Fiscal Services Division
Legislative Services Agency
Fiscal Note

HF 2401 - Petroleum Aboveground Storage Tank Fund (LSB 6359 HV)
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Fiscal Note Version - New

Description

House File 2401 requires that the Underground Storage Tank (UST) Board establish two programs.

First, the UST Board may reimburse tank owners for costs incurred by closing certain underground tanks. To be eligible for closure reimbursement, the tank must have been eligible for remedial cleanup under the UST Program and must be closed no later than December 31, 2005.

House File 2401 also allows the UST Board to reimburse owners of aboveground tanks for upgrade or permanent closure costs. The costs are limited to $25,000 per site and $100,000 per owner. To be eligible, expenses must be incurred between January 1, 2004, and February 18, 2005.

Assumptions

1. The UST Board will agree to finance both closure programs, if HF 2401 is enacted.
2. A total of 75 temporarily closed underground tanks will opt for permanent closure during the State reimbursement time window. The closures will average $20,000 each.
3. A maximum of 940 aboveground tanks will close or upgrade during the reimbursement time window at an average State cost of $20,000.

Fiscal Impact

The underground closure cost reimbursement provisions will increase UST Fund expenses by $1.5 million. The expenses will occur during FY 2004 through FY 2006.

The aboveground closure reimbursement provisions will increase UST Fund expenses by a maximum of $18.8 million. The expenses will occur during FY 2004 through FY 2005.

The UST Fund currently has a sufficient cash balance to cover the additional expenditures allowed in HF 2401. However, the cleanup of sites currently in the Program could be jeopardized in future years if insufficient money remains to cover all costs.

Source

Underground Storage Tank Program Administrator

Dennis C Prouty

March 9, 2004

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.