

MAR 1 2004
Place On Calendar

HOUSE FILE 2401
BY COMMITTEE ON ENVIRONMENTAL
PROTECTION

(SUCCESSOR TO HSB 670)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the comprehensive petroleum underground
2 storage tank fund.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

4
5
6
7
8

HF 2401

HOUSE FILE 2401

H-8175

- 1 Amend House File 2401 as follows:
- 2 1. Page 3, by inserting after line 22 the
- 3 following:
- 4 "Sec. ____ EFFECTIVE DATE. This Act, being deemed
- 5 of immediate importance, takes effect upon enactment."
- 6 2. Title page, line 2, by inserting after the
- 7 word "fund" the following: "and providing an
- 8 effective date".
- 9 3. By renumbering as necessary.

By GREINER of Washington

H-8175 FILED MARCH 8, 2004

19
20
21
22

1 Section 1. Section 455G.2, Code 2003, is amended by adding
2 the following new subsections:

3 NEW SUBSECTION. 0A. "Aboveground petroleum storage tank"
4 means the same as defined in section 101.21.

5 NEW SUBSECTION. 0B. "Aboveground petroleum storage tank
6 site" means the same as "tank site" as defined in section
7 101.21, subsection 8.

8 Sec. 2. Section 455G.3, subsection 3, Code Supplement
9 2003, is amended by adding the following new paragraph:

10 NEW PARAGRAPH. e. To establish an aboveground petroleum
11 storage tank fund as provided in section 455G.23.

12 Sec. 3. Section 455G.9, subsection 1, Code Supplement
13 2003, is amended by adding the following new paragraph:

14 NEW PARAGRAPH. 1. Costs for the permanent closure of an
15 underground storage tank system that was in place on the date
16 an eligible claim was submitted under paragraph "a".
17 Reimbursement is limited to costs approved by the board prior
18 to the closure activities and the closure activities must be
19 completed not later than December 31, 2005.

20 Sec. 4. NEW SECTION. 455G.23 ABOVEGROUND PETROLEUM
21 STORAGE TANK FUND.

22 1. An aboveground petroleum storage tank fund is created
23 as a separate fund in the state treasury under the control of
24 the board. The board shall administer the aboveground
25 petroleum storage tank fund. Notwithstanding section 8.33,
26 moneys remaining in the aboveground petroleum storage tank
27 fund at the end of each fiscal year shall not revert to the
28 general fund but shall remain in the aboveground petroleum
29 storage tank fund. The aboveground petroleum storage tank
30 fund shall include, notwithstanding section 12C.7, interest
31 earned by the aboveground petroleum storage tank fund or other
32 income specifically allocated to the aboveground petroleum
33 storage tank fund.

34 2. The board may reimburse the owner of an aboveground
35 petroleum storage tank site up to twenty-five thousand dollars

1 per site, but not more than a total of one hundred thousand
2 dollars per owner, for the upgrade or permanent closure of the
3 aboveground petroleum storage tank site provided all of the
4 following criteria are met:

5 a. By January 1, 2004, the aboveground petroleum storage
6 tank site was registered with the state fire marshal pursuant
7 to section 101.22.

8 b. The aboveground petroleum storage tank contains
9 petroleum as defined in section 455B.471.

10 c. Not later than February 18, 2005, the owner shall
11 submit an application for reimbursement, on a form provided by
12 the board.

13 d. Upgrade expenses must be incurred after January 1,
14 2004, and not later than February 18, 2005. Upgrade
15 activities are limited to the installation or improvement of
16 equipment or systems required to comply with 40 C.F.R. § 112,
17 specifically:

- 18 (1) Secondary containment.
- 19 (2) Corrosion protection.
- 20 (3) Loss prevention.
- 21 (4) Security.
- 22 (5) Drainage.
- 23 (6) Removal of noncompliant tanks.

24 e. Permanent closure activities, including tank system
25 removal, decommission, and disposal, must occur after January
26 1, 2004, and not later than February 18, 2005, unless the
27 owner is a party to an agreement entered into pursuant to
28 subsection 3 and the tanks meet one of the following criteria:

- 29 (1) All tanks are empty by February 18, 2005.
- 30 (2) All tanks containing petroleum on or after February
31 18, 2005, meet the requirements of 40 C.F.R. § 112 et seq.

