

Underground Storage Tank Fund, Use of Moneys Bill Senate File 2414

Last Action:

Final Action

April 9, 2024

An Act relating to underground storage tanks, including repealing the Iowa Comprehensive Petroleum Underground Storage Tank Fund and eliminating the Iowa Comprehensive Petroleum Underground Storage Tank Fund Board, making appropriations, and including effective date and transition provisions.

**Fiscal Services Division
Legislative Services Agency**

NOTES ON BILLS AND AMENDMENTS (NOBA)

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EXECUTIVE SUMMARY

SENATE FILE 2414

UNDERGROUND STORAGE TANK FUND, USE OF MONEYS BILL

NEW PROGRAMS, SERVICES, OR ACTIVITIES

Requires the Department of Natural Resources (DNR) to establish and administer a Storage Tank Management Account Financing Program to reimburse eligible claimants for corrective action for petroleum releases previously eligible for payment from the Iowa Comprehensive Petroleum Underground Storage Tank (UST) Fund and provides guidelines for the Program.

Page 3, Line 13

FUNDING FOR PROJECTS AND PROGRAMS

Transfers moneys from the Iowa Comprehensive UST Fund to the Storage Tank Management Account of the Groundwater Protection Fund (GWPF). Moneys transferred are to be used for the following purposes:

Page 10, Line 9

- To reimburse tank owners or operators for all or part of the costs of a corrective action for a petroleum release.
- For the annual appropriation of \$250,000 to the Iowa Department of Agriculture and Land Stewardship (IDALS) for fuel quality inspections at pipeline terminals and renewable fuel production facilities.
- For the permanent closure of an underground storage tank system, for additional assessment and corrective action arising out of releases at sites for which a certificate for no further action has been issued, and for tank operator training. Requires at least \$3.0 million of the moneys expended from the Account to be used for these purposes, but no more than \$50,000 of the \$3.0 million can be utilized for tank operator training per year.

Allows any moneys remaining in the Account to be appropriated to the DNR for the administration of a State Storage Tank Program.

Page 10, Line 33

SIGNIFICANT CODE CHANGES

Repeals the definitions of "board" and "fund" in Iowa Code section [455B.471](#).

Page 2, Line 3

Adds definitions to Iowa Code section 455B.471.

Page 2, Line 5

Provides guidelines for cost recovery related to corrective actions where moneys from either the Storage Tank Management Account or the Iowa Comprehensive Petroleum UST Fund were expended.

Page 4, Line 25

Allows the Natural Resource Commission (NRC) to adopt administrative rules for the administration of the Storage Tank Management Account.

Page 7, Line 19

EXECUTIVE SUMMARY

SENATE FILE 2414

UNDERGROUND STORAGE TANK FUND, USE OF MONEYS BILL

Updates references in the Iowa Code to conform with this Bill.	Page 8, Line 3
Requires the NRC to adopt administrative rules for DNR practices and procedures for implementing and administering the Storage Tank Management Account Financing Program.	Page 8, Line 35
Requires federal funds received by the State or the DNR to be deposited into the Storage Tank Management Account of the GWPF.	Page 9, Line 13
Repeals Iowa Code sections related to the Iowa Comprehensive UST Fund and Board.	Page 11, Line 8
Division II makes conforming changes to the Iowa Code.	Page 11, Line 12
Division III transfers the remaining moneys in the Iowa Comprehensive Petroleum UST Fund to the Storage Tank Management Account of the GWPF.	Page 13, Line 14
Allows the DNR to begin implementation of this Bill prior to the effective dates of Divisions I and II.	Page 14, Line 13
Requires all property tax credits provided under Iowa Code chapter 427B that exist upon the repeal of Iowa Code sections 427B.20 , 427B.21 , and 427B.22 to continue until their expiration.	Page 14, Line 21

EFFECTIVE DATE

Division III of the Bill is effective upon enactment.	Page 14, Line 24
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Senate File 2414 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section
2	3	1	Strike	455B.471.1,3
2	5	2	Add	455B.471.1A,1B,1C,2A,3A,7A,7B,10A
3	13	3	New	455B.472A
4	25	4	New	455B.472B
7	19	5	New	455B.472C
8	3	6	Amend	455B.474.1.a.(6).(g).(i).(j)
8	28	7	Amend	455B.474.9.d
8	35	8	Add	455B.474.11
9	13	9	Amend	455B.477.7
9	34	10	Amend	455E.11.2.d
10	9	11	Add	455E.11.2.d.(1A)
10	33	12	Amend	455E.11.2.d.(2)
11	8	13	Repeal	455G.1; 455G.2; 455G.2A; 455G.3; 455G.4; 455G.5; 455G.6; 455G.7; 455G.8; 455G.9; 455G.12; 455G.12A; 455G.13; 455G.14; 455G.15; 455G.16; 455G.20; 455G.21
11	14	14	Amend	68B.35.2.e
12	1	15	Amend	323.1.16
12	8	16	Strike	422.7.2
12	10	17	Amend	455B.174.4.d
13	2	18	Strike	455E.11.2.d.(3)
13	5	19	Amend	455I.2.5.a
13	12	20	Repeal	427B.20; 427B.21; 427B.22

2 1 DIVISION I
2 2 STORAGE TANK MANAGEMENT ACCOUNT

2 3 Section 1. Section 455B.471, subsections 1 and 3, Code 2024,
2 4 are amended by striking the subsections.

