#### MINUTES OF THE HOUSE COMMITTEE ON ENVIRONMENT.

The meeting was called to order by Chairperson Representative Joann Freeborn at 3:30 p.m. on February 25, 2003 in Room 231-N of the Capitol.

All members were present except: Representative Dan Thimesch - excused

Committee staff present: Raney Gilliland, Legislative Research

Mary Torrence, Revisor of Statutes Mary Ann Graham, Secretary

Conferees appearing before the committee:

Others attending: See attached sheet

Chairperson Joann Freeborn called the meeting to order at 3:30 p.m. She called attention to the committee minutes for January 21, 23, and 28, that had been distributed to committee members in the February 20 meeting. She asked if anyone had a motion to approve the minutes.

Rep. Gary Hayzlett made a motion the minutes for January 21, 23, and 28, be approved. Rep. Lee Tafanelli seconded the motion. Motion carried.

The Chairperson opened **HB2196** for discussion and possible action.

### **HB2196:** Storage tanks; applicability of certain prohibitions.

Rep. Lee Tafanelli explained new language in the balloon.

Rep. Lee Tafanelli made a motion the balloon to **HB2196** be adopted. (See attachment 1) Rep. Dan Johnson seconded the motion. Motion carried.

Gary Blackburn, Director, Bureau of Environmental Remediation, Kansas Department of Health and Environment was in attendance and addressed committee questions.

Rep. Donald Betts made a motion **HB2196** be passed as amended. Rep. James Miller seconded the motion. Motion carried. Rep. James Miller will carry the bill on the House Floor.

Chairperson Freeborn opened **HB2247** for discussion and possible action.

# <u>HB2247:</u> Environmental use controls; prohibition or restriction of activities on or use of property where contamination has occurred.

Gary Blackburn, Director, Bureau of Environmental Remediation, Kansas Department of Health and Environment, explained changes made to the bill.

Rep. Vaughn Flora made a motion to adopt the balloon to **HB2247** with staff numbering and technical corrections; striking "beneficial" in the insert on page 1, in line 23; and deleting paragraph (b) (7) shown as an insert after line 42 on page 5. (See attachment 2) Rep. Donald Betts seconded the motion. Motion carried.

Rep. Lee Tafanelli made a motion to adopt new language (See attachment 3), paragraph (b) (7) to be inserted after line 42 on page 5. Rep. Ted Powers seconded the motion. Motion carried.

Rep. Dan Johnson made a motion **HB2247** be passed as amended. Rep. Donald Betts seconded the motion. Motion carried. Rep. Lee Tafanelli will carry the bill on the House Floor.

The meeting adjourned at 4:00 p.m. The next meeting to be announced.

## HOUSE ENVIRONMENT COMMITTEE GUEST LIST

DATE: <u>February</u> 25,2003

NAME	
NAME	REPRESENTING
Derenda Mitchell	KLA
Kristen Wheeler	Kli Student-observing
Tom PALACE	AMEN OF KANSAS
Jan PETERSON	KS Petroleum Council
TomWhiTAKER	KS MOTOR CARRIERS ASSN.
JOHN O. BOTTENBER	& Westar
Jendy Shaw	PMCA of Kansas
Dian Fried	PS Coop Council
RICK Bear	KOHE
Cary Blackburn	76
Tom Winn	c (
J. P. Small	KOCH INDUSTRIES, INC
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### HOUSE BILL No. 2196

By Committee on Environment

2-5

AN ACT amending the Kansas storage tank act; concerning unlawful acts; amending K.S.A. 65-34,109 and repealing the existing section.

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

Section 1. K.S.A. 65-34,109 is hereby amended to read as follows:

65-34,109. (a) It shall be unlawful for any person to:

— (1) owner of a storage tank to deposit, store or dispense, or permit any person to deposit, store or dispense, any regulated substance into any such storage tank which does not comply with the provisions of this act, the rules and regulations promulgated hereunder, or any order of the secretary;

(b) It shall be unlawful for any person to:

(2) (1) Construct, install, modify or operate a storage tank without any required permit or other written approval from the secretary or otherwise be in violation of the rules and regulations, standards or orders of the secretary;

(3) (2) prevent or hinder a properly identified officer or employee of the department or other authorized agent of the secretary from entering, inspecting or sampling at a facility on which a storage tank is located or from copying records concerning such storage tank as authorized by this act.