32 3. The board, or a contractor approved under subsection 6,
33 may enter into contracts with qualified businesses to provide
34 permanent closure services at eligible aboveground petroleum
35 storage tank sites. The board or a contractor may limit

1 reimbursement to those activities approved under the terms of
2 the contracts. The board or a contractor may allow permanent
3 closure activities to occur and be reimbursed after February
4 18, 2005, at those tank sites where the owner timely applied
5 for reimbursement and agreed to allow the board or a
6 contractor to complete the permanent closure at a time
7 determined to be convenient to the board. All activities
8 conducted under this subsection must be completed by December
9 31, 2006.

10 4. The board may enter into an agreement authorized under
11 chapter 28E with the state fire marshal for the development
12 and maintenance of a database to track registration, technical
13 information, and other information determined necessary to
14 evaluate the operation and safety of aboveground petroleum
15 storage tank sites in Iowa.

16 5. The board may limit reimbursement to those activities
17 that receive prior budget approval from the board.

18 6. The board may enter into a contract with a qualified
19 business to provide for administration of this section.

20 7. This section is repealed December 31, 2006.

21 Sec. 5. Sections 1, 2, and 3 of this Act are repealed
22 December 31, 2006.

23 EXPLANATION

24 This bill relates to the comprehensive petroleum
25 underground storage tank fund.

26 The bill provides that moneys in the remedial account of
27 the fund may be used for costs for the permanent closure of an
28 underground storage tank system that was in place on the date
29 an eligible claim was submitted under the remedial account.
30 The bill provides that reimbursement is limited to costs
31 approved by the board prior to the closure activities and the
32 closure activities must be completed not later than December
33 31, 2005.

34 The bill establishes an aboveground petroleum storage tank
35 fund as a separate fund in the state treasury under the

1 control of the Iowa comprehensive petroleum underground
2 storage tank board. The bill provides that the board may
3 enter into a contract with a qualified business to provide for
4 administration of the fund. The bill provides that the board
5 may reimburse the owner of an aboveground petroleum storage
6 tank site up to \$25,000 per site, but not more than a total of
7 \$100,000 per owner, for the upgrade or permanent closure of
8 the aboveground petroleum storage tank site provided all of
9 the following criteria are met:

10 1. By January 1, 2004, the aboveground petroleum storage
11 tank site was registered with the state fire marshal.

12 2. The aboveground petroleum storage tank contains
13 petroleum.

14 3. Not later than February 18, 2005, the owner submits an
15 application for reimbursement.

16 4. Upgrade expenses are incurred after January 1, 2004,
17 and not later than February 18, 2005.

18 5. Permanent closure activities, including tank system
19 removal, decommission, and disposal, occur after January 1,
20 2004, and not later than February 18, 2005, unless the owner
21 is subject to a contract with a qualified business and the
22 tanks meet certain criteria.

23 The board, or a contractor, may enter into contracts with
24 qualified businesses to provide permanent closure services at
25 eligible aboveground petroleum storage tank sites. The board,
26 or a contractor, may limit reimbursement to those activities
27 approved under the terms of the contracts. The board, or a
28 contractor, may allow permanent closure activities to occur
29 and be reimbursed after February 18, 2005, at those tank sites
30 where the owner timely applied for reimbursement and agreed to
31 allow the board or a contractor to complete the permanent
32 closure at a time determined to be convenient to the board.
33 All activities conducted under these provisions must be
34 completed by December 31, 2006.

35 The board may enter into an agreement authorized under Code

1 chapter 28E with the state fire marshal for the development
2 and maintenance of a database to track registration, technical
3 information, and other information determined necessary to
4 evaluate the operation and safety of aboveground petroleum
5 storage tank sites in Iowa.

