

House File 2337 - Introduced

HOUSE FILE 2337

BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HF 840)

(SUCCESSOR TO HF 645)

(SUCCESSOR TO HSB 135)

A BILL FOR

1 An Act relating to underground storage tanks, including by
2 creating the Iowa tanks fund and Iowa tanks fund financing
3 program, repealing the Iowa comprehensive petroleum
4 underground storage tank fund, and eliminating the Iowa
5 comprehensive petroleum underground storage tank fund board,
6 requiring a study, making appropriations, and including
7 effective date and transition provisions.

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

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DIVISION I

IOWA TANKS FUND

Section 1. Section 455B.471, subsection 1, Code 2022, is amended by striking the subsection.

Sec. 2. Section 455B.471, Code 2022, is amended by adding the following new subsections:

NEW SUBSECTION. 1A. "*Claimant*" means an owner or operator who has received assistance under the Iowa tanks fund or its predecessor, the Iowa comprehensive petroleum underground storage tank fund created in section 455G.3, Code 2022.

NEW SUBSECTION. 1B. "*Community remediation*" means a curriculum of coordinated testing, planning, or remediation involving two or more tank sites potentially connected with a continuous contaminated area, pursuant to rules adopted by the commission under section 455B.474. A community remediation does not expand the scope of coverage otherwise available or relieve liability otherwise imposed under state or federal law.

NEW SUBSECTION. 2A. "*Costs*" means all costs, charges, expenses, or other indebtedness incurred by a claimant that are determined by the department to be reasonable for carrying out all works and undertakings necessary or incidental to the accomplishment of any project. "*Costs*" includes reasonable attorney fees and costs of litigation for which moneys are expended from the fund in connection with a release.

NEW SUBSECTION. 3A. "*Insurance*" means any form of financial assistance or showing of financial responsibility sufficient to comply with the federal Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq., or the department's underground storage tank financial responsibility rules.

NEW SUBSECTION. 7A. "*Potentially responsible party*" means a person who may be responsible or liable for a release for which payments from the fund were made for corrective action or third-party liability.

NEW SUBSECTION. 7B. "*Program*" means the Iowa tanks fund financing program created pursuant to section 455B.472A.

1 NEW SUBSECTION. 10A. *“Third-party liability”* means any of
2 the following:

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

6 b. Bodily injury including sickness, physical injury, or
7 death.

8 Sec. 3. Section 455B.471, subsection 3, Code 2022, is
9 amended to read as follows:

10 3. *“Fund”* means the Iowa ~~comprehensive petroleum underground~~
11 ~~storage tank tanks~~ fund created in section 455B.472A.

12 Sec. 4. Section 455B.472, Code 2022, is amended to read as
13 follows:

14 **455B.472 Declaration of policy.**

15 The general assembly finds that the release of regulated
16 substances from underground storage tanks constitutes a
17 threat to the public health and safety and to the natural
18 resources of the state, and that existing regulatory programs
19 of the department and other agencies do not adequately or
20 appropriately address this substantial public concern.

21 Additionally, the general assembly recognizes that because the
22 appropriation of moneys to the Iowa comprehensive petroleum
23 underground storage tank fund created in section 455G.3, Code
24 2022, ended on December 31, 2016, it is in the public interest
25 to expeditiously use any remaining moneys from the Iowa
26 comprehensive petroleum underground storage tank fund to assist
27 as many owners as possible with financing all or part of the
28 costs of corrective action for petroleum releases from leaking
29 underground storage tanks through the establishment of the Iowa
30 tanks fund financing program. The financing program shall last
31 as long as moneys remain available, and the general assembly
32 recognizes that moneys available for the financing program will
33 eventually be depleted.

34 Sec. 5. NEW SECTION. **455B.472A Iowa tanks fund financing**
35 **program — fund created.**

1 1. The department shall establish and administer an Iowa
2 tanks fund financing program for the purpose of reimbursing
3 eligible claimants for all or part of the costs of corrective
4 action for petroleum releases previously eligible for payment
5 from the Iowa comprehensive petroleum underground storage tank
6 fund pursuant to chapter 455G, Code 2022.

