

Approved: 2-21-94
Date

MINUTES OF THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES.

The meeting was called to order by Chairperson Don Sallee at 8:00 a.m. on February 15, 1994 in Room 423-S of the Capitol.

All members were present or excused:

Committee staff present: Raney Gilliland, Legislative Research Department
Dennis Hodgins, Legislative Research Department
Don Hayward, Revisor of Statutes
Clarene Wilms, Committee Secretary

Conferees appearing before the committee:
Larry Knoche, Director, Bureau of Environmental Remediation, KDHE

Others attending: See attached list

SB-450 - storage tanks; relating to registration thereof.

Chairperson Sallee opened discussion on SB-450 which concerns the registration and fees of above ground storage tanks.

The chairperson stated that following hearings on the bill further explanation had been obtained and the "right to know" cost is not included in the fee for above ground storage tanks as it is with underground storage tanks. The charge is by capacity and can be up to \$300 and was charged at each location. It was suggested the three year permitting be used and separate the above ground and below ground tanks, allowing the charge for right to know fee or they could be separated, remove the right to know and allow that fee to be charged.

In answer to a member's question it was established that the right to know charge was made each year and on each site. Larry Knoche told the committee this was a federal requirement regarding air quality and fuel tanks fall under this requirement. Mr. Knoche told members the report was two pages long and must be made on every site in the state.

A member questioned why there was a second registration fee as it appeared the department could take needed information from that form.

Mr. Knoche stated they have combined the report on the underground tanks, that the underground reporting substitutes for the right to know. The difference in the two reports is that the right to know is required in pounds per facility and the other is registration per tank. Tanks must be registered to be eligible for the fund.

Mr. Knoche stated they were working with John Irwin to get the reporting for both underground and aboveground tanks on the same form, that Mr. Irwin's department is just going to computerization.

Further discussion ascertained that the above ground tanks have to be registered and also pay a fee. The right to know fee goes directly to the state general fund and the above ground tank fee goes into the tank fund. Concern was expressed as to the burden of cost being placed on tank owners.

Mr. Knoche stated the registration fund is being used for computerization of registrations with a member questioning why they would continue to need this amount of funds just to keep records updated. The member stated it appeared major restructuring was needed rather than continually adding additional burdens for the people.

Mr. Knoche stated the department was in the process of changing the above ground registration form in order to obtain all necessary information at one time. It could be handled by either registering the above ground tanks through the right to know program or the right to know program registering the tanks.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES, Room 423-S Statehouse, at 8:00 a.m. on February 15, 1994.

A member commented that he understood the department was setting up a series of fines as a way of getting distributors to register their tanks. Mr. Knoche stated that tanks are not getting registered and they were trying to prevent sales from the tanks until they were registered. This was an effort to get the distributor to refuse to sell fuel for unregistered tanks and to report the unregistered tanks. The effort is voluntary but if the distributor puts gas in an unregistered tank they are subject to a fine.

A member questioned, why KDHE expected the distributor to do department enforcement. Anyone receiving diesel fuel also receive gasoline. The department should send letters advising them of the need for registration.

Mr. Knoche said letters stating the tanks must be registered had been sent many times but apparently the information was not getting to the right people. Therefore they were asking help from the distributors.

The member stated this amounted to a distributor turning in a customer.

A subcommittee was suggested to clarify the requirements concerning SB-450.

Senator Hardenburger was appointed chairperson of the subcommittee with Senator Lee and Senator Morris serving as members. The subcommittee will meet Thursday morning at 8 a.m. in room 423-S.

The subcommittee was charged to investigate the best manner in which to register above ground tanks at the least cost, also covering the right to know fee or a method to charge the right to know fee with no registration fee. The issue of requiring distributors to report unregistered tanks would also be subject matter for the subcommittee.

A member asked Mr. Knoche how they were handling the issue of fining distributors and he stated it was the way they defined the statute and the chairperson stated this was also the interpretation of the federal statute.

The chairperson reminded the committee the proposed rules and regulations on landfills needed further decisions as well as the issue concerning feedlots.

Senator Morris made a motion to approve the minutes of February 7, 8, 9 and 10. Senator Tillotson seconded the motion and the motion carried.

The meeting adjourned at 8:35 a.m.

The next meeting is scheduled for February 16, 1994.

GUEST LIST

SENATE COMMITTEE ON ENERGY & NATURAL RESOURCES

DATE February 15, 1994

(PLEASE PRINT)

NAME AND ADDRESS

ORGANIZATION

Larry KnocheKDHEFrances KastnerKs Food Dealers AssnMARTI CROWKDHEMichelle PetersonKs Gov ConsultingSTEVE KEARNEYKOMAJoe LieberKs Co-op Council