

February 2, 2026

The Honorable Tom Kessler, Chairperson
House Committee on Federal and State Affairs
300 SW 10th Avenue, Room 346-S
Topeka, Kansas 66612

Dear Representative Kessler:

SUBJECT: Fiscal Note for HB 2567 by House Committee on Agriculture and Natural Resources

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2567 is respectfully submitted to your committee.

HB 2567 would enact the Safe Battery Collection and Recycling Act and establish the Battery Stewardship Program. The Act would be administered by the Kansas Department of Health and Environment (KDHE), and the Secretary of Health and Environment (Secretary) would have authority to adopt rules and regulations to carry out the provisions of the Act. KDHE would be limited to two full-time positions to administer and enforce the Act. The bill would make definitions and outline all requirements, responsibilities, and restrictions of battery stewardship plans and organizations. By January 1, 2027, all battery stewardship organizations would be required to submit a battery stewardship plan for review and approval by the Secretary. Once plans or amendments to plans were submitted, the Secretary would be required to approve or deny within 120 days. The bill would outline the appeal process for any denials. No later than June 1, 2029, and no later than June 1 each year thereafter, all battery stewardship organizations implementing an approved plan would be required to submit a report to KDHE with details as listed in the bill.

Beginning January 1, 2028, the bill would require disposal of covered batteries as required by the bill. Also, beginning January 1, 2028 producers and retailers would be prohibited from selling, offering for sale, or distributing for sale any covered battery or battery-containing product unless the producer of such product was a member of a battery stewardship organization operating under a battery stewardship plan approved by the Secretary as detailed in the bill and the product was marked with an identification of the producer of the battery. The bill would include some

exclusions to these requirements. Beginning January 1, 2029, the products would be required to be marked to ensure proper collection and recycling as detailed in the bill.

HB 2567 would create the Battery Stewardship Fund to be administered by the Secretary and all moneys received from or for administering the Act would be credited to the fund. Battery stewardship organizations would be required to pay a fee to KDHE upon approval of a battery stewardship plan or on January 1, 2027, whichever is later, and on an annual basis thereafter. The Secretary would be required to set the fee, and the amount set would be required to be sufficient to cover all costs incurred by KDHE in administering and enforcing the Act. The bill would outline violations and penalties for violations of the Act. Civil penalties would be deposited to the State General Fund.

KDHE would be required to include on their website copies of approved plans, the names of the producer members covered under an approved plan, a list of brands of covered batteries under an approved plan, and a copy of each annual report submitted by battery stewardship organizations. In addition, KDHE would be required to review and evaluate studies and assessments carried out by other states as detailed in the bill and submit a report with findings and recommendations to the House and Senate Committees on Agriculture and Natural Resources by May 31, 2028.

According to KDHE, enactment of HB 2567 would require additional fee fund expenditures of \$100,000 and the addition of 1.00 position to develop and implement regulations to administer the new Act. The agency notes that the bill does allow for fees that would cover these expenses. KDHE reviewed other states that have enacted similar legislation to determine expected workload. The fees would be set based on the estimated cost and equitably distributed amongst the battery stewardship organizations which submit a plan for review and approval.

The Office of the Attorney General states that enactment of the bill could result in future litigation requiring the defense of the Act in court but cannot estimate a total fiscal effect. The Office of the Attorney General is one of several entities authorized to enforce violations of the Act but does not anticipate a significant increase in new cases as a result of the bill. The agency anticipates that an enforcement activity would be limited in scope and managed within existing resources. Civil penalties collected pursuant to the Act would be remitted to the State General Fund, but the agency believes that only a limited number of violations would be pursued so resulting revenue would be minimal.

The Office of Judicial Administration states that enactment of HB 2567 could increase the number of cases filed in district court because the bill creates a new crime. This would increase the time spent by district court judicial and nonjudicial personnel in processing, researching, and hearing cases. Since the new crime carries a severity level 8, nonperson felony penalty, there could also be more supervision of offenders required to be performed by court services officers. The bill could increase the collection of docket and supervision fees, which would be deposited into the State General Fund. However, the Office cannot determine the total fiscal effect of the bill. Any fiscal effect associated with HB 2567 is not reflected in *The FY 2027 Governor's Budget Report*.

The Kansas Association of Counties states that enactment of the bill would not have a fiscal effect on Counties. The League of Kansas Municipalities reports that cities participating in a battery stewardship plan could receive reimbursement for participation, but a total fiscal effect cannot be estimated.

Sincerely,



Adam C. Proffitt
Director of the Budget

cc: Amy Penrod, Department of Health & Environment
Matt Bingesser, Office of the Attorney General
Trisha Morrow, Judiciary
Jay Hall, Kansas Association of Counties
Wendi Stark, League of Kansas Municipalities