7 2. The department shall distribute financial assistance, up
8 to one million dollars total, for work conducted by eligible
9 entities that comply with the requirements of the program. The
10 department shall determine if work completed is eligible for
11 reimbursement under the program.

12 3. The department may enter into any agreements and provide
13 any documents, instruments, certificates, data, or information
14 necessary in connection with the operation, administration,
15 and financing of the program consistent with this part 8 of
16 subchapter IV, the federal Resource Conservation and Recovery
17 Act, 42 U.S.C. §6901 et seq., the rules of the commission, and
18 other applicable federal and state law.

19 4. The department may act to conform the program to the
20 applicable guidance and regulations adopted by the United
21 States environmental protection agency.

22 5. The Iowa tanks fund is created in the state treasury
23 under the control of the department. The fund shall consist
24 of moneys appropriated or transferred to the fund, interest
25 attributable to moneys in the fund, moneys in the form of
26 a devise, gift, bequest, donation, federal or other grant,
27 reimbursement, repayment, judgment, or payment from any source
28 intended to be used for the purposes of the fund, all receipts
29 by the fund, and any other moneys credited to the fund from
30 any public or private source. Notwithstanding section 8.33,
31 any moneys in the fund shall not revert to any other fund.
32 Notwithstanding section 12C.7, subsection 2, interest or
33 earnings on moneys in the fund shall be credited to the fund.

34 6. The department shall administer the fund to carry out
35 the purposes of the program and shall manage the revenue,

1 administration, restrictions, and disposition of the fund.

2 7. Moneys in the fund are appropriated to the department for
3 all of the following purposes:

4 a. Reimbursement to tank owners for all or part of the
5 costs of a corrective action for a petroleum release under the
6 program.

7 b. Permanent closure of an underground storage tank system
8 under the program, additional assessment and corrective action
9 arising out of a release at a site for which a certificate of
10 no further action has been issued, and tank operator training.
11 Of the moneys not used for purposes specified in paragraphs "a"
12 and "c", not less than four million dollars shall be used for
13 these purposes.

14 c. Administrative costs of the department associated with
15 the program. Not more than one hundred fifty thousand dollars
16 per year shall be used for this purpose.

17 8. a. For the fiscal year beginning July 1, 2023, and for
18 each fiscal year thereafter, there is appropriated from the
19 general fund of the state to the department of agriculture
20 and land stewardship for the sole purpose of inspecting
21 fuel quality at pipeline terminals and renewable fuel
22 production facilities, including associated salaries, support,
23 maintenance, and miscellaneous purposes, two hundred fifty
24 thousand dollars.

25 b. Notwithstanding section 8.33, moneys appropriated in this
26 subsection that remain unencumbered or unobligated at the close
27 of a fiscal year shall not revert but shall remain available
28 for expenditure for the purposes designated until the close of
29 the succeeding fiscal year.

30 9. Moneys in the fund are not considered part of the general
31 fund of the state and are not subject to appropriation for any
32 other purpose by the general assembly. The fund is a separate
33 dedicated fund under the administration and control of the
34 department.

35 10. Payments for reimbursement or other costs relating to

1 any claim or cause of action in connection with a tank not
2 owned or operated by the state or an agency of the state shall
3 be made solely from the fund and no liability is otherwise
4 imposed upon the state. Moneys from the fund are limited
5 to the extent of coverage provided by the applicable account
6 within the fund under which a claim is submitted, subject
7 to the terms and conditions of that coverage. A court, an
8 administrative law judge, the department, or the commission
9 shall not order or approve a remedy that would require the
10 fund to exceed the fund's then current funding limitations to
11 satisfy an award or that would restrict the availability of
12 moneys for higher priority sites. The state is not otherwise
13 liable for a claim related to the fund and moneys from the
14 general fund shall not be used to pay for reimbursement
15 or other costs relating to any claim or cause of action in
16 connection with a tank not owned or operated by the state or an
17 agency of the state.

18 Sec. 6. NEW SECTION. **455B.472B Cost recovery enforcement.**

19 1. *Full recovery sought by department.* The department
20 may seek full recovery from an owner, operator, or other
21 potentially responsible party liable for a release that is the
22 subject of a corrective action for which moneys from the fund
23 are expended, or for which moneys from the Iowa comprehensive
24 petroleum underground storage tank fund created in section
25 455G.3, Code 2022, were expended, including for third-party
26 liability and for all other costs. If federal cleanup moneys
27 are recovered, the federal cleanup moneys shall be used solely
28 for the purpose of future cleanup activities.

