

February 1, 2016

The Honorable Julia Lynn, Chairperson
Senate Committee on Commerce
Statehouse, Room 445-S
Topeka, Kansas 66612

Dear Senator Lynn:

SUBJECT: Fiscal Note for SB 365 by Senate Committee on Commerce

In accordance with KSA 75-3715a, the following fiscal note concerning SB 365 is respectfully submitted to your committee.

SB 365 would enact the Contaminated Property Redevelopment Act. The bill would provide a mechanism to allow real property with environmental contamination to be purchased without the purchaser becoming liable for cleanup costs. The bill would also establish the Contaminated Property Redevelopment Fund in the Kansas Department of Health and Environment (KDHE), to help municipalities redevelop contaminated properties and allow for certificates of environmental liability release (CLER) documents to be issued that release the purchaser from liability. The Act would be administered by KDHE.

Estimated State Fiscal Effect				
	FY 2016 SGF	FY 2016 All Funds	FY 2017 SGF	FY 2017 All Funds
Revenue	--	--	--	--
Expenditure	--	--	\$10,000	\$10,000
FTE Pos.	--	--	--	--

The passage of SB 365 would increase FY 2017 State General Fund expenditures by \$10,000 to allow KDHE to write regulations and design the program implementation to begin in FY 2018. KDHE indicates that the program would be funded by the newly created Contaminated Property Redevelopment Fund and federal Brownfields revolving loan funds. The Brownfields revolving loan funds would be used to offer low interest loans and grants to municipalities. Any fiscal effect associated with SB 365 is not reflected in *The FY 2017 Governor's Budget Report*.

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Since this is a voluntary program, it is difficult to estimate expenditures and revenues; however, KDHE estimates that 20 applications would be processed in FY 2018 at an application fee of \$2,000 for estimated revenue of \$40,000. KDHE also estimates it would receive federal Brownfields funding of approximately \$800,000, for a total revenue estimate of \$840,000 in FY 2018. Expenditures estimated for FY 2018 total \$60,000 from fee and federal funding sources.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Aaron Dunkel, Health & Environment