

Refined Petroleum Fund: Temporary Reimbursement Program

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Senate Bill 677, S-1

Sponsors: Sen. Michelle McManus

House Committee: Appropriations

Senate Committee: Appropriations

Complete to December 9, 2008

SUMMARY:

SENATE BILL 677, AS RECOMMENDED BY HOUSE COMMITTEE

This bill would amend Part 215 of the Natural Resources and Environmental Protection Act (Refined Petroleum Fund) by extending the date that claims can be made for reimbursement under the Temporary Reimbursement Program. Claims would be limited to costs incurred before the end of the 2009 calendar year. It also the minimum amount for a request for reimbursement from \$5,000 to \$3,000. This would allow participants to be reimbursed in smaller increments.

Under current law, applicants for reimbursements for corrective actions for leaking underground storage tanks have 540 days from the date the department determines that they are eligible to undertake cleanup efforts. This period ended on November 1, 2008 for 470 of the 600 approved applicants. For the remaining 130 participants, this period ends between November 2008 and July 28, 2009. This bill would allow site cleanup work to continue at these sites.

FISCAL IMPACT:

This bill would increase the number of reimbursement requests processed by the Department of Environmental Quality. According to department estimates, the number of requests could increase by as much as 20%, and could increase the processing time for all program requests. There would be no fiscal impact on department administrative costs, and increase the amount paid from appropriated Refined Petroleum Funds for individual underground storage tank cleanup projects. Funding for the Temporary Reimbursement Program is provided through the FY 2005-06 appropriation for the Refined Petroleum Initial Cleanup Program: \$39,000,000.

Revenue to the Refined Petroleum Fund would not be affected, nor would there be any further need for increased appropriations for currently approved projects. Additional expenses incurred through provisions of this bill would reduce the amount that might lapse to the Refined Petroleum Fund at the end of the program. Total FY 2007-08 revenue to the Refined Petroleum Fund is estimated to be \$54,100,000.

Fiscal Analyst: Kirk Lindquist

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