

# Iowa Underground Storage Tank Fund, Repeal Bill House File 840

Last Action:  
House Appropriations  
Committee  
March 11, 2021

## Executive Summary Only

**An Act relating to underground storage tanks, including by creating the Iowa tanks fund and Iowa tanks fund financing program, repealing the Iowa comprehensive petroleum underground storage tank fund, and eliminating the Iowa comprehensive petroleum underground storage tank fund board, requiring a study, and including effective date and transition provisions.**

**Fiscal Services Division  
Legislative Services Agency**

### **NOTES ON BILLS AND AMENDMENTS (NOBA)**

Available online at [www.legis.iowa.gov/publications/information/appropriationBillAnalysis](http://www.legis.iowa.gov/publications/information/appropriationBillAnalysis)

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**FUNDING SUMMARY**

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House File 840 repeals the Iowa Comprehensive Petroleum Underground Storage Tank (UST) Fund and the Iowa Comprehensive Petroleum UST Fund Board on July 1, 2023. Creates a new Iowa Tanks Fund and Iowa Tanks Fund Financing Program that will be administered by the Department of Natural Resources (DNR). On July 1, 2023, all moneys remaining in the UST Fund will be transferred to the Iowa Tanks Fund for the purpose of reimbursing eligible claimants. Any new claims filed on or after January 1, 2023, will not be eligible for payment from the UST Fund.

**FISCAL IMPACT:** As of February 28, 2021, the balance in the UST Fund was \$11.6 million. Any funds remaining on July 1, 2023, will be transferred to the Iowa Tanks Fund. The Bill creates a General Fund standing limited appropriation of \$250,000 beginning FY 2024 to the Department of Agriculture and Land Stewardship (DALs) for inspecting fuel quality at pipeline terminals and renewable fuels production facilities. The current \$250,000 appropriation from the UST Fund to the DALs is repealed on July 1, 2023.

**NEW PROGRAMS, SERVICES, OR ACTIVITIES**

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Creates definitions and policies related to the new Iowa Tanks Fund and the Iowa Tanks Fund Financing Program, which will be administered by the DNR. Page 1, Line 5

Creates a new Iowa Tanks Fund and Iowa Tanks Fund Financing Program that will be administered by the DNR. There is no new funding provided in the Bill, but the funds in the UST Fund will be transferred to the Iowa Tanks Fund for the purpose of reimbursing eligible claimants. Moneys in the Fund will not revert to the General Fund. Any claims filed on or after January 1, 2023, will not be eligible for payment from the (UST) Fund. Specifies financial assistance that the DNR can provide and legal agreements the DNR can enter into, and allows the DNR to conform to federal Environmental Protection Agency rules. Page 2, Line 34

Specifies the DNR cost recovery enforcement activities related to the Iowa Tanks Fund Financing Program. Page 5, Line 11

Requires the DALs to conduct an interim study on the long-term future fuel testing needs in Iowa. This includes consulting with the Iowa Central Community College and other leaders in the fuel industry. Requires the DALs to submit a report summarizing the findings and recommendations to the Governor and the General Assembly by December 15, 2021. Page 13, Line 20

**MAJOR INCREASES/DECREASES/TRANSFERS OF EXISTING PROGRAMS**

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Creates a General Fund standing appropriation of \$250,000 to the DALs beginning in FY 2024. This is a Page 4, Line 10

## **EXECUTIVE SUMMARY**

### **IOWA UNDERGROUND STORAGE TANK FUND, REPEAL BILL**

**HOUSE FILE 840**

continuation of an existing appropriation previously funded from the UST Fund. The funds will be used to inspect fuel terminals, equipment, and renewable fuel production facilities.

#### **SIGNIFICANT CODE CHANGES**

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Allows the Environmental Protection Commission to adopt rules to place conditions on funding from the Iowa Tanks Fund for contaminated properties that present a higher risk to to public health and the environment. The Commission may also adopt rules regarding to the transfer of liabilities to the Iowa Tanks Fund. Page 8, Line 3

Makes conforming changes related to the repeal of the UST Fund and the Iowa Comprehensive Petroleum UST Fund Board. Page 10, Line 26

Details the transition of the UST Fund and the Iowa Comprehensive Petroleum UST Fund Board and permits the DNR to begin implementation prior to July 1, 2023. Page 14, Line 8

#### **EFFECTIVE DATE**

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Division I of the Bill creating the Iowa Tanks Fund takes effect July 1, 2023. Page 10, Line 22

Division II of the Bill providing conforming changes takes effect July 1, 2023. Page 13, Line 16

Division IV of the Bill repealing the UST Fund takes effect July 1, 2023. Page 14, Line 6