29 2. *Limitation of liability of owner or operator.* Except
30 as provided in subsection 3, the department shall not seek
31 recovery for expenses in connection with corrective action for
32 a release from an owner or operator eligible for assistance
33 under the program, except for any unpaid portion of the
34 deductible or copayment. This subsection does not affect any
35 authorization of the department to impose or collect civil or

1 administrative fines, penalties, or fees. Moneys from the fund
2 shall not be used to pay for any third-party liability.

3 3. *Owner or operator not in compliance.* Notwithstanding
4 subsection 2, the liability of an owner or operator shall be
5 the full and total costs of corrective action and bodily injury
6 or property damage to third parties, as specified in subsection
7 1, if the owner or operator has not complied with the financial
8 responsibility or other underground storage tank rules of
9 the department or with this part 8 of subchapter IV or rules
10 adopted under this part.

11 4. *Lien on tank site.* Any amount for which an owner or
12 operator is required to pay to the fund by statute, rule,
13 contract, or determination of liability by the department after
14 hearing, if not paid when due, shall constitute a lien upon the
15 real property where the tank that was the subject of corrective
16 action is located, and the payment shall be collected in the
17 same manner as the environmental protection charge pursuant to
18 section 424.11, Code 2016.

19 5. *Joinder of parties.* The department has standing in
20 any case or contested action related to the fund or a tank
21 to assert any claim that the department may have regarding
22 the tank at issue in the case or contested action. Upon
23 motion and sufficient showing by a party to a cost recovery or
24 subrogation action provided for under this section, the court
25 or the administrative law judge shall join to the action any
26 potentially responsible party who may be liable for costs and
27 expenditures of the type recoverable pursuant to this section.

28 6. *Third-party contracts.* An insurance, indemnification,
29 hold-harmless, conveyance, or similar risk-sharing or
30 risk-shifting agreement shall not be effective to transfer
31 any liability for costs recoverable under this section. The
32 department may proceed directly against the owner, operator,
33 or other potentially responsible party. This subsection does
34 not bar any agreement to insure, hold harmless, or indemnify
35 a party to the agreement for any costs or expenditures under

1 this part 8 of subchapter IV, and does not modify rights
2 between the parties to an agreement, except to the extent the
3 agreement shifts liability to an owner or operator eligible
4 for assistance under the program for any damages or other
5 costs in connection with a corrective action for which another
6 potentially responsible party is or may be liable. Any such
7 provision is void and of no further force and effect.

8 7. *Later proceedings permitted against other parties.* The
9 entry of judgment against a party to the action does not
10 bar a future action by the department against another person
11 who is later alleged to be or discovered to be liable for
12 costs and expenditures paid from the fund. Notwithstanding
13 section 668.5, a potentially responsible party shall not seek
14 contribution or any other recovery from an owner or operator
15 eligible for assistance under the program for damages or other
16 costs in connection with corrective action for a release for
17 which the potentially responsible party is or may be liable.
18 Subsequent successful proceedings against another party shall
19 not modify or reduce the liability of a party against whom
20 judgment has been previously entered.

21 8. *Claims against potentially responsible parties.*

22 a. Upon payment from the fund for corrective action or
23 third-party liability pursuant to this part 8 of subchapter
24 IV, the rights of the claimant to recover payment from any
25 potentially responsible party are assumed by the department to
26 the extent paid from the fund. A claimant shall not receive
27 double compensation for the same injury.

28 b. In an action brought pursuant to this part 8 of
29 subchapter IV seeking damages for corrective action or
30 third-party liability, the court shall allow evidence and
31 argument as to the replacement or indemnification of actual
32 economic losses incurred or to be incurred in the future by the
33 claimant by reason of insurance benefits, governmental benefits
34 or programs, or other sources.