6 The board may limit reimbursement to those activities that
7 receive prior budget approval from the board.

8 The provisions of this bill are repealed December 31, 2006.

9

10

HOUSE FILE 2401

H-8207

1 Amend the amendment, H-8190, to House File 2401 as
2 follows:

3 1. Page 1, by striking lines 2 through 32 and
4 inserting the following:

5 "____. Page 1, by inserting after line 7 the
6 following:

7 "NEW SUBSECTION. 22. "Upgrade" means work
8 required at an aboveground petroleum storage tank site
9 in order to be in compliance with the requirements of
10 40 C.F.R. § 112."

11 _____. Page 1, by inserting after line 11 the
12 following:

13 "Sec. _____. Section 455G.8, Code Supplement 2003,
14 is amended by adding the following new subsection:
15 NEW SUBSECTION. 6. ABOVEGROUND PETROLEUM STORAGE
16 TANK MANAGEMENT FEE. By January 15 of each year, an
17 owner of an aboveground petroleum storage tank that is
18 not a depositor, as defined in section 424.2, shall
19 remit an annual management fee of two hundred dollars
20 to the treasurer of state for deposit in the remedial
21 account of the fund.""

22 2. By renumbering as necessary.

By SHOULTZ of Black Hawk

H-8207 FILED MARCH 9, 2004

ADOPTED

32

33

34

35

HOUSE FILE 2401**H-8184**

1 Amend House File 2401 as follows:

2 1. Page 2, line 31, by inserting after the word
3 "seq." the following: "and any applicable provisions
4 of chapter 101 and the administrative rules adopted
5 pursuant to chapter 101."

By GREINER of Washington

H-8184 FILED MARCH 8, 2004

HOUSE FILE 2401**H-8190**

1 Amend House File 2401 as follows:

2 1. Page 1, line 34, by striking the word
3 "reimburse" and inserting the following: "provide a
4 loan with no interest to".

5 2. Page 1, line 35, by inserting after the word
6 "site" the following: "for".

7 3. Page 2, line 2, by striking the words "owner,
8 for" and inserting the following: "owner. Loan
9 proceeds received under this section shall be used
10 for".

11 4. Page 2, line 11, by striking the words "an
12 application for reimbursement" and inserting the
13 following: "a loan application".

14 5. Page 2, by inserting after line 31 the
15 following:

16 "2A. In addition to any other terms deemed
17 necessary by the board, a loan agreement entered into
18 pursuant to this section shall include provisions
19 relating to collateral or the granting of a lien on
20 real property where the aboveground petroleum storage
21 tank site is located and to repayment terms."

22 6. Page 3, line 1, by inserting after the word
23 "reimbursement" the following: "through the loan
24 proceeds".

25 7. Page 3, line 3, by inserting after the word
26 "reimbursed" the following: "through loan proceeds".

27 8. Page 3, line 5, by striking the word
28 "reimbursement" and inserting the following: "a
29 loan".

30 9. Page 3, line 16, by inserting after the word
31 "reimbursement" the following: "through loan
32 proceeds".

By SHOULTZ of Black Hawk

H-8190 FILED MARCH 8, 2004

**Fiscal Services Division
Legislative Services Agency
Fiscal Note**

HF 2401 - Petroleum Aboveground Storage Tank Fund (LSB 6359 HV)
Analyst: Jeff Robinson (Phone: (515) 281-4614) (jeff.robinson@legis.state.ia.us)
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.

HOUSE FILE 2401
BY COMMITTEE ON ENVIRONMENTAL
PROTECTION

(SUCCESSOR TO HSB 670)

(As Amended and Passed by the House March 9, 2004)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the comprehensive petroleum underground
2 storage tank fund and providing an effective date.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

4

5

House Amendments _____

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

1 Section 1. Section 455G.2, Code 2003, is amended by adding
2 the following new subsections:

3 NEW SUBSECTION. 0A. "Aboveground petroleum storage tank"
4 means the same as defined in section 101.21.

5 NEW SUBSECTION. 0B. "Aboveground petroleum storage tank
6 site" means the same as "tank site" as defined in section
7 101.21, subsection 8.