(4)(3) knowingly make any false material statement or representation in any application, record, report, permit or other document filed, maintained or used for purposes of compliance with this act.

(5) (4) knowingly destroy, alter or conceal any record required to be maintained by this act or rules and regulations promulgated hereunder; for \( \begin{align\*} \]

(6) (5) knowingly allow a release, knowingly fail to report a release or knowingly fail to take corrective action in response to a release of a regulated substance in violation of this act or rules and regulations promulgated hereunder.

(b) (c) Any person who violates any provision of subsection (a) or (b) all be guilty of a class A misdemeanor and, upon conviction thereof, all be punished as provided by law.

Sec. 2. K.S.A. 65-34,109 is hereby repealed.

or operator

(6) deposit, store or dispense any regulated substance into any storage tank which does not comply with the provisions of this act, or the rules and regulations promulgated hereunder, after written notice by certified mail has been supplied by the secretary that such storage tanks do not comply with the provisions of the act or such rules and regulations

Insert Sec. 2 attached

Amend title and repealer and renumber sections

House Environmen, 2-25-03 Attachment Sec. 2. K.S.A. 65-34,113 is hereby amended to read as follows: 65-34,113. (a) Any person who violates any provisions of K.S.A. 65-34,109 65-34,110, and amendments thereto, shall

provided by law, a civil penalty in an amount of up to \$10,000 for every such violation, and in case of a continuing violation, every day such violation continues shall be deemed a separate violation.

(b) The director of the division of environment, upon a finding that a person has violated any provision of K.S.A. 65-34,109 or 65-34,110, and amendments thereto, may impose a penalty within the limits provided in subsection (a), which penalty shall constitute an actual and substantial economic deterrent to the violation for which it is assessed.

- (c) No penalty shall be imposed pursuant to this section except upon the written order of the director of the division of environment to the person who committed the violation. Such order shall state the violation, the penalty to be imposed and the right of such person to appeal to the secretary. Within 15 days after service of the order, any such person may make written request to the secretary for a hearing thereon in accordance with the Kansas administrative procedure act.
- (d) Any action of the secretary pursuant to subsection (c), (e)(l) or (e)(2) is subject to review in accordance with the act for judicial review and civil enforcement of agency actions.
- (e) Notwithstanding any other provision of this act, the secretary, upon receipt of information that the storage or release of a regulated substance may present a hazard to the health of persons or to the environment, may take such action as the secretary determines to be necessary to protect the health of such processors or the environment. Operating a storage

k without a permit issued pursuant to K.S.A.

-34,106, and amendments thereto, shall be
deemed to constitute such a hazard. The action
the secretary may take shall include, but is
not limited to:



(1) Issuing an order, subject to review pursuant to the Kansas administrative procedure act, directing the owner or operator of the

rage tank, or the custodian of the regulated stance which constitutes such hazard, to take such steps as are necessary to prevent the act, to eliminate the practice which constitutes such hazard, to investigate the extent of and remediate any pollution resulting from the storage or release. Such order may include, with respect to a facility or site, permanent or temporary cessation of operation.

(2) Issuing an order, subject to review pursuant to the Kansas administrative procedure act, directing an owner, tenant or holder of any right of way or easement of any real property affected by a known release from a storage tank to permit entry on to and egress from that property, by officers, employees, agents or contractors of the department or of the person responsible for the regulated substance or the hazard, for the purposes of monitoring the release or to perform such measures to mitigate the release as the secretary shall specify in the order.

(3) Commencing an action to enjoin acts or practices specified in this subsection or requesting the attorney general or appropriate county or district attorney to commence an action to enjoin those acts or practices. Upon a showing that a person has engaged in those acts or practices, a permanent or temporary injunction, restraining order or other order may be granted by any court of competent jurisdiction. An action for injunction under this subsection shall have precedence over other cases in respect to order of trial.