CODE: Repeals the definitions of "board" and "fund" in Iowa Code section [455B.471](#).

2 5 Sec. 2. Section 455B.471, Code 2024, is amended by adding
2 6 the following new subsections:
2 7 NEW SUBSECTION 1A. "Account" means the storage tank
2 8 management account created in the groundwater protection fund
2 9 created in section 455E.11.
2 10 NEW SUBSECTION 1B. "Claimant" means an owner or operator
2 11 who has filed a claim for assistance under the account, and
2 12 that claim has been approved by the department, or the Iowa
2 13 comprehensive petroleum underground storage tank fund created
2 14 in section 455G.3, Code 2024.
2 15 NEW SUBSECTION 1C. "Community remediation" means a
2 16 curriculum of coordinated testing, planning, or remediation
2 17 involving two or more tank sites potentially connected with a
2 18 continuous contaminated area, pursuant to rules adopted by the
2 19 commission under section 455B.474. A community remediation
2 20 does not expand the scope of coverage otherwise available or
2 21 relieve liability otherwise imposed under state or federal law.
2 22 NEW SUBSECTION 2A. "Costs" means all costs, charges,
2 23 expenses, or other indebtedness incurred by a claimant that
2 24 are determined by the department to be reasonable for carrying
2 25 out all works and undertakings necessary or incidental to the
2 26 accomplishment of any project. "Costs" includes reasonable
2 27 attorney fees and costs of litigation for which moneys are
2 28 expended from the account in connection with a release.
2 29 NEW SUBSECTION 3A. "Insurance" means any form of financial
2 30 assistance or showing of financial responsibility sufficient
2 31 to comply with the federal Resource Conservation and Recovery
2 32 Act, 42 U.S.C. §6901 et seq., or the department's underground
2 33 storage tank financial responsibility rules.
2 34 NEW SUBSECTION 7A. "Potentially responsible party" means a
2 35 person who may be responsible or liable for a release for which
3 1 payments from the account were made for corrective action or
3 2 third-party liability.

CODE: Adds definitions for "account," "claimant," "community remediation," "costs," "insurance," "potentially responsible party," "program," and "third-party liability."

3 3 NEW SUBSECTION 7B. "Program" means the storage tank
 3 4 management account financing program created pursuant to
 3 5 section 455B.472A.

3 6 NEW SUBSECTION 10A. "Third-party liability" means any of
 3 7 the following:

3 8 a. Property damage including physical injury to tangible
 3 9 property, but not including loss of use. Property damage does
 3 10 not include costs to remediate.

3 11 b. Bodily injury including sickness, physical injury, or
 3 12 death.

3 13 Sec. 3.NEW SECTION 455B.472A STORAGE TANK MANAGEMENT
 3 14 ACCOUNT FINANCING PROGRAM.

3 15 1. The department shall establish and administer a storage
 3 16 tank management account financing program for the purpose of
 3 17 reimbursing eligible claimants for all or part of the costs of
 3 18 corrective action for petroleum releases previously eligible
 3 19 for payment from the Iowa comprehensive petroleum underground
 3 20 storage tank fund pursuant to chapter 455G, Code 2024.

3 21 2. The department may enter into any agreements and provide
 3 22 any documents, instruments, certificates, data, or information
 3 23 necessary in connection with the operation, administration,
 3 24 and financing of the program consistent with this part 8 of
 3 25 subchapter IV, the federal Resource Conservation and Recovery
 3 26 Act, 42 U.S.C. §6901 et seq., the rules of the commission, and
 3 27 other applicable federal and state law.

3 28 3. The department may act to conform the program to the
 3 29 applicable guidance and regulations adopted by the United
 3 30 States environmental protection agency.

3 31 4. The department shall administer the moneys in the account
 3 32 transferred pursuant to this Act to carry out the purposes
 3 33 of the program and shall manage the revenue, administration,
 3 34 restrictions, and disposition of the moneys in the account
 3 35 transferred pursuant to this Act.

4 1 5. Moneys in the account transferred pursuant to this Act
 4 2 are appropriated to the department for the purposes set forth
 4 3 in section 455E.11, subsection 2, paragraph "d", subparagraph
 4 4 (1A).

CODE: Requires the Department of Natural Resources (DNR) to establish and administer a Storage Tank Management Account Financing Program to reimburse eligible claimants for all or part of the costs of corrective action for petroleum releases previously eligible for payment from the Iowa Comprehensive UST Fund.