8 Sec. 2. Section 455G.3, subsection 3, Code Supplement
9 2003, is amended by adding the following new paragraph:

10 NEW PARAGRAPH. e. To establish an aboveground petroleum
11 storage tank fund as provided in section 455G.23.

12 Sec. 3. Section 455G.9, subsection 1, Code Supplement
13 2003, is amended by adding the following new paragraph:

14 NEW PARAGRAPH. 1. Costs for the permanent closure of an
15 underground storage tank system that was in place on the date
16 an eligible claim was submitted under paragraph "a".

17 Reimbursement is limited to costs approved by the board prior
18 to the closure activities and the closure activities must be
19 completed not later than December 31, 2005.

20 Sec. 4. NEW SECTION. 455G.23 ABOVEGROUND PETROLEUM
21 STORAGE TANK FUND.

22 1. An aboveground petroleum storage tank fund is created
23 as a separate fund in the state treasury under the control of
24 the board. The board shall administer the aboveground
25 petroleum storage tank fund. Notwithstanding section 8.33,
26 moneys remaining in the aboveground petroleum storage tank
27 fund at the end of each fiscal year shall not revert to the
28 general fund but shall remain in the aboveground petroleum
29 storage tank fund. The aboveground petroleum storage tank
30 fund shall include, notwithstanding section 12C.7, interest
31 earned by the aboveground petroleum storage tank fund or other
32 income specifically allocated to the aboveground petroleum
33 storage tank fund.

34 2. The board may reimburse the owner of an aboveground
35 petroleum storage tank site up to twenty-five thousand dollars

1 per site, but not more than a total of one hundred thousand
2 dollars per owner, for the upgrade or permanent closure of the
3 aboveground petroleum storage tank site provided all of the
4 following criteria are met:

5 a. By January 1, 2004, the aboveground petroleum storage
6 tank site was registered with the state fire marshal pursuant
7 to section 101.22.

8 b. The aboveground petroleum storage tank contains
9 petroleum as defined in section 455B.471.

10 c. Not later than February 18, 2005, the owner shall
11 submit an application for reimbursement, on a form provided by
12 the board.

13 d. Upgrade expenses must be incurred after January 1,
14 2004, and not later than February 18, 2005. Upgrade
15 activities are limited to the installation or improvement of
16 equipment or systems required to comply with 40 C.F.R. § 112,
17 specifically:

- 18 (1) Secondary containment.
- 19 (2) Corrosion protection.
- 20 (3) Loss prevention.
- 21 (4) Security.
- 22 (5) Drainage.
- 23 (6) Removal of noncompliant tanks.

24 e. Permanent closure activities, including tank system
25 removal, decommission, and disposal, must occur after January
26 1, 2004, and not later than February 18, 2005, unless the
27 owner is a party to an agreement entered into pursuant to
28 subsection 3 and the tanks meet one of the following criteria:

- 29 (1) All tanks are empty by February 18, 2005.
- 30 (2) All tanks containing petroleum on or after February
31 18, 2005, meet the requirements of 40 C.F.R. § 112 et seq.
32 and any applicable provisions of chapter 101 and the
33 administrative rules adopted pursuant to chapter 101.

34 3. The board, or a contractor approved under subsection 6,
35 may enter into contracts with qualified businesses to provide

1 permanent closure services at eligible aboveground petroleum
2 storage tank sites. The board or a contractor may limit
3 reimbursement to those activities approved under the terms of
4 the contracts. The board or a contractor may allow permanent
5 closure activities to occur and be reimbursed after February
6 18, 2005, at those tank sites where the owner timely applied
7 for reimbursement and agreed to allow the board or a
8 contractor to complete the permanent closure at a time
9 determined to be convenient to the board. All activities
10 conducted under this subsection must be completed by December
11 31, 2006.

12 4. The board may enter into an agreement authorized under
13 chapter 28E with the state fire marshal for the development
14 and maintenance of a database to track registration, technical
15 information, and other information determined necessary to
16 evaluate the operation and safety of aboveground petroleum
17 storage tank sites in Iowa.

18 5. The board may limit reimbursement to those activities
19 that receive prior budget approval from the board.

20 6. The board may enter into a contract with a qualified
21 business to provide for administration of this section.