(4) Applying to the appropriate district court for an order of that court directing compliance with the order of the secretary pursuant to the act for judicial review and 'vil enforcement of agency actions. Failure obey the court order shall be punishable as intempt of the court issuing the order. The

application under this subsection shall have precedence over other cases in respect to order of trial.



(f) In any civil action brought pursuant this section in which a temporary restraining order, preliminary injunction or manent injunction is sought it shall be ficient to show that a violation of the provisions of this act, or the rules and regulations adopted thereunder has occurred or is imminent. It shall not be necessary to allege or prove at any stage of the proceeding that irreparable damage will occur should the temporary restraining order, preliminary injunction or permanent injunction not be issued or that the remedy at law is inadequate.

AN ACT concerning environmental contamination of real property; providing for prohibition or restriction of activities on and use of such property.

HOUSE BILL No. 2247

By Committee on Environment

2-7

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

Section 2. As used in this act:

- (a) "Department" means the Kansas department of health and environment.
- (b) "Environmental use control" means an institutional or administrative control, a restriction, prohibition or control of one or more uses of, or activities on, a specific property to ensure future protection of public health and the environment when environmental contamination which exceeds department standards for unrestricted use remains on the property following the appropriate assessment and/or remedial activities as directed by the department pursuant to the secretary's authority Any environmental use control created pursuant to this act runs with the property and is binding on the owner and subsequent owners, lessees and other users of the land.
- (c) "Owner" means any owner of record of property, and any person or entity authorized to make decisions regarding the transfer of the subject property or placement of encumbrances on the subject property, other than by the exercise of eminent domain.
- (d) "Person" means any individual, trust, firm, joint stock, company, public or private corporation, limited liability company or partnership; the federal government or any agency or instrumentality thereof; any state, or any agency, instrumentality or political or taxing subdivision thereof; or any interstate body.
- (e) "Protective structure" means an engineered physical structure implemented as part of the remedial action to control or respond to a release or threat of release of environmental contamination. Protective structure includes capping, fencing, berming, diking, drainage structures and other structures that may control erosion, migration or other releases of environmental contamination.
- "Property" means real property.
- "Remedial activity" means any site cleanup, soil or groundwater

Section 1. The intent of the environmental use control act is to provide a voluntary mechanism to assist existing state programs to address environmental contamination in a cost effective manner that is protective of human health and the environment.

as requested by a land owner at the time of issuance

For the purposes of this act, environmental contamination does not mean animal or process waste from a confined feeding facility as defined by K.S.A. 65-171d, livestock operations or the beneficial application of livestock waste for use as a plant nutrient.

with written authorization from the owner

monitoring associated with a contaminated property, remedial action, corrective action, emergency action, removal action or other action necessary or appropriate to respond to a release or threat of release of environmental contamination.

(h) "Secretary" means the secretary of health and environment.

Sec. 31. The provisions of this act, except the provisions of subsection (b) of section and amendments thereto, shall not apply to solid waste disposal areas which are issued permits pursuant to K.S.A. 65-3407, and amendments thereto, or which receive authorization from the secretary for unpermitted disposal pursuant to K.S.A. 65-3407c, and amendments thereto, provided that the owner of each such solid waste disposal area establishes environmental use controls for the area, subject to approval by the department, by executing and filing a restrictive covenant on the property deed.

Sec. 4. (a) An owner of property, with departmental approval, may restrict the use of the owner's property to mitigate the risk posed to human health and the environment by imposing on the property an appropriate environmental use control.

(b) (1) The owner or the owner's authorized representative shall make application to the department for approval of an environmental use control. Such application shall be made on forms provided by the department and shall be completed and submitted to the department by the owner or the owner's authorized representative.

(2) Department approval of an application shall be subject to the appropriate restrictions for the known contamination which exceeds department standards for unrestricted use, access to the subject property an inspection schedule that is appropriate to monitor conditions at the subject property and the availability of funds to administer the provisions of this act related to the subject property.