CODE: Allows the DNR to enter into any agreements and provide any documents, instruments, certificates, data, or information necessary in connection with the operation administration and financing of the Program.

CODE: Allows the DNR to conform the Program to the applicable guidance and regulations adopted by the United States Environmental Protection Agency (EPA).

CODE: Requires the DNR to administer the moneys in the Account transferred by this Bill to carry out the purpose of the Program and manage the revenue, administration, restrictions, and disposition of the moneys in the Account.

CODE: Moneys in the Account transferred by this Bill are appropriated to the DNR for the following purposes:

- To reimburse tank owners or operators for all or part of the costs of a corrective action for a petroleum release.
- For the annual appropriation of \$250,000 to the Iowa Department of Agriculture and Land Stewardship (IDALS) for fuel quality inspections at pipeline terminals and renewable fuel production facilities.
- For the permanent closure of an underground storage tank system, for additional assessment and corrective action arising out of releases at sites for which a certificate for no further action has been issued, and for tank operator training. Requires at least \$3.0 million of the moneys expended from the Account to be used for these purposes, but no more than \$50,000 of the \$3.0 million can be utilized for tank operator training per year.

4 5 6. Payments for reimbursement or other costs relating to any
 4 6 claim or cause of action in connection with a tank not owned or
 4 7 operated by the state or an agency of the state shall be made
 4 8 solely from the moneys in the account transferred pursuant to
 4 9 this Act and no liability is otherwise imposed upon the state.
 4 10 Moneys from the account transferred pursuant to this Act are
 4 11 limited to the extent of coverage provided by the provisions
 4 12 set forth in section 455E.11, subsection 2, paragraph “d”,
 4 13 subparagraph (1A). A court, an administrative law judge, the
 4 14 department, or the commission shall not order or approve a
 4 15 remedy that would require the account to exceed the account’s
 4 16 then current funding limitations to satisfy an award or that
 4 17 would restrict the availability of moneys for higher priority
 4 18 purposes described in section 455E.11, subsection 2, paragraph
 4 19 “d”, subparagraph (1A), subparagraph division (c). The state
 4 20 is not otherwise liable for a claim related to the account
 4 21 and moneys from the general fund shall not be used to pay for
 4 22 reimbursement or other costs relating to any claim or cause of
 4 23 action in connection with a tank not owned or operated by the
 4 24 state or an agency of the state.

4 25 Sec. 4.NEW SECTION 455B.472B COST RECOVERY ENFORCEMENT.
 4 26 1. FULL RECOVERY SOUGHT BY DEPARTMENT. The department
 4 27 may seek full recovery from an owner, operator, or other
 4 28 potentially responsible party liable for a release that is
 4 29 the subject of a corrective action for which moneys from
 4 30 the account are expended, or for which moneys from the Iowa
 4 31 comprehensive petroleum underground storage tank fund created

CODE: Requires payments for reimbursement or other costs to any claim or cause of action in connection with a tank not owned or operated by the State or an agency of the State be made solely from the moneys in the Account transferred by this Bill and no other liability is imposed on the State. A court, administrative law judge, the DNR, or the NRC cannot order or approve a remedy that would require the Account to exceed its current funding limitations to satisfy an award or that would restrict the availability of moneys for higher priority purposes. Moneys from the General Fund cannot be used to pay for reimbursement or other costs relating to any claim or cause of action in connection with a tank not owned or operated by the State or a State agency.

CODE: Allows the DNR to seek full recovery from an owner, operator, or other potentially responsible party liable for a release that is the subject of a corrective action for which moneys from the Account are expended, or for which moneys from the Iowa Comprehensive Petroleum Underground Storage Tank (UST) Fund were expended,

4 32 in section 455G.3, Code 2024, were expended, including for
4 33 third-party liability and for all other costs. If federal
4 34 cleanup moneys are recovered, the federal cleanup moneys shall
4 35 be used solely for the purpose of future cleanup activities.

including for third-party liability, and for all other costs. Requires federal cleanup moneys recovered to be used solely for future cleanup activities.

5 1 2. LIMITATION OF LIABILITY OF OWNER OR OPERATOR. Except
5 2 as provided in subsection 3, the department shall not seek
5 3 recovery for expenses in connection with corrective action for
5 4 a release from an owner or operator eligible for assistance
5 5 under the program, except for any unpaid portion of the
5 6 deductible or copayment. This subsection does not affect any
5 7 authorization of the department to impose or collect civil or
5 8 administrative fines, penalties, or fees. Moneys from the
5 9 account shall not be used to pay for any third-party liability.

CODE: Prohibits the DNR from seeking recovery for expenses in connection with corrective action for a release from an owner or operator eligible for assistance under the Program but does not affect the Department's authorization to impose or collect civil or administrative fines, penalties, or fees. Prohibits the use of moneys in the account to pay for third-party liabilities.