22 7. This section is repealed December 31, 2006.

23 Sec. 5. Sections 1, 2, and 3 of this Act are repealed
24 December 31, 2006.

25 Sec. 6. EFFECTIVE DATE. This Act, being deemed of
26 immediate importance, takes effect upon enactment.

27
28
29
30
31
32
33
34
35

Succeeded By
SF 2400

HSB 670

ENVIRONMENTAL PROTECTION

HOUSE FILE _____

BY (PROPOSED COMMITTEE ON

ENVIRONMENTAL PROTECTION

BILL BY CHAIRPERSON GREINER)

*Greiner-ch
S. Olson
Seimann*

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to the comprehensive petroleum underground
2 storage tank fund.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23

1 Section 1. Section 455G.2, Code 2003, is amended by adding
2 the following new subsections:

3 NEW SUBSECTION. 0A. "Aboveground petroleum storage tank"
4 means the same as defined in section 101.21.

5 NEW SUBSECTION. 0B. "Aboveground petroleum storage tank
6 site" means the same as "tank site" as defined in section
7 101.21, subsection 8.

8 Sec. 2. Section 455G.3, subsection 3, Code Supplement
9 2003, is amended by adding the following new paragraph:

10 NEW PARAGRAPH. e. To establish an aboveground petroleum
11 storage tank fund as provided in section 455G.23.

12 Sec. 3. Section 455G.9, subsection 1, Code Supplement
13 2003, is amended by adding the following new paragraph:

14 NEW PARAGRAPH. 1. Costs for the permanent closure of an
15 underground storage tank system that was in place on the date
16 an eligible claim was submitted under paragraph "a".
17 Reimbursement is limited to costs approved by the board prior
18 to the closure activities and the closure activities must be
19 completed not later than December 31, 2005.

20 Sec. 4. NEW SECTION. 455G.23 ABOVEGROUND PETROLEUM
21 STORAGE TANK FUND.

22 1. An aboveground petroleum storage tank fund is created
23 as a separate fund in the state treasury under the control of
24 the board. The board shall administer the aboveground
25 petroleum storage tank fund. Notwithstanding section 8.33,
26 moneys remaining in the aboveground petroleum storage tank
27 fund at the end of each fiscal year shall not revert to the
28 general fund but shall remain in the aboveground petroleum
29 storage tank fund. The aboveground petroleum storage tank
30 fund shall include, notwithstanding section 12C.7, interest
31 earned by the aboveground petroleum storage tank fund or other
32 income specifically allocated to the aboveground petroleum
33 storage tank fund.

34 2. The board may reimburse the owner of an aboveground
35 petroleum storage tank site up to twenty-five thousand dollars

1 per site, but not more than a total of one hundred thousand
2 dollars per owner, for the upgrade or permanent closure of the
3 aboveground petroleum storage tank site provided all of the
4 following criteria are met:

5 a. By January 1, 2004, the aboveground petroleum storage
6 tank site was registered with the state fire marshal pursuant
7 to section 101.22.

8 b. The aboveground petroleum storage tank contains
9 petroleum as defined in section 455B.471.

10 c. Not later than February 18, 2005, the owner shall
11 submit an application for reimbursement, on a form provided by
12 the board.

13 d. Upgrade expenses must be incurred after May 1, 2004,
14 and not later than February 18, 2005. Upgrade activities
15 include the installation or improvement of equipment or
16 systems required to comply with 40 C.F.R. § 112, including:

- 17 (1) Secondary containment.
- 18 (2) Corrosion protection.
- 19 (3) Loss prevention.
- 20 (4) Security.
- 21 (5) Drainage.
- 22 (6) Riveted tanks.

23 e. Permanent closure activities, including tank system
24 removal, decommission, and disposal, must occur after January
25 1, 2004, and not later than December 31, 2005, unless the
26 owner is a party to an agreement entered into pursuant to
27 subsection 3 and the tanks meet one of the following criteria:

- 28 (1) All tanks are empty by February 18, 2005.
- 29 (2) All tanks containing petroleum on or after February
30 18, 2005, meet the requirements of 40 C.F.R. § 112 et seq.

