

MEMO TO: Senate Agriculture and Natural Resources Committee
FROM: Thomas M. Palace, Executive Director of the Petroleum Marketers and Convenience Store Association of Kansas
DATE: February 19, 2019
RE: SB 153 Support

Mr. Chairman and members of the House Taxation Committee: My name is Tom Palace and I am the Executive Director of the Petroleum Marketers and Convenience Store Association of Kansas (PMCA), a statewide trade association that represents over 230 independent petroleum marketers and convenience store retailers throughout Kansas.

PMCA supports SB 153.

PMCA represents an industry that has worked closely with KDHE, more specifically the Bureau of Environmental Remediation. We attended the stakeholder's meetings over the summer when KDHE started drafting this bill.

As we understand the bill it will:

- Allows for reportable quantities to be defined in the regulation
 - Any release of pollutants to surface waters
 - 25 or more gallons of a petroleum product contaminating the soil
 - Any release that equals or exceeds a federally reportable quantity (per the EPA)
 - Any release that threatens to contaminate or alter the waters of the state
- Explains the responsibilities of all the parties involved during a release
- Clarifies the ability for the state to recover expenses incurred during a response
- Gives direction to the Department to levy penalties for violating the statute
- Allow the secretary to impose a penalty not to exceed \$10,000

The necessity of performing a cleanup for releases does not change, but the bill will lessen onerous requirements on the industry to notify the State of small releases by providing for the establishment of reporting quantities.

We understand that the Department is in the process of developing a penalty matrix that will take into consideration intent, severity, and risk to the environment. PMCA has not seen the matrix.

When you have regulation's, penalties are always included. While PMCA has no problem with the intent of the bill, we do question the amount of the fine \$10,000 per violation. We would recommend the fine be reduced to \$5,000 or less.

KDHE provides a valuable service to the state keeping track of environmental concerns and potential problems. KDHE has never had a heavy hand with regard to fines...they would rather fix the problem rather than fine someone. We expect that practice to continue but at the same time support a fine of not more than \$5,000.

We also want to make sure that the intent of this legislation is directed at the person that caused the spill. In many instances the fine follows the license and unless the owner of a convenience store caused the spill, the penalty should not be the responsibility of the owner or lessee.

Thank You