

February 10, 2025

The Honorable Virgil Peck, Chairperson
Senate Committee on Agriculture and Natural Resources
300 SW 10th Avenue, Room 144-S
Topeka, Kansas 66612

Dear Senator Peck:

SUBJECT: Fiscal Note for SB 184 by Senate Committee on Agriculture and Natural Resources

In accordance with KSA 75-3715a, the following fiscal note concerning SB 184 is respectfully submitted to your committee.

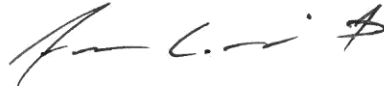
SB 184 would amend the Kansas Drycleaner Environmental Response Act to modify certain fees and the penalties for violation of the Act.

According to the Kansas Department of Health and Environment (KDHE) and the Kansas Department of Revenue, enactment of SB 184 would increase annual revenue to the Drycleaning Facility Release Trust Fund by \$613,000 to \$710,000 beginning in FY 2026. The bill would increase the environmental surcharge in the form of a gross receipts tax for the privilege of engaging in the business of laundering and drycleaning garments and other household fabrics from 2.5 percent to 5.0 percent. The deductible for corrective actions would also increase from \$5,000 to \$10,000. Revenues would be deposited to the Drycleaning Facility Release Trust Fund and there would be no impact the State General Fund.

KDHE states enactment of the bill would result in an overall net zero fiscal effect for the agency. The agency reports that program expenditures are based on actual revenues and are used to address the numerous backlog sites needing assessment, remediation and monitoring. KDHE states that revenue would be used for site-related costs for addressing environmental contamination, compliance inspections, registering operating facilities and normal program administration.

The Kansas Department of Revenue anticipates increased expenditures related to implementation of the bill would total \$11,258, including administrative costs of \$3,258 and management report expenses of \$8,000 (for 160 hours). Any fiscal effect associated with SB 184 is not reflected in *The FY 2026 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt" with a stylized flourish at the end.

Adam C. Proffitt
Director of the Budget

cc: Amy Penrod, Department of Health & Environment
Lynn Robinson, Department of Revenue