31 3. The board, or a contractor approved under subsection 6,
32 may enter into contracts with qualified businesses to provide
33 permanent closure services at eligible aboveground petroleum
34 storage tank sites. The board or a contractor may limit
35 reimbursement to those activities approved under the terms of

1 the contracts. The board or a contractor may allow permanent
2 closure activities to occur and be reimbursed after February
3 18, 2005, at those tank sites where the owner timely applied
4 for reimbursement and agreed to allow the board or a
5 contractor to complete the permanent closure at a time
6 determined to be convenient to the board. All activities
7 conducted under this subsection must be completed by December
8 31, 2006.

9 4. The board may enter into an agreement authorized under
10 chapter 28E with the state fire marshal for the development
11 and maintenance of a database to track registration, technical
12 information, and other information determined necessary to
13 evaluate the operation and safety of aboveground petroleum
14 storage tank sites in Iowa.

15 5. The board may limit reimbursement to those activities
16 that receive prior budget approval from the board.

17 6. The board may enter into a contract with a qualified
18 business to provide for administration of this section.

19 EXPLANATION

20 This bill relates to the comprehensive petroleum
21 underground storage tank fund.

22 The bill provides that moneys in the remedial account of
23 the fund may be used for costs for the permanent closure of an
24 underground storage tank system that was in place on the date
25 an eligible claim was submitted under the remedial account.

26 The bill provides that reimbursement is limited to costs
27 approved by the board prior to the closure activities and the
28 closure activities must be completed not later than December
29 31, 2005.

30 The bill establishes an aboveground petroleum storage tank
31 fund as a separate fund in the state treasury under the
32 control of the Iowa comprehensive petroleum underground
33 storage tank board. The bill provides that the board may
34 enter into a contract with a qualified business to provide for
35 administration of the fund. The bill provides that the board

1 may reimburse the owner of an aboveground petroleum storage
2 tank site up to \$25,000 per site, but not more than a total of
3 \$100,000 per owner, for the upgrade or permanent closure of
4 the aboveground petroleum storage tank site provided all of
5 the following criteria are met:

6 1. By January 1, 2004, the aboveground petroleum storage
7 tank site was registered with the state fire marshal.

8 2. The aboveground petroleum storage tank contains
9 petroleum.

10 3. Not later than February 18, 2005, the owner submits an
11 application for reimbursement.

12 4. Upgrade expenses are incurred after May 1, 2004, and
13 not later than February 18, 2005.

14 5. Permanent closure activities, including tank system
15 removal, decommission, and disposal, occur after January 1,
16 2004, and not later than December 31, 2005, unless the owner
17 is subject to a contract with a qualified business and the
18 tanks meet certain criteria.

19 The board, or a contractor, may enter into contracts with
20 qualified businesses to provide permanent closure services at
21 eligible aboveground petroleum storage tank sites. The board,
22 or a contractor, may limit reimbursement to those activities
23 approved under the terms of the contracts. The board, or a
24 contractor, may allow permanent closure activities to occur
25 and be reimbursed after February 18, 2005, at those tank sites
26 where the owner timely applied for reimbursement and agreed to
27 allow the board or a contractor to complete the permanent
28 closure at a time determined to be convenient to the board.
29 All activities conducted under these provisions must be
30 completed by December 31, 2006.

31 The board may enter into an agreement authorized under Code
32 chapter 28E with the state fire marshal for the development
33 and maintenance of a database to track registration, technical
34 information, and other information determined necessary to
35 evaluate the operation and safety of aboveground petroleum

1 storage tank sites in Iowa.

2 The board may limit reimbursement to those activities that
3 receive prior budget approval from the board.

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

HOUSE FILE 2401

AN ACT

RELATING TO THE COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE
TANK FUND AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 455G.2, Code 2003, is amended by adding the following new subsections:

NEW SUBSECTION. 0A. "Aboveground petroleum storage tank" means the same as defined in section 101.21.

NEW SUBSECTION. 0B. "Aboveground petroleum storage tank site" means the same as "tank site" as defined in section 101.21, subsection 8.