35 c. A claimant may elect to authorize the department

1 to pursue the claimant's cause of action for any injury
2 not compensated from the fund against any potentially
3 responsible party, provided the attorney general determines
4 such representation would not be a conflict of interest. If
5 a claimant so elects, the department's litigation expenses
6 shall be shared on a pro rata basis with the claimant, but the
7 claimant's share of litigation expenses is payable exclusively
8 from any share of the settlement or judgment payable to the
9 claimant.

10 9. *Exclusion of punitive damages.* Moneys from the fund
11 shall not be used to pay punitive damages.

12 Sec. 7. NEW SECTION. 455B.472C **Discretionary rulemaking.**

13 1. The commission may adopt rules pursuant to chapter
14 17A conditioning receipt of moneys from the fund to those
15 petroleum-contaminated properties that present a higher degree
16 of risk to the public health and safety or the environment and
17 providing for denial of moneys from the fund to a person who
18 did not make a good-faith attempt to comply with this part 8
19 of subchapter IV. This subsection does not confer a legal
20 right to an owner of a petroleum-contaminated property, or an
21 owner or operator of an underground storage tank located on the
22 property, for receipt of moneys under this part 8 of subchapter
23 IV.

24 2. The commission may adopt rules pursuant to chapter
25 17A providing for the transfer of all or a portion of the
26 liabilities relating to the fund. Notwithstanding any other
27 provision to the contrary, the department, upon such transfer,
28 shall not maintain any duty to reimburse claimants for those
29 liabilities transferred.

30 Sec. 8. Section 455B.474, subsection 1, paragraph a,
31 subparagraph (6), subparagraph divisions (g), (i), and (j),
32 Code 2022, are amended to read as follows:

33 (g) An owner or operator may elect to proceed with
34 additional corrective action on the site. However, any
35 action taken in addition to that required pursuant to this

1 subparagraph (6), shall be solely at the expense of the owner
2 or operator and shall not be considered corrective action
3 for purposes of [section 455G.9 455B.472A](#), unless otherwise
4 previously agreed to by the ~~board~~ department and the owner or
5 operator pursuant to [section 455G.9, subsection 7 455B.472A](#).
6 Corrective action taken by an owner or operator due to the
7 department's failure to meet the time requirements provided in
8 subparagraph division (e) shall be considered corrective action
9 for purposes of [section 455G.9 455B.472A](#).

10 (i) Replacement or upgrade of a tank on a site classified
11 as a high or low risk site shall be equipped with a secondary
12 containment system with monitoring of the space between the
13 primary and secondary containment structures or other ~~board~~
14 ~~approved~~ tank system or methodology approved by the department.

15 (j) The commission and the ~~board~~ department shall cooperate
16 to ensure that remedial measures required by the corrective
17 action rules adopted pursuant to this subparagraph (6) are
18 reasonably cost-effective and shall, to the fullest extent
19 possible, avoid duplicating and conflicting requirements.

20 Sec. 9. Section 455B.474, subsection 2, unnumbered
21 paragraph 1, Code 2022, is amended to read as follows:

22 The maintenance of evidence of financial responsibility as
23 the director determines to be feasible and necessary for taking
24 corrective action and for compensating third parties for bodily
25 injury and property damage caused by release of a regulated
26 substance from an ~~underground storage~~ a tank.

27 Sec. 10. Section 455B.474, subsection 9, paragraph d, Code
28 2022, is amended to read as follows:

29 *d.* The certification of groundwater professionals shall not
30 impose liability on ~~the board~~, the department, or the fund for
31 any claim or cause of action of any nature, based on the action
32 or inaction of a groundwater professional certified pursuant
33 to [this subsection](#).

34 Sec. 11. Section 455B.474, Code 2022, is amended by adding
35 the following new subsection:

1 NEW SUBSECTION. 11. Department practices and procedures
2 for implementing and administering the Iowa tanks fund
3 financing program. The rules shall include but are not limited
4 to requirements for program eligibility, investigating and
5 settling claims made against the fund, appeal procedures,
6 community remediation, prioritization of fund moneys,
7 funding for tank operator training, additional assessment
8 and corrective action arising out of releases at sites for
9 which a certificate of no further action has been issued, and
10 reimbursement for the permanent closure of an underground
11 storage tank system.