(3) The department may require the applicant to provide financial assurance for category 3 property as described in subsection (b)(3) of section and amendments thereto, based on the potential for long term maintenance cost of protective structures and the potential for release or migration of environmental contamination from the property. The applicant shall provide the financial assurance by one or more methods satisfactory to the department, including, but not limited to, environmental insurance, guarantee, performance or other surety bond, letter of credit, qualification as a self-insurer or other demonstration of financial capability. The demonstration of financial capability must be adequate to provide remedies which are protective of human health and the environment should the proposed remedial activity fail.

(4) The application shall include an accurate legal description or survey of the portion of the property where an environmental use control is

(b) The provisions of this act shall not apply to confined feeding facilities as defined in 65-171d (c)(2).

If the owner elects to voluntarily restrict the owner's property, the

application containing the following components: appropriate restrictions to protect public health and environment from known contamination which exceeds department standards for unrestricted residential use;

proposed.

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(c) The department shall review the application. If the application is disapproved by the department, the applicant may modify the application in a manner necessary to obtain department approval and resubmit the application for the department's approval. If the application is approved by the department, the department shall provide the applicant a written approval.

(d) An environmental use control pursuant to this act should be approved by the department only for the protection of human health and the environment from residual contamination which exceeds department standards for unrestricted residential use on the subject property.

- Sec. (a) After an environmental use control has been approved by the department, the owner must register the environmental use control with the register of deeds in the county where the property is located or, if property is owned by the United States or a division thereof, a notice of the environmental use control must be filed with the register of deeds in the county where the property is located. When registering the environmental use control or filing the notice, the following must be included:
- (1) A notarized original environmental use control agreement between the applicant and the department; and
- (2) an adequate legal description or legal survey of the property which identifies the portion of the property which is subject to the environmental use control.
- (b) The applicant must provide to the department a notarized copy of the recorded environmental use control agreement with the register of deeds seal for the property.
- (c) Recorded environmental use controls established pursuant to this act shall be enforceable as set forth in section, and amendments thereto.
- Sec. (a) Funding needs may be satisfied by department appropriations for property where adequate funding is supplied by federal grants, designated fee funds or other funding sources.
- Funding requirements for other properties will be determined individually and be based on the size of the property toxicity and mobility of the contaminants frequency of site inspections and the anticipated inspection costs, as determined by the department.
- (1) Category 1 property includes property with the following characteristics: The property is not greater than five acres in size, the residual contamination is characterized by low toxicity and mobility, there is minimal anticipated maintenance of protective structures and the anticipated inspection frequency is once every five years. Category 1 properties would have a one-time payment by the applicant not to exceed \$2,000 to fund the life of the environmental use control.
- (2) Category 2 property includes property with the following char-

may

as part of the remedial activity for the property when

(b) Any funding requirements for an application pursuant to this act, will be based on a one time payment for the property made by the original applicant.

to which the environmental use control applies to which the environmental use control applies

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- (3) Category 3 property includes property with some or all of the following characteristics: The property may cover a large acreage, the residual contamination is characterized by higher toxicity or mobility, complicated maintenance or monitoring of protective structures is required and frequent or complicated site inspections are anticipated, which may be more frequent than once per year. The inspection cost of category 3 properties is also dependent on the future uses of the property and the maintenance of protective structures by the property owner. For this reason, long term care agreements between the department and the applicant will be required for category 3 properties. These long term care agreements will include a provision to reimburse the department for costs incurred to perform the long term care at the property.
  - (c) The secretary shall remit to the state treasurer, in accordance with K.S.A. 75-4215, and amendments thereto, all moneys received from fees and long term care reimbursement agreements pursuant to this section. Upon receipt of the remittance, the state treasurer shall deposit the entire amount in the state treasury and credit it to the environmental use control fund.
  - Sec. (a) An environmental use control may be granted either in perpetuity or for a term of years, as determined by the department. An environmental use control may not be approved for a term of years unless provisions are included that ensures the protection of human health and the environment beyond the expiration of the environmental use control. Upon expiration of the term if contamination remains which peeces are the environmental use to human health or the environment the department can require additional action.
  - (b) An environmental use control runs with the land and is binding on all successors in interest to property until the environmental use control is removed upon the department's approval or upon expiration of the term of the environmental use control.
- (c) An environmental use control shall be removed if the property owner demonstrates to the department's satisfaction that the original risk to human health or the environment which created the need for the control is no longer present. An owner must submit a request to the department for approval to remove all or a portion of the environmental use controls from the property. The department shall review the request

above department standards, as set forth in the approved environmental use control

and provide the owner with the department's decision to approve or deny the request within 120 days after the department's receipt of the request. If the department denies the request, justification shall be provided to the owner with a written explanation of the denial, which may include that the applicant has not provided the documentation to demonstrate that the request is protective of human health and the environment, as determined by the department.