Sec. 2. Section 455G.3, subsection 3, Code Supplement 2003, is amended by adding the following new paragraph:

NEW PARAGRAPH. e. To establish an aboveground petroleum storage tank fund as provided in section 455G.23.

Sec. 3. Section 455G.9, subsection 1, Code Supplement 2003, is amended by adding the following new paragraph:

NEW PARAGRAPH. 1. Costs for the permanent closure of an underground storage tank system that was in place on the date an eligible claim was submitted under paragraph "a". Reimbursement is limited to costs approved by the board prior to the closure activities and the closure activities must be completed not later than December 31, 2005.

Sec. 4. NEW SECTION. 455G.23 ABOVEGROUND PETROLEUM STORAGE TANK FUND.

1. An aboveground petroleum storage tank fund is created as a separate fund in the state treasury under the control of the board. The board shall administer the aboveground petroleum storage tank fund. Notwithstanding section 8.33,

moneys remaining in the aboveground petroleum storage tank fund at the end of each fiscal year shall not revert to the general fund but shall remain in the aboveground petroleum storage tank fund. The aboveground petroleum storage tank fund shall include, notwithstanding section 12C.7, interest earned by the aboveground petroleum storage tank fund or other income specifically allocated to the aboveground petroleum storage tank fund.

2. The board may reimburse the owner of an aboveground petroleum storage tank site up to twenty-five thousand dollars per site, but not more than a total of one hundred thousand dollars per owner, for the upgrade or permanent closure of the aboveground petroleum storage tank site provided all of the following criteria are met:

a. By January 1, 2004, the aboveground petroleum storage tank site was registered with the state fire marshal pursuant to section 101.22.

b. The aboveground petroleum storage tank contains petroleum as defined in section 455B.471.

c. Not later than February 18, 2005, the owner shall submit an application for reimbursement, on a form provided by the board.

d. Upgrade expenses must be incurred after January 1, 2004, and not later than February 18, 2005. Upgrade activities are limited to the installation or improvement of equipment or systems required to comply with 40 C.F.R. § 112, specifically:

- (1) Secondary containment.
- (2) Corrosion protection.
- (3) Loss prevention.
- (4) Security.
- (5) Drainage.
- (6) Removal of noncompliant tanks.

e. Permanent closure activities, including tank system removal, decommission, and disposal, must occur after January

1, 2004, and not later than February 18, 2005, unless the owner is a party to an agreement entered into pursuant to subsection 3 and the tanks meet one of the following criteria:

(1) All tanks are empty by February 18, 2005.

(2) All tanks containing petroleum on or after February 18, 2005, meet the requirements of 40 C.F.R. § 112 et seq. and any applicable provisions of chapter 101 and the administrative rules adopted pursuant to chapter 101.

3. The board, or a contractor approved under subsection 6, may enter into contracts with qualified businesses to provide permanent closure services at eligible aboveground petroleum storage tank sites. The board or a contractor may limit reimbursement to those activities approved under the terms of the contracts. The board or a contractor may allow permanent closure activities to occur and be reimbursed after February 18, 2005, at those tank sites where the owner timely applied for reimbursement and agreed to allow the board or a contractor to complete the permanent closure at a time determined to be convenient to the board. All activities conducted under this subsection must be completed by December 31, 2006.

4. The board may enter into an agreement authorized under chapter 28E with the state fire marshal for the development and maintenance of a database to track registration, technical information, and other information determined necessary to evaluate the operation and safety of aboveground petroleum storage tank sites in Iowa.

5. The board may limit reimbursement to those activities that receive prior budget approval from the board.

6. The board may enter into a contract with a qualified business to provide for administration of this section.

7. This section is repealed December 31, 2006.

Sec. 5. Sections 1, 2, and 3 of this Act are repealed December 31, 2006.

Sec. 6. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

CHRISTOPHER C. RANTS
Speaker of the House

JEFFREY M. LAMBERTI
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2401, Eightieth General Assembly.

MARGARET THOMSON
Chief Clerk of the House

Approved _____, 2004

THOMAS J. VILSACK
Governor