

February 28, 2011

The Honorable Carl Holmes, Chairperson
House Committee on Energy and Utilities
Statehouse, Room 174-W
Topeka, Kansas 66612

Dear Representative Carl Holmes:

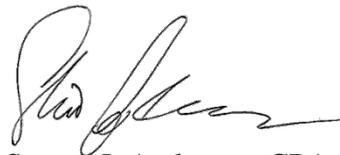
SUBJECT: Fiscal Note for HB 2304 by House Committee on Judiciary

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2304 is respectfully submitted to your committee.

HB 2304 would nullify the Department of Health and Environment's regulation (K.A.R. 28-19-200a) related to the implementation of the federal Greenhouse Gas Tailoring Rule. The bill would prohibit implementation of the administrative regulations developed by the Bureau of Air in the Kansas Department of Health and Environment (KDHE) to enact the federal regulations. The bill would restrict the issuance of certain operating permits.

Currently, KDHE has in place the necessary regulation to implement the provisions of the federal Greenhouse Tailoring Rule. This rule increases the Bureau of Air permitting workload for construction and operating permit activities. However, KDHE does not anticipate receiving federal dollars or fee income to implement current regulations. Implementation of HB 2304 would affect only KDHE's authority to issue greenhouse gas operating permits, not construction permits. Therefore, the bill would reduce the expected future operating permit workload to a level that the agency can afford to implement. The bill would be a moratorium on the issuance of greenhouse gas operating permits in Kansas until the Environmental Protection Agency issues a Federal Implementation Plan to take over that role. The fiscal effect resulting from the passage of HB 2304 would be negligible.

Sincerely,



Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Mary Rinehart, Judiciary
Pat Kuester, Health & Environment