- (d) If the department approves an owner's request to remove all or a portion of environmental use controls, the owner shall file the approval with the register of deeds in the county where the property is located.
- (e) An environmental use control may not be extinguished, limited or impaired through adverse possession, abandonment, waiver, lack of enforcement or other common law principles relating to covenants or by the exercise of eminent domain.
- (f) An environmental use control may be modified by mutual written agreement by the property owner and the department.
- (g) The department shall not acquire any liability by virtue of approving an environmental use control or by approving removal of all or a portion of environmental use controls.
- Sec. 8. (a) An environmental use control pursuant to this act may restrict or prohibit the activities at or uses of property. The restrictions imposed shall be those agreed to by the applicant and deemed necessary by the department to protect the public from exposures to contaminants which remain at the property.
- (b) An environmental use control pursuant to this act may include or require the following:
- (1) Prompt notification to the department of any transfer of the property, such notice to be given by the transferor:
- (2) prompt notification to the department of any change in use of the property, such notice to be given by the property owner:
- (3) maintenance of protective structures or remedial systems at the property, such as soil caps, soil covers, soil surfaces, berms, drainage structures, vegetation, monitoring wells or other structures or systems:
- (4) access to the property by agents of the department as necessary to inspect and monitor remediation activities, monitoring wells, surface streams and protective structures or remedial systems and to ensure implementation and enforcement of the requirements, restrictions and other limitations of the environmental use controls;
- (5) any other obligations necessary to reduce or eliminate risks or threats to human health and the environment from the property; or
- (6) a one-time payment or long term care agreement to provide funding for environmental use control oversight.
- All interests not limited by the environmental use control shall

(7) Restrictions, prohibitions or zoning requirements placed on property by a local or state government may be substituted in place of an environmental use control as defined by this act. Such restrictions, prohibitions and zoning requirements may be utilized in addition with any environmental use controls approved by the department. Such soning prestrictions shall not conflict with existing state law portaining to coning. This act does not grant or expand the authority of local governments to zone, regulate, limit, restrict, or prohibit environmental activities on agricultural land including feedlots or confined feeding facilities as defined in 65-1/1(c)(2).

remain with the owner.

Sec. (a) Upon receipt of information that approved environmental use controls are not being implemented in accordance with an approved environmental use control agreement or present a hazard to human health or the environment, the secretary may take such actions as may be necessary to protect human health or the environment. The action the secretary may take shall include, but not be limited to:

(1) Issuing an order directing the owner of the subject property to take such steps as are necessary to correct any deficiencies and fully implement the approved environmental use controls.

(2) Retracting the approval of the remedial action for the subject property, which included the environmental use control as part of the remedy and require the owner of the property to implement remediation of the property to a cleanup standard which will allow for unrestricted use of the property.

- (3) Commencing an action enjoining acts or practices set forth in the approved environmental use controls or requesting that the attorney general or appropriate district or county attorney commence an action to enjoin such actions which result in approved environmental use controls not being implemented or not being fully or properly implemented or which present hazard to human health or the environment. Upon demonstration by the secretary that approved environmental use controls are not being implemented or maintained or present a hazard to human health or the environment, a permanent or temperary injunction, restraining order or other order may be granted by any court of competent jurisdiction.
- (4) Applying to the district court in the county in which an order of the secretary under subsection (a)(1) will take effect, in whole or in part, for an order of the court directing compliance with the order of the secretary. Failure to obey the court order shall-be punishable as contempt of the court issuing the order.

(b) Any order of the secretary pursuant to subsection (a)(1) is subject to hearing and review in accordance with section **H**, and amendments thereto.

