

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

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 6138**  
**BILL NUMBER: SB 66**

**DATE PREPARED:** Mar 22, 1999  
**BILL AMENDED:** Mar 22, 1999

**SUBJECT:** Underground storage tanks.

**FISCAL ANALYST:** Kristin Breen  
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**FUNDS AFFECTED:**     **GENERAL**                                     **IMPACT:** State  
                          **X DEDICATED**  
                          **FEDERAL**

**Summary of Legislation:** (Amended) (A) 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, 2000, to the Underground Petroleum Storage Tank Excess Liability Trust Fund.

(B) It provides that a person is not subject to the civil penalty for violation of an underground storage tank standard if: (1) the tank is on a brownfield; (2) the person was not the owner or operator of the tank when the violation first occurred; (3) the person does not dispense a regulated substance into or from the tank; and (4) the tank is brought into compliance within one year after the person acquired the property.

**Effective Date:** July 1, 1999.

**Explanation of State Expenditures:** (Revised) (A) 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 \$61 million as of

January 1999. 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 remained uncommitted.

**Explanation of State Revenues:** (Revised) (B) This bill may decrease civil penalty revenue by a minimal amount. A civil penalty cannot be more than \$10,000 per underground storage tank for each day of violation. Penalty revenue is deposited in the Underground Petroleum Storage Tank Trust Fund. The Fund also receives money from the underground storage tank registration fee, penalties from nonpayment of the registration fee, 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. Money in that 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 available balance of the Fund was approximately \$4.4 million on June 30, 1998.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

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

**Local Agencies Affected:**

**Information Sources:** Indiana Department of Environmental Management; Lara Beck, Indiana Development Finance Authority, 233-4332.