

1515 E. 30th Avenue
Hutchinson, KS 67502
www.kansasco-op.coop



Phone: 785-233-4085
Toll Free: 888-603-2667

Date: January 19, 2021

To: Senator Dan Kerschen, Chairman, Senate Agriculture & Natural Resources Committee

From: Shahira Stafford, Kansas Cooperative Council

RE: Proponent Testimony on Senate Bill 27

Mr. Chairman and Members of the Committee,

Good morning, my name is Shahira Stafford and I'm here representing the Kansas Cooperative Council (KCC). Thank you for allowing us to share our support of Senate Bill 27.

The KCC is a statewide trade association that represents all cooperatively structured businesses in Kansas. While the majority of our members are agricultural retail coops, our mission is to ultimately educate and protect the interests of utility, financial, and consumer cooperatives as well. Simply, cooperatives are not-for-profit entities that differ from other businesses, because they are member-owned, member-controlled, democratically governed, and profits are directly returned to the members.

Agricultural cooperatives often have grain, agronomy, precision ag, seed, feed, and fuel operations. Some of our members have underground storage tanks (USTs) at their facilities that need to be upgraded from single-wall to double-wall systems, as mandated by the Federal Energy Act of 2005. However, the estimated cost to upgrade tanks at one site is between \$300,000 to \$400,000. This is a tremendous financial impact on our members, especially those with multiple facilities.

SB 27 would allow reimbursement of \$100,000 to eligible tank owners that want to replace their old tanks with newer and safer secondary containment. The average age of USTs in Kansas is over 25 years, which is higher than the national average. SB 27 is needed to serve as an incentive for upgrades that many tank owners have seen as cost prohibitive in the past.

This bill also extends the sunset of the abandoned tank redevelopment fund through year 2032. This program ensures the removal of abandoned tanks, which leads to quicker identification of potential contamination and decreases blighted facilities across the state.

It is our understanding that Kansas has one of the best-run UST programs in the country, and the KCC supports its continuation and improvement through the provisions set forth in SB 27. Thank you for the opportunity to comment today, and I'll be available for questions at the appropriate time.