the state and the several parts thereof.
- (12) Establish ambient air quality standards for the state as a whole or for any part thereof.
- (13) Collect and disseminate information and conduct educational and training programs relating to air contamination and air pollution.
- (14) Advise, consult and cooperate with other agencies of the state, local governments, industries, other states, interstate or interlocal agencies, and the federal government, and with interested persons or groups.
- (15) Accept, receive and administer grants or other funds or gifts from public and private entities, including the federal government, for the purpose of carrying out any of the functions of this act. Such funds

received by the secretary pursuant to this section shall be deposited in the state treasury to the account of the department of health and environment.

- (16) Enter into contracts and agreements with other state agencies or subdivisions, local governments, other states, interstate agencies, the federal government or its agencies or private entities as is necessary to accomplish the purposes of the Kansas air quality act.
- (17) Conduct or participate in intrastate or interstate emissions trading programs or other programs that demonstrate equivalent air quality benefits for the prevention, abatement and control of air pollution in Kansas or in other states or both.
- (18) Prepare and adopt a regional haze plan as may be necessary to prevent, abate and control air pollution originating in Kansas that affects air quality in Kansas or in other states or both. Any regional haze plan prepared by the secretary shall be no not more stringent than is required by 42 U.S.C. § 7491.
- (19) Participate in the activities of any visibility transport commission established under 42 U.S.C. § 7492. The secretary shall report to the governor and the legislature on the activities of any such visibility transport commission annually.
- (b) It is a policy of the state to regulate the air quality of the state and implement laws and regulations that are applied equally and uniformly throughout the state and consistent with those of the federal government.
- (1) Except as provided in section 1, and amendments thereto, the secretary shall have the authority to promulgate rules and regulations to establish standards to ensure that the state is in compliance with the provisions of the federal clean air act, as amended, (42 U.S.C. section § 7401 et seq.). The standards so established shall not be any more stringent, restrictive or expansive than those required under the federal clean air act, as amended, nor shall the rules and regulations be enforced in any area of the state prior to the time required by the federal clean air act. If the secretary determines that more stringent, restrictive or expansive rules and regulations are necessary, the secretary may implement the rules and regulations only after approval by an act of the legislature. The restrictions of this subsection shall not apply to the parts of the state implementation plan developed by the secretary to bring a nonattainment area into compliance when needed to have a United States environmental protection agency approved state implementation plan.
- (2) For any application for a permit required by federal or state law, the secretary shall not deny or delay the issuance of such permit when the requirements of this act have been met.
- Sec. 4. K.S.A. 65-3006 is hereby amended to read as follows: 65-3006. The secretary shall:
  - (a) Except as provided in section 1, and amendments thereto, publish

 and enforce the rules, regulations and standards promulgated hereunder. The secretary shall furnish a copy of such rules, regulations or standards adopted hereunder to any citizen upon request.

- (b) Employ such professional, technical and other staff, and provide such technical, scientific and other services as may be required, including laboratory facilities, for the purpose of effectuating the provisions of this act from funds appropriated and available for the purposes of this act.
- Sec. 5. K.S.A. 65-3007 is hereby amended to read as follows: 65-3007. (a) *Except as provided in section 1, and amendments thereto,* the secretary, by rule and regulation, shall classify air contaminant sources which, in the secretary's judgment, may cause or contribute to air pollution, according to levels and types of emissions and other characteristics which relate to air pollution and may require reporting for any such class or classes. The classifications promulgated by the secretary shall be made to apply to the state as a whole or to any designated area of the state, and shall be made with special reference to effects on health, economic and social factors, and physical effects on property.
- (b) The secretary shall require air contaminant emission sources to monitor emissions, operating parameters, ambient impact of any source emissions or any other parameters deemed necessary by the secretary. The secretary may require air contaminant emission sources to keep records and make reports consistent with the purposes of this act.
- (c) Any person operating or responsible for the operation of air contaminant sources of any class for which the rules and regulations of the secretary require reporting shall make reports containing information as may be required by the secretary concerning location, size and height of contaminant outlets, processes employed, fuels used and the nature and time periods or duration of emissions, and such other information as is relevant to air pollution and available or reasonably capable of being assembled.
- Sec. 6. K.S.A. 65-3008 is hereby amended to read as follows: 65-3008. (a) No person shall construct, own, operate, install, alter or use any air contaminant emission stationary source which, in accordance with rules and regulations, the secretary finds may cause or contribute to air pollution, unless an appropriate approval or permit has been issued for the source by the secretary under this act. Approvals or permits issued by the secretary may be subject to conditions consistent with the purposes of this act and rules and regulations promulgated under this act.
- (b) The secretary shall require that applications for approvals and permits, and renewals thereof, under this act shall be accompanied by application fees and such plans, specifications, compliance plans or other information as the secretary deems necessary. Applications shall be submitted on forms provided by the secretary and shall be signed by a

responsible official of the source, who shall certify the accuracy of the information submitted.