12 Sec. 12. Section 455B.477, subsection 7, Code 2022, is
13 amended to read as follows:

14 7. ~~The civil penalties or other damages or moneys recovered~~
15 ~~by the state or the petroleum underground storage tank fund~~
16 ~~in connection with a petroleum underground storage tank under~~
17 ~~this part 8 of subchapter IV or chapter 455G shall be credited~~
18 ~~to the fund created in section 455G.3 and allocated between~~
19 ~~fund accounts according to the fund budget.~~ Any federal
20 moneys, including but not limited to federal underground
21 storage tank trust fund moneys, received by the state or the
22 department of natural resources in connection with a release
23 occurring on or after May 5, 1989, or received generally for
24 underground storage tank programs on or after May 5, 1989,
25 shall be credited to the fund created in section 455G.3 and
26 ~~allocated between fund accounts according to the fund budget~~
27 455B.472A, unless such use would be contrary to federal law.
28 The department shall ~~cooperate with the board of the Iowa~~
29 ~~comprehensive petroleum underground storage tank fund to~~
30 maximize the state's eligibility for and receipt of federal
31 funds for underground storage tank related purposes.

32 Sec. 13. EFFECTIVE DATE. This division of this Act takes
33 effect July 1, 2023.

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DIVISION II
CONFORMING CHANGES

1 Sec. 14. Section 68B.35, subsection 2, paragraph e, Code
2 2022, is amended to read as follows:

3 e. Members of the state banking council, the Iowa ethics
4 and campaign disclosure board, the credit union review board,
5 the economic development authority, the employment appeal
6 board, the environmental protection commission, the health
7 facilities council, the Iowa finance authority, the Iowa public
8 employees' retirement system investment board, the board of
9 the Iowa lottery authority, the natural resource commission,
10 the board of parole, ~~the petroleum underground storage tank~~
11 ~~fund board~~, the public employment relations board, the state
12 racing and gaming commission, the state board of regents, the
13 transportation commission, the office of consumer advocate, the
14 utilities board, the Iowa telecommunications and technology
15 commission, and any full-time members of other boards and
16 commissions as defined under [section 7E.4](#) who receive an annual
17 salary for their service on the board or commission. The Iowa
18 ethics and campaign disclosure board shall conduct an annual
19 review to determine if members of any other board, commission,
20 or authority should file a statement and shall require the
21 filing of a statement pursuant to rules adopted pursuant to
22 chapter 17A.

23 Sec. 15. Section 159A.11, subsection 10, Code 2022, is
24 amended by striking the subsection.

25 Sec. 16. Section 159A.13, subsection 6, Code 2022, is
26 amended by striking the subsection.

27 Sec. 17. Section 159A.14, subsection 2, Code 2022, is
28 amended to read as follows:

29 2. A person may apply to the department to receive financial
30 incentives on a cost-share basis. The department shall forward
31 the applications ~~to the underground storage tank fund board as~~
32 ~~required by that board for evaluation and recommendation.~~ The
33 ~~underground storage tank fund board may rank the applications~~
34 ~~with comments and shall forward them~~ to the infrastructure
35 board for approval or disapproval. The department shall award

1 financial incentives on a cost-share basis to an eligible
2 person whose application was approved by the infrastructure
3 board.

4 Sec. 18. Section 159A.15, subsection 1, Code 2022, is
5 amended to read as follows:

6 1. A person may apply to the department to receive financial
7 incentives on a cost-share basis. The department shall forward
8 the applications ~~to the underground storage tank fund board as~~
9 ~~required by that board for evaluation and recommendation. The~~
10 ~~underground storage tank fund board may rank the applications~~
11 ~~with comments and shall forward them~~ to the infrastructure
12 board for approval or disapproval. The department shall award
13 financial incentives on a cost-share basis to an eligible
14 person whose application was approved by the infrastructure
15 board.

16 Sec. 19. Section 323.1, subsection 16, Code 2022, is amended
17 to read as follows:

18 16. "*Storage tank*" means a motor fuel storage tank as
19 defined in [section 214.1](#), including an underground storage tank
20 subject to regulation under chapter ~~455G~~ 455B, subchapter IV,
21 part 8, or section 455G.31.