5 10 3. OWNER OR OPERATOR NOT IN COMPLIANCE. Notwithstanding
5 11 subsection 2, the liability of an owner or operator shall be
5 12 the full and total costs of corrective action and bodily injury
5 13 or property damage to third parties, as specified in subsection
5 14 1, if the owner or operator has not complied with the financial
5 15 responsibility or other underground storage tank rules of
5 16 the department or with this part 8 of subchapter IV or rules
5 17 adopted under this part.

CODE: Provides an owner or operator is liable for the full and total costs of corrective action and bodily injury or property damage to third parties if the owner or operator has not complied with the financial responsibility or other underground storage tank administrative rules of the DNR.

5 18 4. LIEN ON TANK SITE. Any amount for which an owner or
5 19 operator is required to pay to the account by statute, rule,
5 20 contract, or determination of liability by the department after
5 21 hearing, if not paid when due, shall constitute a lien upon the
5 22 real property where the tank that was the subject of corrective
5 23 action is located, and the payment shall be collected in the
5 24 same manner as the environmental protection charge pursuant to
5 25 section 424.11, Code 2016.

CODE: Requires a lien to be placed upon the real property where a tank that was subject to corrective action is located, if an owner or operators owed payment is not paid when due. Requires payment to be collected in the same manner as the Environmental Protection charge pursuant to Iowa Code section [424.11](#), Code 2016.

5 26 5. JOINDER OF PARTIES. The department has standing in
5 27 any case or contested action related to the account or a tank
5 28 to assert any claim that the department may have regarding
5 29 the tank at issue in the case or contested action. Upon
5 30 motion and sufficient showing by a party to a cost recovery or
5 31 subrogation action provided for under this section, the court
5 32 or the administrative law judge shall join to the action any
5 33 potentially responsible party who may be liable for costs and
5 34 expenditures of the type recoverable pursuant to this section.

CODE: Grants the DNR standing in cases or contested action related to the Account or a tank to assert any claim that the DNR may have regarding the tank at issue in the case or contested action. Requires a court or an administrative law judge to join to the action any potentially responsible party who may be liable for costs and expenditures.

5 35 6. THIRD-PARTY CONTRACTS. An insurance, indemnification,
 6 1 hold-harmless, conveyance, or similar risk-sharing or
 6 2 risk-shifting agreement shall not be effective to transfer
 6 3 any liability for costs recoverable under this section. The
 6 4 department may proceed directly against the owner, operator,
 6 5 or other potentially responsible party. This subsection does
 6 6 not bar any agreement to insure, hold harmless, or indemnify
 6 7 a party to the agreement for any costs or expenditures under
 6 8 this part 8 of subchapter IV, and does not modify rights
 6 9 between the parties to an agreement, except to the extent the
 6 10 agreement shifts liability to an owner or operator eligible
 6 11 for assistance under the program for any damages or other
 6 12 costs in connection with a corrective action for which another
 6 13 potentially responsible party is or may be liable. Any such
 6 14 provision is void and of no further force and effect.

CODE: Allows the DNR to proceed directly against an owner, operator, or other potentially responsible party regardless of any insurance, indemnification, hold-harmless, conveyance, or similar risk-sharing or risk-shifting agreement.

6 15 7. LATER PROCEEDINGS PERMITTED AGAINST OTHER PARTIES. The
 6 16 entry of judgment against a party to the action does not bar
 6 17 a future action by the department against another person who
 6 18 is later alleged to be or discovered to be liable for costs
 6 19 and expenditures paid from the account. Notwithstanding
 6 20 section 668.5, a potentially responsible party shall not seek
 6 21 contribution or any other recovery from an owner or operator
 6 22 eligible for assistance under the program for damages or other
 6 23 costs in connection with corrective action for a release for
 6 24 which the potentially responsible party is or may be liable.
 6 25 Subsequent successful proceedings against another party shall
 6 26 not modify or reduce the liability of a party against whom
 6 27 judgment has been previously entered.

CODE: Permits future action by the DNR against another person who is later alleged or discovered to be liable for costs and expenditures paid from the account.

6 28 8. CLAIMS AGAINST POTENTIALLY RESPONSIBLE PARTIES.
 6 29 a. Upon payment from the account for corrective action or
 6 30 third-party liability pursuant to this part 8 of subchapter
 6 31 IV, the rights of the claimant to recover payment from any
 6 32 potentially responsible party are assumed by the department to
 6 33 the extent paid from the account. A claimant shall not receive
 6 34 double compensation for the same injury.
 6 35 b. In an action brought pursuant to this part 8 of
 7 1 subchapter IV seeking damages for corrective action or
 7 2 third-party liability, the court shall allow evidence and
 7 3 argument as to the replacement or indemnification of actual

CODE: Requires a court to allow evidence and argument to the replacement or indemnification of actual economic losses incurred or to be incurred in the future by the claimant by reason of insurance benefits, governmental benefits or programs, or other sources. Allows a claimant to elect to authorize the DNR to pursue the claimant's cause of action for any injury not compensated from the Fund against any potentially responsible party provided the Attorney General determines there would not be a conflict of interest.

