



BILL SUMMARY

Under Ground Storage Tanks HF 2464

Status of Bill: House Appropriations Calendar
Committee: Transportation (19-0) Appropriations (25-0) Ways and Means (23-0)
Lead Democrats: Rep Hall, Rep Taylor
Floor Manager: Rep Rogers/ Rep Byrnes
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Background

The Environmental Protection Charge (EPC) is due to sunset at the end of FY 2016, the EPC is equal to 1 cent per gallon of petroleum gas. The EPC has served as a revenue source for the Road Use Tax Fund (RUTF) although it was originally intended for the cleanup of petroleum contamination. The EPC generates approximately \$21.5 million per year. Current contamination cleanup is funded through the Statutory Allocations Fund (SAF). The annual \$14 million allocation to the UST cleanup does not expire with the EPC, nor does the Renewable Fuel Infrastructure Fund, which receives \$3 million from the SAF.

Summary

HF 2464 does the following:

- Eliminates the annual appropriation of \$14 million from the SAF to the UST fund, effective December 31, 2016
- Extends the EPC sunset until December 31, 2016
- Eliminates the \$3 million annual allocation to the Renewable Fuel Infrastructure Fund, effective June 30, 2017

Fiscal Impact

Currently there is enough money in the UST Fund to pay all remaining funding obligations and to provide enough for future clean up spots as identified by the DNR. As of March 31, 2016 the UST Fund has a total of \$37.4 million and liabilities of \$23.55 million. The DNR has identified has 720 Leaky Underground Storage Tanks (LUST) sites that need to be investigated or remediated. The Iowa UST fund has 423 open claims as they complete work on the LUST sites.

The following funds will be impacted:

- UST Fund a negative impact of \$7 million for FY 17 and a negative \$14 million each fiscal year there after
- Renewable Fuel Infrastructure Fund will have a negative impact of \$3 million annually after FY 17
- RUTF will have a positive impact of \$17.8 million in FY 17 and a positive of \$17 million annually after FY 17