

March 1, 2012

The Honorable Ralph Ostmeyer, Chairperson
Senate Committee on Natural Resources
Statehouse, Room 225-E
Topeka, Kansas 66612

Dear Senator Ostmeyer:

SUBJECT: Fiscal Note for SB 375 by Senate Committee on Natural Resources

In accordance with KSA 75-3715a, the following fiscal note concerning SB 375 is respectfully submitted to your committee.

SB 375 would allow the Secretary of the Kansas Department of Environment (KDHE) to authorize certain persons to carry out solid waste disposal activities without a solid waste permit. This would allow for the disposal, by land spreading, of the solid waste that is generated by drilling oil and gas wells. The land spreading would be done in accordance with best management practices and maximum loading rates developed by KDHE.

The bill would describe the detailed procedures, record-keeping and reporting requirements that would be developed. A fee of \$250 would be assessed for each land-spreading application. The Secretary of KDHE would enter into an agreement with the Kansas Corporation (KCC) to administer the program, monitor compliance, and establish mechanisms for enforcement and remedial action.

Estimated State Fiscal Effect				
	FY 2012 SGF	FY 2012 All Funds	FY 2013 SGF	FY 2013 All Funds
Revenue	--	--	--	\$25,000
Expenditure	--	--	--	\$25,000
FTE Pos.	--	--	--	--

The Kansas Corporation Commission estimates that 100 applications would be received in FY 2013. This would result in \$25,000 in revenue that would be deposited to the Conservation Fee Fund as well as \$25,000 in expenditures to ensure prevention of surface and

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subsurface water pollution and soil pollution from land-spreading activities. The Kansas Department of Health and Environment has been contacted regarding the fiscal effect of the bill; however, no response has been received to date. Any fiscal effect associated with SB 375 is not reflected in *The FY 2013 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", with a long horizontal flourish extending to the right.

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

cc: Aaron Dunkel, KDHE
Tom Day, KCC