22 Sec. 20. Section 422.7, subsection 2, paragraph u, Code
23 2022, is amended by striking the paragraph.

24 Sec. 21. Section 455B.174, subsection 4, paragraph d, Code
25 2022, is amended to read as follows:

26 *d.* If a public water supply has a groundwater source
27 that contains petroleum, a fraction of crude oil, or their
28 degradation products, or is located in an area deemed by the
29 department as likely to be contaminated by such materials, and
30 after consultation with the public water supply system and
31 consideration of all applicable rules relating to remediation,
32 the department may require the public water supply system to
33 replace that groundwater source in order to receive a permit
34 to operate. The requirement to replace the source shall only
35 be made by the department if the public water supply system

1 is fully compensated for any additional design, construction,
2 operation, and monitoring costs ~~from the Iowa comprehensive~~
3 ~~petroleum underground storage tank fund created by chapter~~
4 ~~455G~~ or from any other funds that do not impose a financial
5 obligation on the part of the public water supply system.
6 Funds available to or provided by the public water supply
7 system may be used for system improvements made in conjunction
8 with replacement of the source. The department cannot require
9 a public water supply system to replace its water source with a
10 less reliable water source or with a source that does not meet
11 federal primary, secondary, or other health-based standards
12 unless treatment is provided to ensure that the drinking water
13 meets these standards. Nothing in this paragraph shall affect
14 the public water supply system's right to pursue recovery from
15 a responsible party.

16 Sec. 22. Section 455E.11, subsection 2, paragraph d,
17 subparagraph (3), Code 2022, is amended by striking the
18 subparagraph.

19 Sec. 23. Section 455I.2, subsection 5, paragraph a, Code
20 2022, is amended to read as follows:

21 a. A federal or state program that is subject to the
22 jurisdiction of an agency, including but not limited to
23 programs established by chapters chapter 455B and ~~455G~~,
24 corrective or response actions pursuant to 42 U.S.C. §6901 et
25 seq., and remedial actions under 42 U.S.C. §9601 et seq.

26 Sec. 24. EFFECTIVE DATE. This division of this Act takes
27 effect July 1, 2023.

28 DIVISION III

29 FUEL TESTING STUDY

30 Sec. 25. FUEL TESTING AND LABORATORY NEEDS STUDY.

31 1. The department of agriculture and land stewardship
32 shall conduct a study regarding the long-term future fuel
33 testing needs in Iowa and how to maximize and leverage the
34 Iowa central fuel testing laboratory located at Iowa central
35 community college. The department may consider any matter

1 that it determines to be relevant, including but not limited
2 to the weights and measures bureau's testing needs for fuel
3 inspection, cost analysis for future growth and laboratory
4 equipment, and related support services for both the petroleum
5 and renewable fuel industry in Iowa, which may be administered
6 through a grant program.

7 2. The department may consult with Iowa central community
8 college and shall seek comments from persons and fuel industry
9 leaders in Iowa who have an interest in the Iowa central fuel
10 testing laboratory.

11 3. The department shall submit a report regarding the study,
12 including findings and recommendations, to the governor and
13 general assembly not later than December 15, 2022. The report
14 may include proposed legislation determined by the department
15 to be necessary or desirable.

16 DIVISION IV

17 REPEAL AND TRANSITION

18 Sec. 26. NEW SECTION. 427B.23 Future repeal.

19 This subchapter is repealed July 1, 2023. All credits
20 existing upon repeal of this subchapter shall continue until
21 their expiration.

22 Sec. 27. NEW SECTION. 455G.21A Claims not eligible.

23 A claim for a release filed on or after January 1, 2023,
24 shall not be eligible for payment from the fund.

25 Sec. 28. NEW SECTION. 455G.21B Future repeal.

26 This subchapter is repealed July 1, 2023.

27 Sec. 29. TRANSITION PROVISIONS.

28 1. Upon repeal of chapter 455G, subchapter 1, and the
29 creation of the Iowa tanks fund pursuant to section 455B.472A,
30 as enacted in this Act, all moneys in all funds administered by
31 the Iowa comprehensive petroleum underground storage tank fund
32 board are transferred to the department of natural resources
33 for deposit in the Iowa tanks fund. Any moneys credited to
34 any fund administered by the Iowa comprehensive petroleum
35 underground storage tank fund board on and after July 1, 2023,

1 are transferred to the department for deposit in the Iowa tanks
2 fund.