7 4 economic losses incurred or to be incurred in the future by the
7 5 claimant by reason of insurance benefits, governmental benefits
7 6 or programs, or other sources.

7 7 c. A claimant may elect to authorize the department
7 8 to pursue the claimant's cause of action for any injury
7 9 not compensated from the fund against any potentially
7 10 responsible party, provided the attorney general determines
7 11 such representation would not be a conflict of interest. If
7 12 a claimant so elects, the department's litigation expenses
7 13 shall be shared on a pro rata basis with the claimant, but the
7 14 claimant's share of litigation expenses is payable exclusively
7 15 from any share of the settlement or judgment payable to the
7 16 claimant.

7 17 9. EXCLUSION OF PUNITIVE DAMAGES. Moneys from the account
7 18 shall not be used to pay punitive damages.

CODE: Prohibits moneys in the Account from being used to pay punitive damages.

7 19 Sec. 5. NEW SECTION 455B.472C DISCRETIONARY RULEMAKING.

7 20 1. The commission may adopt rules pursuant to chapter 17A
7 21 conditioning receipt of moneys from the account transferred
7 22 pursuant to this Act to those petroleum-contaminated properties
7 23 that present a higher degree of risk to the public health and
7 24 safety or the environment and providing for denial of moneys
7 25 from the account transferred pursuant to this Act to a person
7 26 who did not make a good-faith attempt to comply with this part
7 27 8 of subchapter IV. This subsection does not confer a legal
7 28 right to an owner of a petroleum-contaminated property, or an
7 29 owner or operator of an underground storage tank located on the
7 30 property, for receipt of moneys under this part 8 of subchapter
7 31 IV.

CODE: Allows the Natural Resource Commission (NRC) to adopt administrative rules for the administration of the Storage Tank Management Account.

7 32 2. The commission may adopt rules pursuant to chapter
7 33 17A providing for the transfer of all or a portion of the
7 34 liabilities relating to the account. Notwithstanding any other
7 35 provision to the contrary, the department, upon such transfer,
8 1 shall not maintain any duty to reimburse claimants for those
8 2 liabilities transferred.

CODE: Allows the NRC to adopt administrative rules for the transfer of all or portion of the liabilities related to the Account. The DNR must not maintain any duty to reimburse claimants of any transferred liabilities.

8 3 Sec. 6. Section 455B.474, subsection 1, paragraph a,
8 4 subparagraph (6), subparagraph divisions (g), (i), and (j),
8 5 Code 2024, are amended to read as follows:

CODE: Updates references in the Iowa Code to conform with this Bill.

8 6 (g) An owner or operator may elect to proceed with
 8 7 additional corrective action on the site. However, any
 8 8 action taken in addition to that required pursuant to this
 8 9 subparagraph (6); shall be solely at the expense of the owner
 8 10 or operator and shall not be considered corrective action
 8 11 for purposes of section ~~455G.9~~ 455B.472A, unless otherwise
 8 12 previously agreed to by the ~~board~~ department and the owner or
 8 13 operator pursuant to section ~~455G.9, subsection 7~~ 455B.472A.

8 14 Corrective action taken by an owner or operator due to the
 8 15 department's failure to meet the time requirements provided in
 8 16 subparagraph division (e) shall be considered corrective action
 8 17 for purposes of section ~~455G.9~~ 455B.472A.

8 18 (i) Replacement or upgrade of a tank on a site classified
 8 19 as a high or low risk site shall be equipped with a secondary
 8 20 containment system with monitoring of the space between the
 8 21 primary and secondary containment structures or other ~~board~~
 8 22 approved tank system or methodology approved by the department.

8 23 (j) The commission and the ~~board~~ department shall cooperate
 8 24 to ensure that remedial measures required by the corrective
 8 25 action rules adopted pursuant to this subparagraph (6) are
 8 26 reasonably cost-effective and shall, to the fullest extent
 8 27 possible, avoid duplicating and conflicting requirements.

8 28 Sec. 7. Section 455B.474, subsection 9, paragraph d, Code
 8 29 2024, is amended to read as follows:

8 30 d. The certification of groundwater professionals shall
 8 31 not impose liability on ~~the board~~; the department; or the
 8 32 ~~fund~~ account for any claim or cause of action of any nature,
 8 33 based on the action or inaction of a groundwater professional
 8 34 certified pursuant to this subsection.

CODE: Updates references in the Iowa Code to conform with this Bill.

