

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7959

BILL NUMBER: HB 1578

DATE PREPARED: Mar 16, 1999

BILL AMENDED: Mar 16, 1999

SUBJECT: Underground storage tank grant program.

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FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) (1) This bill allows the Indiana Development Finance Authority to use money in the Underground Storage Tank Guaranty Fund to award grants to certain underground storage tank owners and operators who closed or removed underground storage tanks after December 31, 1997, and before July 1, 1998.

It transfers \$120,000 from the Underground Petroleum Storage Tank Excess Liability Trust Fund to the Underground Storage Tank Guaranty Fund to be used by the Indiana Development Finance Authority to award grants to these underground storage tank owners and operators. It requires the Auditor of State to transfer any money remaining in the Underground Storage Tank Guaranty Fund on July 1, 2001, to the Underground Petroleum Storage Tank Excess Liability Trust Fund.

(2) It excludes a person who fills or gages the product level of an underground storage tank from the definition of operator for purposes of underground storage tank corrective actions if the person does not own or lease the facility or business at which the tank is located and does not participate in the management of the facility or business.

Effective Date: (Amended) January 1, 1999 (retroactive); July 1, 1999.

Explanation of State Expenditures: (Revised) (1) This bill provides that underground storage tank (UST) owners and operators who close or remove USTs after December 31, 1997 and before July 1, 1998 are eligible for a grant from the UST Guaranty Fund. Currently, only UST owners and operators who close or remove tanks after June 30, 1998 are eligible. It is estimated that there are 6 UST owners and operators who would be eligible under this bill. Grants awarded from the UST Guaranty Fund have ranged from \$5,000 to \$15,000.

This bill transfers \$120,000 from the Underground Petroleum Storage Tank Excess Liability Trust Fund (ELTF) to the UST Guaranty Fund on July 1, 1999. Money remaining in the UST Guaranty Fund on July 1, 2001 must be transferred back to the ELTF. The balance of the ELTF was approximately \$51 million as of June 30, 1998. The UST Guaranty Fund was initially funded with a one-time transfer from the ELTF and does not have any current funding sources. As of November 1998, only about \$30,000 of approximately \$640,000 remains uncommitted.

(2) It eliminates a category of potentially responsible parties for helping fund a corrective action. The Indiana Department of Environmental Management has never held these individuals liable for corrective actions. If no liable parties are found, the cost for the cleanup is paid by available money in the Underground Petroleum Storage Tank Trust Fund. Money in the Fund is used to pay costs associated with corrective actions resulting from leaks from underground petroleum storage tanks and to pay administrative and personnel costs. The Fund receives money from the underground storage tank registration fee, penalties from nonpayment of the registration fee, penalties, costs recovered by the state in connection with any corrective action or enforcement with respect to a release of petroleum, appropriations made by the General Assembly, and federal grants.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Development Finance Authority; Indiana Department of Environmental Management.

Local Agencies Affected:

Information Sources: Lara Beck, Indiana Development Finance Authority, 233-4332.