3 2. Any rule, regulation, form, order, or directive
4 promulgated by the Iowa comprehensive petroleum underground
5 storage tank fund board as required to administer and enforce
6 the provisions relating to the Iowa comprehensive petroleum
7 underground storage tank fund shall continue in full force
8 and effect under the jurisdiction of the department of
9 natural resources until amended, repealed, or supplemented by
10 affirmative action of the department.

11 3. The Iowa comprehensive petroleum underground storage
12 tank fund board shall administratively close or terminate
13 any remaining liabilities, contracts, outstanding claims,
14 payments, or other obligations for open comprehensive petroleum
15 underground storage tank fund claims existing on or before June
16 30, 2023.

17 4. The department of natural resources may begin
18 implementation of this Act prior to July 1, 2023, to the
19 extent necessary to transition to full implementation of the
20 provisions relating to the Iowa tanks fund and repeal of the
21 Iowa comprehensive petroleum underground storage tank fund.

22 EXPLANATION

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

25 Currently, the Iowa comprehensive petroleum underground
26 storage tank fund exists under the control of the Iowa
27 comprehensive petroleum underground storage tank fund board.
28 The Iowa comprehensive petroleum underground storage tank fund
29 contains an account with moneys available to fund corrective
30 action for petroleum releases. The Iowa comprehensive
31 petroleum underground storage tank fund also contains a loan
32 guarantee account and a marketability fund.

33 This bill repeals the Iowa comprehensive petroleum
34 underground storage tank fund and eliminates the Iowa
35 comprehensive petroleum underground storage tank fund board

1 on July 1, 2023. The bill requires the department of natural
2 resources (department) to establish and administer the Iowa
3 tanks fund financing program to distribute financial assistance
4 for work conducted by eligible entities. The bill creates the
5 Iowa tanks fund within the state treasury under the control of
6 the department and requires the department to administer the
7 fund. Moneys in the fund are appropriated to the department
8 for the purposes of providing reimbursement to tank owners
9 for all or part of the costs of a corrective action; for
10 permanently closing an underground storage tank system,
11 assessment and corrective action arising out of a release, and
12 tank operator training; and administrative costs.

13 The bill appropriates \$250,000 per year from the general
14 fund to the department of agriculture and land stewardship
15 (DALs) beginning July 1, 2023, to inspect fuel quality at
16 terminals and facilities. The program allows a claimant who
17 has previously received assistance under the Iowa tanks fund or
18 the Iowa comprehensive petroleum underground storage tank fund
19 to receive reimbursement from the Iowa tanks fund for all or
20 part of the costs of corrective action for a petroleum release.

21 The bill allows for cost recovery efforts from potentially
22 responsible parties when moneys from the Iowa tanks fund are
23 used during the cleanup of contamination at a tank site. The
24 bill directs the environmental protection commission to adopt
25 rules for program eligibility, investigating and settling
26 claims made against the fund, appeal procedures, community
27 remediation, prioritization of fund moneys, funding for tank
28 operator training, additional assessment and corrective action
29 arising out of a release at a site for which a no further
30 action certificate has been issued, and reimbursement for
31 the permanent closure of an underground storage tank system.
32 The bill provides that claims for releases filed on or after
33 January 1, 2023, are not eligible for payment from the Iowa
34 comprehensive petroleum underground storage tank fund.

35 The bill requires DALs to conduct a study regarding the

1 long-term future fuel testing needs in Iowa and how to maximize
2 and leverage the Iowa central fuel testing laboratory located
3 at Iowa central community college. The bill requires DALS to
4 submit a report regarding the study to the governor and general
5 assembly not later than December 15, 2022.

6 The bill includes transition provisions retaining the
7 effectiveness of rules, regulations, forms, orders, or
8 directives promulgated by the Iowa comprehensive petroleum
9 underground storage tank fund board until amended, repealed,
10 or supplemented by affirmative action of the department. Any
11 moneys credited to the Iowa comprehensive petroleum underground
12 storage tank fund on and after July 1, 2023, are transferred to
13 the department for deposit in the Iowa tanks fund.

14 The divisions of the bill establishing the Iowa tanks fund
15 and making conforming Code changes take effect July 1, 2023.