8 35 Sec. 8. Section 455B.474, Code 2024, is amended by adding
 9 1 the following new subsection:
 9 2 NEW SUBSECTION 11. Department practices and procedures
 9 3 for implementing and administering the storage tank management
 9 4 account financing program. The rules shall include but
 9 5 are not limited to requirements for program eligibility,
 9 6 investigating and settling claims made against the account,
 9 7 appeal procedures, community remediation, prioritization of
 9 8 account moneys, funding for tank operator training, additional
 9 9 assessment and corrective action arising out of releases at
 9 10 sites for which a certificate of no further action has been

CODE: Requires the NRC to adopt administrative rules for DNR practices and procedures for implementing and administering the Storage Tank Management Account Financing Program.

9 11 issued, and reimbursement for the permanent closure of an
9 12 underground storage tank system.

9 13 Sec. 9. Section 455B.477, subsection 7, Code 2024, is
9 14 amended to read as follows:

9 15 ~~7. The civil penalties or other damages or moneys recovered~~
9 16 ~~by the state or the petroleum underground storage tank fund in~~
9 17 ~~connection with a petroleum underground storage tank under this~~
9 18 ~~part 8 of subchapter IV or chapter 455G shall be credited to~~
9 19 ~~the fund created in section 455G.3 and allocated between fund~~
9 20 ~~accounts according to the fund budget. Any federal moneys,~~
9 21 ~~including but not limited to federal underground storage tank~~
9 22 ~~trust fund moneys, received by the state or the department of~~
9 23 ~~natural resources in connection with a release occurring on~~
9 24 ~~or after May 5, 1989, or received generally for underground~~
9 25 ~~storage tank programs on or after May 5, 1989, shall be~~
9 26 ~~credited to the fund account created in section 455G.3 and~~
9 27 ~~allocated between fund accounts according to the fund budget~~
9 28 455E.11, subsection 2, paragraph “d”, unless such use would
9 29 ~~be contrary to federal law. The department shall cooperate~~
9 30 ~~with the board of the Iowa comprehensive petroleum underground~~
9 31 ~~storage tank fund to maximize the state’s eligibility for and~~
9 32 ~~receipt of federal funds for underground storage tank related~~
9 33 ~~purposes.~~

CODE: Requires any federal funds received by the State or the DNR in connection with a release occurring on or after May 5, 1985, or received generally for underground storage tank programs on or after May 5, 1989, to be deposited into the Storage Tank Management Account of the Groundwater Protection Fund (GWPF).

9 34 Sec. 10. Section 455E.11, subsection 2, paragraph d,
9 35 unnumbered paragraph 1, Code 2024, is amended to read as
10 1 follows:

10 2 A storage tank management account. The account shall
10 3 consist of moneys appropriated to, transferred to, or deposited
10 4 in the account, including fees collected pursuant to section
10 5 455B.473, subsection 5, section 455B.477, subsection 7, and
10 6 section 455B.479, shall be deposited in the storage tank
10 7 management account. Moneys deposited in the account shall be
10 8 expended for all of the following purposes:

CODE: Updates references in the Iowa Code to conform with this Bill.

10 9 Sec. 11. Section 455E.11, subsection 2, paragraph d, Code
10 10 2024, is amended by adding the following new subparagraph:
10 11 NEW SUBPARAGRAPH (1A) Moneys transferred under this Act to
10 12 the account are appropriated for the following purposes until
10 13 such moneys are fully expended:
10 14 (a) For reimbursement to tank owners or operators for all

CODE: Transfers moneys from the Iowa Comprehensive UST Fund to the Storage Tank Management Account of the GWPF. Moneys transferred are to be used for the following purposes:

- To reimburse tank owners or operators for all or part of the costs of a corrective action for a petroleum release.

10 15 or part of the costs of a corrective action for a petroleum
 10 16 release.
 10 17 (b) For the annual appropriation to the department
 10 18 of agriculture and land stewardship in the amount of two
 10 19 hundred fifty thousand dollars for the purpose of inspecting
 10 20 fuel quality at pipeline terminals and renewable fuel
 10 21 production facilities, including associated salaries, support,
 10 22 maintenance, and miscellaneous purposes.
 10 23 (c) For permanent closure of an underground storage tank
 10 24 system under a remedial program pursuant to chapter 455B,
 10 25 subchapter IV, part 8, for additional assessment and corrective
 10 26 action arising out of releases at sites for which a certificate
 10 27 of no further action has been issued, and for tank operator
 10 28 training. At least three million dollars of the total moneys
 10 29 expended pursuant to this subparagraph shall be expended for
 10 30 the purposes described in this subparagraph division, but not
 10 31 more than fifty thousand dollars shall be utilized for operator
 10 32 training each fiscal year.

- For the annual appropriation of \$250,000 to the Iowa Department of Agriculture and Land Stewardship (IDALS) for fuel quality inspections at pipeline terminals and renewable fuel production facilities.
- For the permanent closure of an underground storage tank system, for additional assessment and corrective action arising out of releases at sites for which a certificate for no further action has been issued, and for tank operator training. Requires at least \$3.0 million of the moneys expended from the Account to be used for these purposes, but no more than \$50,000 of the \$3.0 million can be utilized for tank operator training per year.