(c) Notwithstanding subsections (a)(1) and (a)(2), the county or district attorney of any county may file appropriate actions for enforcement of environmental use controls. The county or district attorney filing the ection shall notify the secretary before filing the action.

(1) In any action initiated by a country or district attorney, upon a showing by a country or district attorney that approved environmental use controls are not being implemented or present a hazard to human health or the environment, a permanent or temperary injunction, restraining order or other order may be granted by any court of competent

that property subject to an approved environmental use control presents

Issuing an order

6(3)(3)

For Category 3 property as defined in Section 5 (b)(3),

substantial and imminent threat or

and (a)(2)

is sought, it shall not be necessary to allege of prove at an rary restraining order, preliminary injunction or permanent injunction net be issued or that the remedy at law is inadequate, and the temperar restraining order, preliminary injunction or permanent injunction she issue without such allegations and without such proof.

(d) An environmental use control may not be separated from the property and survives foreclosure of a mortgage, lien or other encumbrance, as well as tax sales and the issuance of a tax deed.

- Sec. (a) The department shall provide oversight of the environmental use control for property to ensure that the property is being used only for the purposes permitted by the terms of the environmental use control agreement and is not being used in a manner that is prohibited or restricted by the terms of the agreement.
- (b) The department shall develop and maintain an environmental use control tracking system on all approved environmental use controls. The tracking system data shall be made available to the public in a manner which allows review by either city or county and shall include the following:
- (1) Name of the property;

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- (2) address of the property, including the city and county:
- (3) legal description of the property;
- (4) cause and type of the environmental contamination;
- description of the environmental use control; and
- (6) duration of the environmental use control.
- Sec. 14. (a) There is established in the state treasury the environmental use control fund. Moneys from the following sources shall be deposited in the state treasury and credited to the fund:
- (1) Moneys collected from the environmental use control one-time payments and long term care agreement reimbursements;
- (2) moneys received by the secretary in the form of gifts, grants, reimbursements or appropriations from any source intended to be used for purposes of the fund; and
- (3) interest attributable to the investment of moneys in the fund.
- (b) Moneys in the environmental use control fund shall be expended only for costs of:
- (1) Review of environmental use control applications;
- (2) oversight of remedial projects which include an environmental use control as an element of their remedy, including inspections, monitoring and tracking of the environmental use control;

- activities performed by the department to address immediate or emergency threats to human health or the environment related to properties subject to environmental use controls;
- (4) development, operation and maintenance of the environmental use control tracking system; and
- administration and enforcement of the provisions of this act.
- (c) On or before the 10th of each month, the director of accounts and reports shall transfer from the state general fund to the environmental use control fund interest earnings based on:
- (1) 'The average daily balance of moneys in the environmental use control fund for the preceding month; and
- (2) the net earnings rate of the pooled money investment portfolio for the preceding month.
- (d) All expenditures from the environmental use control 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 or the secretary's designee for purposes set forth in this section.
- Sec. 12 The secretary adopt rules and regulations to implement the provisions of this act.
- Sec. 13. The department shall publish annually in the Kansas register a summary of the number of approved environmental use control agreements pursuant to this act.
- Sec. H. Any person adversely affected by any order or decision of the secretary pursuant to this act, within 15 days after service of the order or decision, may request in writing a hearing. Hearings under this section shall be conducted in accordance with the provisions of the Kansas administrative procedure act. Any action of the secretary pursuant to this section is subject to review in accordance with the act for judicial review and civil enforcement of agency actions.
- Sec. 15. If any provision of this act or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this act which can be given effect without the invalid provision or application. To this end the provisions of this act are severable.
- Sec. 16. This act shall take effect and be in force from and after its publication in the statute book.

Rep. Lee TAFANelli

Restrictions, prohibitions and zoning requirements placed on property by a local or state government may be substituted in place of an environmental use control, as defined by this act. Such restrictions, prohibitions and zoning requirements may be utilized in addition with any environmental use controls approved by the department. This provision does not grant or expand authority of local government to restrict, prohibit, zone or regulate land.

House Environment 2-25-03 Attach ment 3