

**House File 652 - Introduced**

HOUSE FILE 652

BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HF 537)

(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. NEW SECTION. **455G.6A Underground storage tank cost**  
19 **share grant program and fund.**

20 1. For purposes of this section, "*grant program fund*" means  
21 the underground storage tank cost share grant program fund  
22 established by this section.

23 2. An underground storage tank cost share grant program fund  
24 is created as a separate fund in the state treasury under the  
25 control of the board. The grant program fund is separate from  
26 the general fund of the state.

27 3. *a.* The grant program fund is composed of moneys  
28 deposited in the fund pursuant to section 321.145, subsection  
29 2, paragraph "a", subparagraph (3), other moneys appropriated  
30 by the general assembly for deposit in the grant program fund,  
31 and moneys available to and obtained or accepted by the board  
32 from the United States government or private sources for  
33 placement in the grant program fund.

34 *b.* The recapture of awards or penalties, or other repayments  
35 of moneys originating from the grant program fund, shall be

1 deposited into the grant program fund.

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

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

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

13 4. The grant program fund shall be administered by the  
14 board.

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

17 *a.* Up to fifty thousand dollars shall be allocated each  
18 fiscal year to the board to support the administration of the  
19 grant program. Otherwise the moneys shall not be transferred,  
20 used, obligated, appropriated, or otherwise encumbered except  
21 to allocate as grants by the board in accordance with this  
22 subsection.

23 *b.* The board shall establish a grant program to award grants  
24 from moneys in the grant program fund to eligible applicants to  
25 replace underground storage tank infrastructure, including but  
26 not limited to tanks, lines, pipes, hoses, connections, seals,  
27 and pumps.

28 (1) The board shall adopt rules pursuant to chapter 17A  
29 for implementation and administration of the grant program and  
30 grant program fund.

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

34 (3) An eligible applicant may be awarded a grant worth up  
35 to fifty percent of the cost to replace infrastructure, with

1 a maximum grant of one hundred thousand dollars. The total  
2 grants awarded to an eligible applicant shall not exceed one  
3 million dollars per calendar year.

4

EXPLANATION

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

6

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

23 Any owner or operator of a location where petroleum is  
24 marketed in this state is eligible to apply for and receive  
25 funding from the grant program. An eligible applicant may be  
26 awarded a grant worth up to 50 percent of the cost to replace  
27 infrastructure, with a maximum grant of \$100,000. Total grants  
28 awarded to an eligible applicant shall not exceed \$1 million  
29 per calendar year. The bill requires the Iowa comprehensive  
30 petroleum underground storage tank fund board to adopt rules to  
31 implement and administer the grant program and fund.

32 The bill changes the amount credited from the statutory  
33 allocations fund to the Iowa comprehensive petroleum  
34 underground storage tank fund per quarter from \$3.5 million to  
35 \$1.75 million.