10 33 Sec. 12. Section 455E.11, subsection 2, paragraph d,
 10 34 subparagraph (2), Code 2024, is amended to read as follows:
 10 35 (2) The moneys remaining in the account after the
 11 1 ~~appropriation appropriations~~ in ~~subparagraph subparagraphs~~ (1)
 11 2 ~~and (1A)~~ are appropriated from the storage tank management
 11 3 ~~account~~ to the department of natural resources for the
 11 4 administration of a state storage tank program pursuant to
 11 5 chapter 455B, subchapter IV, part 8, and for programs ~~which~~
 11 6 ~~that~~ reduce the potential for harm to the environment and the
 11 7 public health from storage tanks.

CODE: Allows any moneys remaining in the Account to be appropriated to the DNR for the administration of a State Storage Tank Program.

11 8 Sec. 13. REPEAL. Sections 455G.1, 455G.2, 455G.2A, 455G.3,
 11 9 455G.4, 455G.5, 455G.6, 455G.7, 455G.8, 455G.9, 455G.12,
 11 10 455G.12A, 455G.13, 455G.14, 455G.15, 455G.16, 455G.20, and
 11 11 455G.21, Code 2024, are repealed.

CODE: Repeals Iowa Code sections related to the Iowa Comprehensive UST Fund and Board.

11 12 DIVISION II
 11 13 CONFORMING CHANGES

11 14 Sec. 14. Section 68B.35, subsection 2, paragraph e, Code
 11 15 2024, is amended to read as follows:
 11 16 e. Members of the state banking council, the Iowa ethics and
 11 17 campaign disclosure board, the credit union review board, the

CODE: Makes conforming changes to the Iowa Code.

11 18 economic development authority, the employment appeal board,
11 19 the environmental protection commission, the health facilities
11 20 council, the Iowa finance authority, the Iowa public employees'
11 21 retirement system investment board, the Iowa lottery board
11 22 created in section 99G.8, the natural resource commission,
11 23 the board of parole, ~~the petroleum underground storage tank~~
11 24 ~~fund board~~, the public employment relations board, the state
11 25 racing and gaming commission, the state board of regents, the
11 26 transportation commission, the office of consumer advocate, the
11 27 utilities board, the Iowa telecommunications and technology
11 28 commission, and any full-time members of other boards and
11 29 commissions as defined under section 7E.4 who receive an annual
11 30 salary for their service on the board or commission. The Iowa
11 31 ethics and campaign disclosure board shall conduct an annual
11 32 review to determine if members of any other board, commission,
11 33 or authority should file a statement and shall require the
11 34 filing of a statement pursuant to rules adopted pursuant to
11 35 chapter 17A.

12 1 Sec. 15. Section 323.1, subsection 16, Code 2024, is amended
12 2 to read as follows:

12 3 16. "Storage tank" means a motor fuel storage tank as
12 4 defined in section 214.1, including an underground storage
12 5 tank subject to regulation under chapter ~~455G~~ 455B, subchapter
12 6 IV, part 8, section 455E.11, subsection 2, paragraph "d",
12 7 subparagraph (1A), or section 455G.31.

12 8 Sec. 16. Section 422.7, subsection 2, paragraph u, Code
12 9 2024, is amended by striking the paragraph.

12 10 Sec. 17. Section 455B.174, subsection 4, paragraph d, Code
12 11 2024, is amended to read as follows:

12 12 d. If a public water supply has a groundwater source
12 13 that contains petroleum, a fraction of crude oil, or their
12 14 degradation products, or is located in an area deemed by the
12 15 department as likely to be contaminated by such materials, and
12 16 after consultation with the public water supply system and
12 17 consideration of all applicable rules relating to remediation,
12 18 the department may require the public water supply system to
12 19 replace that groundwater source in order to receive a permit
12 20 to operate. The requirement to replace the source shall only
12 21 be made by the department if the public water supply system

CODE: Makes conforming changes to the Iowa Code.

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12 22 is fully compensated for any additional design, construction,
 12 23 operation, and monitoring costs from the Iowa comprehensive
 12 24 petroleum underground storage tank fund created by chapter
 12 25 ~~455G~~ or from any other funds that do not impose a financial
 12 26 obligation on the part of the public water supply system.
 12 27 Funds available to or provided by the public water supply
 12 28 system may be used for system improvements made in conjunction
 12 29 with replacement of the source. The department cannot require
 12 30 a public water supply system to replace its water source with a
 12 31 less reliable water source or with a source that does not meet
 12 32 federal primary, secondary, or other health-based standards
 12 33 unless treatment is provided to ensure that the drinking water
 12 34 meets these standards. Nothing in this paragraph shall affect
 12 35 the public water supply system's right to pursue recovery from
 13 1 a responsible party.

13 2 Sec. 18. Section 455E.11, subsection 2, paragraph d,
 13 3 subparagraph (3), Code 2024, is amended by striking the
 13 4 subparagraph.

