

SESSION OF 2024

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2477

As Amended by Senate Committee on
Agriculture and Natural Resources

Brief*

HB 2477, as amended, would make changes to the Remediation Reimbursement Program (Program) that provides remediation funding from the Kansas Agricultural Remediation Fund (Fund).

[*Note:* The Program was established by the Legislature to provide financial support to eligible persons through reimbursement of expenses incurred during the performance of remediation activities for releases of agricultural chemicals. The Fund receives no state funding and is funded by environmental assessment fees paid by the industry.]

Reimbursement Cap Limits

The bill would clarify that an eligible person could receive reimbursement per remediation site and evidenced by receipts for any eligible corrective action costs, but the total reimbursement could not exceed \$300,000, an increase from \$200,000.

The bill would state that if an eligible person has paid at least \$2,000, an increase from \$1,000, for eligible corrective action costs at a site, reimbursement could be received in an amount equal to:

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

- 90 percent of total eligible corrective action costs greater than \$2,000 until the person has received \$100,000; plus
- Additional reimbursement in an amount equal to 80 percent of additional total eligible corrective action costs until the person has received an additional \$200,000 in reimbursement.

The total reimbursement amount for any one remediation site could not exceed \$300,000, unless the Kansas Agricultural Remediation Board (Board) could set forth a different amount that is less than or equal to \$300,000.

The bill would remove language regarding reimbursement if both a buyer and seller or a lessee and lessor are jointly responsible for remediation on a property.

Kansas Agricultural Remediation Fund Expenditure Limitation

The bill would increase the limitation of expenditures from the Fund for administrative expenses of the Board from \$150,000 to \$175,000 in any fiscal year.

Technical Amendments

The bill would update the names of legislative committees that would be designated to receive the Board's annual report and make technical and conforming amendments to continuing law.

Background

The bill was introduced by Representative Rahjes.

House Committee on Agriculture and Natural Resources

In the House Committee hearing, **proponent** testimony was provided by the Deputy Secretary of Agriculture and representatives of the Kansas Cooperative Council; Kansas Corn Growers Association, Kansas Soybean Association, Kansas Grain Sorghum Producers Association, and Kansas Association of Wheat Growers; and Kansas Grain and Feed Association and Kansas Agribusiness Retailers Association.

The proponents stated that stakeholders from the industry pay into the Fund, which helps cover the cost of chemical, pesticide, or fumigation product cleanup that is not covered by regular insurance coverage. The current remediation reimbursement limit of \$200,000 does not cover the current costs of remediation, and the increase proposed in the bill would help cover those costs.

Written-only proponent testimony was provided by a representative of the Bureau of Environmental Remediation, Kansas Department of Health and Environment (KDHE).

No other testimony was provided.

Senate Committee on Agriculture and Natural Resources

In the Senate Committee hearing, **proponent** testimony was provided by a representative of the Kansas Grain and Feed Association and Kansas Agribusiness Retailers Association and representatives of the Kansas Cooperative Council and Kansas Department of Agriculture.

The proponents explained the Fund receives no money from the State General Fund and is financed completely by assessments on commercial grain warehouses, agricultural chemical registrants, custom fertilizer blenders, commercial fertilizer registrants, and pesticide dealers. The proponents also stated the limit increases for remediation reimbursement

and expenditures for administrative expenses would account for inflation and the increased costs of remediation projects.

Written-only proponent testimony was provided by the Acting Bureau Chief of the Bureau of Environmental Remediation, KDHE. In addition, joint written-only testimony was submitted by the Kansas Corn Growers Association, Kansas Soybean Association, Kansas Grain Sorghum Producers Association, and Kansas Association of Wheat Growers.

The Senate Committee amended the bill to:

- Increase the lower cap on the Fund from \$1,000 to \$2,000;
- Increase the higher cap on the Fund from \$200,000 to \$300,000;
- Remove language regarding reimbursement if both a buyer and seller or a lessee and lessor are jointly responsible for remediation on a property; and
- Update the names of the standing legislative committees that receive the annual report regarding the Fund.

Fiscal Information

According to the fiscal note provided by the Division of the Budget on the bill, as introduced, the Kansas Department of Agriculture and KDHE indicate enactment of the bill would have no fiscal effect on agency operations.

Agriculture; reimbursement; remediation; Kansas Agricultural Remediation Fund