- (c) The issuance or holding of an approval or permit shall not convey any property right or exclusive privilege to the holder thereof.
- (d) Without any further action on the part of the secretary, an approval or a permit shall become void and without effect on its expiration date unless a completed application form and any required fee are filed with the secretary on or before the expiration date of the approval or the permit. For purposes of this subsection, the secretary may specify by rule and regulation an amount of time prior to the expiration date of an operating permit by which a complete application form and any required fee must be filed with the secretary in order to be considered timely filed. The secretary may provide for a grace period by rule and regulation.
- (e) The secretary may issue by rule and regulation a general approval or permit covering numerous similar sources. Any general approval or permit shall comply with all requirements applicable to approvals or permits under this act. Any source covered by a general approval or permit must apply to the secretary and receive authority to operate under the general approval or permit.
- (f) The secretary may fix, charge and collect fees for approvals and permits, and the renewal thereof, to cover all or any part of the cost of administering the provisions of *the* Kansas air quality act, other than K.S.A. 65-3027, and amendments thereto. The secretary shall adopt rules and regulations fixing such fees. The fees shall be deposited in the state treasury and credited to the air quality fee fund established in K.S.A. 65-3024, and amendments thereto, except that if all or any portion of the regulatory services for which a fee is collected under this section is performed by a county, city-county or multicounty health department, that portion of such fee which pertains to such services, as determined by the secretary, shall be credited to the local air quality control authority regulation services fund, which is hereby created in the state treasury, and shall be paid from such fund to such local air quality control authority.
- (g) Any fees imposed by the secretary pursuant to this section shall comply with section 1, and amendments thereto.
- Sec. 7. K.S.A. 65-3022 is hereby amended to read as follows: 65-3022. (a) In order to defray costs in determining and monitoring the environmental impact of power generation facilities with respect to air quality and, in the case of nuclear powered generation facilities, the overall radiological impact thereof, the secretary is authorized and directed to adopt rules and regulations to provide for the establishment of fees and for the collection thereof from each such facility. Such fees shall be determined and collected annually, and such determination shall be based upon the size and type of such facilities. In establishing programs for

 determining and monitoring environmental impact, the secretary shall take into consideration monitoring programs conducted by other persons and where possible avoid duplication of effort and expense. The secretary may also provide for quality review and evaluation of monitoring conducted by other persons in order to further the objectives of this act and to determine the extent and necessity of monitoring programs to be conducted by the department of health and environment.

- (b) (1) All rules and regulations of the secretary of health and environment in effect on July 1, 2020, that impose fees pursuant to this section shall be the only fees imposed by the secretary pursuant to this section and such fees shall remain unchanged and in full force and effect until a subsequent legislative enactment authorizes such fees to be increased or authorizes the imposition of new fees pursuant to this section.
  - (2) On and after July 1, 2020, the secretary shall not:
- (A) Amend or modify any rule and regulation adopted pursuant to this section if such amendment of modification would increase any fee imposed pursuant to the rules and regulations adopted on or before July 1, 2020: and
- (B) adopt, create or impose any new fee through rules and regulations adopted pursuant to this section if such fee was not imposed pursuant to the rules and regulations adopted on or before July 1, 2020.
- (3) Any fees imposed by the secretary that do not comply with this subsection shall be declared null and void.
- Sec. 8. K.S.A. 65-3024 is hereby amended to read as follows: 65-3024. (a) *Except as provided in section 1, and amendments thereto,* the secretary may fix, charge and collect annual emissions fees in amounts necessary to pay the direct and indirect costs of administering the provisions of the Kansas air quality act. The secretary shall adopt rules and regulations fixing such fees and shall periodically increase or decrease such fees consistent with the need to cover the direct and indirect costs of administering the program. To the extent possible, annual emission fees shall be based upon actual emissions determined pursuant to rules and regulations adopted by the secretary. For purposes of determining emission fees for a facility, emissions of any single regulated pollutant in excess of 4,000 tons per year shall not be included in the calculation when determining the total emissions from the facility.
- (b) There is hereby established in the state treasury the air quality fee fund. Revenue from the following sources shall be deposited in the state treasury and credited to the fund:
  - (1) Fees collected under subsection (a);
- (2) any moneys recovered by the state under the provisions of this act, including permit and approval fees collected under K.S.A. 65-3008, and amendments thereto, administrative expenses, civil penalties and

moneys paid under any agreement, stipulation or settlement; and

- (3) interest attributable to investment of moneys in the fund.
- (c) Moneys deposited in the fund shall be expended only for the purpose of administering the Kansas air quality act, including funding of a technical and environmental compliance assistance program, and for no other governmental purposes.
- (d) On or before the 10<sup>th</sup> day of each month, the director of accounts and reports shall transfer from the state general fund to the air quality fee fund interest earnings based on:
- (1) The average daily balance of moneys in the air quality fee fund for the preceding month; and
- (2) the net earnings rate of the pooled money investment portfolio for the preceding month.
- (e) All expenditures from the fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary for the purposes set forth in this section.
- Sec. 9. K.S.A. 65-3028 is hereby amended to read as follows: 65-3028. Except as provided in section 1, and amendments thereto, all rules and regulations promulgated pursuant to K.S.A. 65-3001 et seq., and amendments thereto, in existence on the effective date of this act shall continue to be effective until revised, amended, repealed or nullified pursuant to law.
- Sec. 10. K.S.A. 65-3001, 65-3005, 65-3006, 65-3007, 65-3008, 65-3022, 65-3024 and 65-3028 are hereby repealed.
- Sec. 11. This act shall take effect and be in force from and after its publication in the statute book.