CODE: Makes conforming changes to the Iowa Code.

13 5 Sec. 19. Section 455I.2, subsection 5, paragraph a, Code
 13 6 2024, is amended to read as follows:
 13 7 a. A federal or state program that is subject to the
 13 8 jurisdiction of an agency, including but not limited to
 13 9 programs established by chapters 455B and ~~455G~~ 455E, corrective
 13 10 or response actions pursuant to 42 U.S.C. §6901 et seq., and
 13 11 remedial actions under 42 U.S.C. §9601 et seq.

CODE: Makes conforming changes to the Iowa Code.

13 12 Sec. 20. REPEAL. Sections 427B.20, 427B.21, and 427B.22,
 13 13 Code 2024, are repealed.

CODE: Makes conforming changes to the Iowa Code.

13 14
 13 15 DIVISION III
 13 15 TRANSITION PROVISIONS
 13 16 Sec. 21. TRANSITION PROVISIONS.

13 17 1. Upon repeal of sections 455G.1, 455G.2, 455G.2A, 455G.3,
 13 18 455G.4, 455G.5, 455G.6 455G.7, 455G.8, 455G.9, 455G.12,
 13 19 455G.12A, 455G.13, 455G.14, 455G.15, 455G.16, 455G.20,
 13 20 and 455G.21, pursuant to this Act, all moneys in all funds
 13 21 administered by the Iowa comprehensive petroleum underground
 13 22 storage tank fund board are transferred to the treasurer of
 13 23 state for deposit in the storage tank management account

Transfers the remaining moneys in the Iowa Comprehensive
 Petroleum UST Fund to the Storage Tank Management Account of the
 GWPF.

13 24 created in the groundwater protection fund created in section
13 25 455E.11. Any moneys credited to any fund administered by the
13 26 Iowa comprehensive petroleum underground storage tank fund
13 27 board on and after the effective date of divisions I and II
13 28 of this Act are transferred to the treasurer of state for
13 29 deposit in the storage tank management account created in the
13 30 groundwater protection fund created in section 455E.11.

13 31 2. Any rule, regulation, form, order, or directive
13 32 promulgated by the Iowa comprehensive petroleum underground
13 33 storage tank fund board as required to administer and enforce
13 34 the provisions relating to the Iowa comprehensive petroleum
13 35 underground storage tank fund shall continue in full force
14 1 and effect under the jurisdiction of the department of
14 2 natural resources until amended, repealed, or supplemented by
14 3 affirmative action of the department.

14 4 3. Any remaining liabilities, contracts, outstanding
14 5 claims, payments, or other obligations for open claims from
14 6 the comprehensive petroleum underground storage tank fund
14 7 existing on or before the effective date of divisions I and II
14 8 of this Act shall continue in full force and effect under the
14 9 jurisdiction of the department of natural resources. A claim
14 10 for a release filed on or after the effective date of divisions
14 11 I and II of this Act shall not be eligible for payment from the
14 12 Iowa comprehensive petroleum underground storage tank fund.

14 13 4. The department of natural resources may begin
14 14 implementation of subsections 2 and 3 prior to the effective
14 15 date of divisions I and II of this Act, to the extent necessary
14 16 to transition to full implementation of the provisions
14 17 relating to the storage tank management account created in the
14 18 groundwater protection fund created in section 455E.11 and
14 19 repeal of the Iowa comprehensive petroleum underground storage
14 20 tank fund created in section 455G.3, Code 2024.

14 21 5. All property tax credits provided under chapter 427B,
14 22 subchapter IV, existing upon the repeal of sections 427B.20,
14 23 427B.21, and 427B.22 shall continue until their expiration.

14 24 Sec. 22. EFFECTIVE DATE. This division of this Act, being
14 25 deemed of immediate importance, takes effect upon enactment.

CODE: Provides that any rule, regulation, form, order, or directive promulgated by the Iowa Comprehensive Petroleum UST Fund Board required to to administer and enforce the Iowa Comprehensive Petroleum UST Fund shall continue in full force and effect under the DNR until amended, repealed, or supplemented by affirmative action by the DNR.

CODE: Provides that any remaining liabilities, contracts, outstanding claims, payments, or other obligations for open claims from the Iowa Comprehensive Petroleum UST Fund that exist before the effective dates of Divisions I and II of this Bill shall continue in full force and effect under the jurisdiction of the DNR. Any claim for a release filed on or after the effective dates of Divisions I and II of this Bill are not eligible for payment from the Iowa Comprehensive UST Fund.

CODE: Allows the DNR to begin implementation of subsections 2 and 3 of this Bill prior to the effective dates of Divisions I and II.

CODE: Requires all property tax credits provided under Iowa Code chapter [427B](#) that exist upon the repeal of Iowa Code sections [427B.20](#), [427B.21](#), and [427B.22](#) to continue until their expiration.

Establishes that Division III of the Bill is effective upon enactment.