

House File 537 - Introduced

HOUSE FILE 537
BY COMMITTEE ON NATURAL
RESOURCES

(SUCCESSOR TO HSB 170)

A BILL FOR

1 An Act relating to underground storage tanks, including by
2 establishing an underground storage tank cost share grant
3 program and fund and making an appropriation.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 321.145, subsection 2, paragraph a,
2 subparagraph (1), Code 2015, is amended to read as follows:

3 (1) First, ~~three one million five hundred~~ seven hundred
4 fifty thousand dollars per quarter shall be deposited into
5 and credited to the Iowa comprehensive petroleum underground
6 storage tank fund created in section 455G.3, and the moneys so
7 deposited are a continuing appropriation for expenditure under
8 chapter 455G, and moneys so appropriated shall not be used for
9 other purposes.

10 Sec. 2. Section 321.145, subsection 2, paragraph a, Code
11 2015, is amended by adding the following new subparagraph:

12 NEW SUBPARAGRAPH. (3) Third, one million seven hundred
13 fifty thousand dollars per quarter shall be deposited into
14 and credited to the underground storage tank cost share
15 grant program fund created in section 455G.6A. The moneys so
16 deposited are a continuing appropriation for expenditure under
17 that section and shall not be used for other purposes.

18 Sec. 3. Section 424.19, Code 2015, is amended to read as
19 follows:

20 **424.19 Future repeal.**

21 This chapter is repealed effective June 30, ~~2016~~ 2026.

22 Sec. 4. NEW SECTION. **455G.6A Underground storage tank cost**
23 **share grant program and fund.**

24 1. For purposes of this section, "*grant program fund*" means
25 the underground storage tank cost share grant program fund
26 established by this section.

27 2. An underground storage tank cost share grant program fund
28 is created as a separate fund in the state treasury under the
29 control of the board. The grant program fund is separate from
30 the general fund of the state.

31 3. *a.* The grant program fund is composed of moneys
32 deposited in the fund pursuant to section 321.145, subsection
33 2, paragraph "a", subparagraph (3), other moneys appropriated
34 by the general assembly for deposit in the grant program fund,
35 and moneys available to and obtained or accepted by the board

1 from the United States government or private sources for
2 placement in the grant program fund.

3 *b.* The recapture of awards or penalties, or other repayments
4 of moneys originating from the grant program fund, shall be
5 deposited into the grant program fund.

6 *c.* Notwithstanding section 12C.7, interest or earnings on
7 moneys in the grant program fund shall be credited to the grant
8 program fund.

9 *d.* Notwithstanding section 8.33, unencumbered and
10 unobligated moneys remaining in the grant program fund at the
11 close of each fiscal year shall not revert but shall remain
12 available in the grant program fund for the purposes of this
13 section.

14 *e.* Any owner or operator of a location where petroleum is
15 marketed in this state is eligible to apply for and receive
16 funding from the grant program.

17 4. The grant program fund shall be administered by the
18 board.

19 5. Moneys in the grant program fund are appropriated to and
20 shall be used by the board as provided in this subsection.

21 *a.* Up to fifty thousand dollars shall be allocated each
22 fiscal year to the board to support the administration of
23 the grant program. The board may use up to one and one-half
24 percent of the moneys in the grant program fund each fiscal
25 year to market the grant program. Otherwise the moneys shall
26 not be transferred, used, obligated, appropriated, or otherwise
27 encumbered except to allocate as grants by the board in
28 accordance with this subsection.

29 *b.* The board shall establish a grant program to award grants
30 from moneys in the grant program fund to eligible applicants to
31 replace underground storage tank infrastructure, including but
32 not limited to tanks, lines, pipes, hoses, connections, seals,
33 and pumps.

34 (1) The board shall adopt rules pursuant to chapter 17A
35 for implementation and administration of the grant program and

1 grant program fund.

2 (2) At a minimum, replacement infrastructure must be listed
3 by an independent testing laboratory as compatible for use with
4 ethanol blended gasoline classified as E-85.

5 (3) An eligible applicant may be awarded a grant worth up
6 to fifty percent of the cost to replace infrastructure, with
7 a maximum grant of one hundred thousand dollars. The total
8 grants awarded to an eligible applicant shall not exceed one
9 million dollars per calendar year.

10

EXPLANATION

11 The inclusion of this explanation does not constitute agreement with
12 the explanation's substance by the members of the general assembly.

13 This bill creates an underground storage tank cost share
14 grant program and a corresponding fund within the state
15 treasury in Code chapter 455G. The bill reduces the amount
16 deposited in the Iowa comprehensive petroleum underground
17 storage tank fund each quarter from \$3.5 million to \$1.75
18 million. The grant program fund shall be credited \$1.75
19 million per quarter from the statutory allocations fund
20 pursuant to Code section 321.145. The grant program fund shall
21 be administered by the Iowa comprehensive petroleum underground
22 storage tank fund board. The grant program funds shall be
23 allocated as grants by the board to replace underground storage
24 tank infrastructure, including but not limited to tanks, lines,
25 pipes, hoses, connections, seals, and pumps. At a minimum,
26 replacement infrastructure must be listed by an independent
27 testing laboratory as compatible for use with ethanol blended
28 gasoline classified as E-85.

29 Any owner or operator of a location where petroleum is
30 marketed in this state is eligible to apply for and receive
31 funding from the grant program. An eligible applicant may be
32 awarded a grant worth up to 50 percent of the cost to replace
33 infrastructure, with a maximum grant of \$100,000. Total grants
34 awarded to an eligible applicant shall not exceed \$1 million
35 per calendar year. The bill requires the Iowa comprehensive

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1 petroleum underground storage tank fund board to adopt rules to
2 implement and administer the grant program and fund.

3 The bill changes the amount credited from the statutory
4 allocations fund to the Iowa comprehensive petroleum
5 underground storage tank fund per quarter from \$3.5 million to
6 \$1.75 million.

7 The bill extends the duration of the environmental
8 protection charge on petroleum diminution collected from
9 underground storage tank owners or operators until June 30,
10 2026.