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SENATE FILE 5
BY SCHUERER

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act providing incentives for the installation, replacement, or
2 conversion of motor vehicle fuel storage tanks used to store
3 and dispense super ethanol and providing funding.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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NAT. RES. & ENVIRONMENT

1 Section 1. Section 15.313, subsection 2, Code 2001, is
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. j. To reimburse the owner or operator of a
4 site for costs necessary to install, replace, or convert an
5 aboveground motor vehicle fuel storage tank for use in storing
6 and dispensing super ethanol as provided in section 455G.23.
7 The department shall make payment from the fund upon a written
8 demand by the Iowa comprehensive petroleum underground storage
9 tank fund board in order to provide for reimbursement
10 according to procedures adopted by the department in
11 cooperation with the board. The department is not required to
12 make payments from the fund totaling more than five hundred
13 thousand dollars in any fiscal year.

14 Sec. 2. Section 15.313, subsection 4, Code 2001, is
15 amended to read as follows:

16 4. a. The director shall submit annually at a regular or
17 special meeting preceding the beginning of the fiscal year,
18 for approval by the economic development board, the proposed
19 allocation of funds from the Iowa strategic investment fund to
20 be made for that fiscal year to the community economic
21 betterment program, the business development finance
22 corporation, the self-employment loan program, and the
23 targeted small business financial assistance program and for
24 comprehensive management assistance. The director shall
25 notify the economic development board of the expected amount
26 required to support the super ethanol storage tank incentive
27 program as provided in section 455G.23. If ~~funds~~ moneys are
28 available under a federal microloan demonstration program, the
29 director may recommend an allocation for that purpose. The
30 plans may provide for increased or decreased allocations if
31 the demand in a program indicates that the need exceeds the
32 allocation for that program.

33 b. The director shall report on a monthly basis to the
34 board on the status of the ~~funds~~ moneys in the fund and may
35 present proposed revisions for approval by the board in

1 January and April of each year.

2 c. Unobligated and unencumbered moneys remaining in the
3 ~~strategic-investment~~ fund or any of its accounts on June 30 of
4 each year shall be considered part of the fund for purposes of
5 the next year's allocation.

6 Sec. 3. Section 455G.4, Code 2001, is amended by adding
7 the following new subsection:

8 NEW SUBSECTION. 6. SUPER ETHANOL STORAGE TANK INCENTIVE
9 PROGRAM. The board and the department of economic development
10 shall cooperate in order to reimburse owners or operators of
11 motor vehicle fuel storage tanks storing super ethanol as
12 provided in section 455G.23 from the Iowa strategic investment
13 fund pursuant to section 15.313.

14 Sec. 4. NEW SECTION. 455G.23 SUPER ETHANOL STORAGE TANK
15 INCENTIVE PROGRAM.

16 1. As used in this section:

17 a. "Motor vehicle fuel" means the same as defined in
18 section 214A.1.

19 b. "Motor vehicle fuel pump" or "pump" means the same as
20 defined in section 214.1.

21 c. "Motor vehicle fuel storage tank" or "tank" means a
22 container that is a fixture on a site, used to keep an
23 accumulation of motor vehicle fuel.

24 d. "Site" means the premises where a motor vehicle fuel
25 tank is located, if the tank is used to serve a connecting
26 motor vehicle fuel pump where motor vehicle fuel is dispensed
27 to customers on a retail basis.

28 e. "Super ethanol" means motor vehicle fuel containing at
29 least eighty-five percent ethanol according to standards
30 established by rules adopted by the department of agriculture
31 and land stewardship pursuant to chapter 214A.

32 2. The board shall establish a super ethanol storage tank
33 incentive program to reimburse the owner or operator of a site
34 for costs necessary to install, replace, or convert an
35 aboveground motor vehicle fuel storage tank for use in storing

1 and dispensing super ethanol. An owner or operator shall not
2 be reimbursed more than seven thousand five hundred dollars
3 for each tank that is installed, replaced, or converted under
4 the program. In order to be eligible for reimbursement, all
5 of the following must apply:

6 a. The motor vehicle fuel storage tank must be located at
7 a site.

8 b. The site must comply with federal and state standards
9 governing new or upgraded motor vehicle fuel storage tanks
10 used to store and dispense motor vehicle fuel, including super
11 ethanol.

12 c. The owner or operator of the site must apply to the
13 board in a manner and according to procedures required by the
14 board. The application must contain all information required
15 by the board and shall at least include all of the following:

16 (1) The name of the owner or operator and the address of
17 the site.

18 (2) A detailed description of the motor vehicle fuel
19 storage tank to be installed, replaced, or converted on the
20 site, including but not limited to the model number of the
21 tank if available.

22 (3) A statement that the installation, replacement, or
23 conversion is necessary to store super ethanol.

24 3. A site classified as a no further action site pursuant
25 to a certificate issued by the department under section
26 455B.474 shall retain its classification following
27 modifications necessary to store and dispense super ethanol,
28 and the owner or operator shall not be required to perform a
29 new site assessment unless the site causes a clear, present,
30 and impending danger to the public health or the environment.

31 EXPLANATION

32 This bill establishes a super ethanol storage tank
33 incentive program administered by the Iowa comprehensive
34 petroleum underground storage tank fund board. The purpose of
35 the program is to reimburse the owner or operator of a site

1 for costs necessary to install, replace, or convert an
2 aboveground motor vehicle fuel storage tank for use in storing
3 and dispensing motor vehicle fuel containing at least 85
4 percent ethanol (referred to as "super ethanol"). An owner or
5 operator cannot be reimbursed more than \$7,500 for each tank
6 that is installed, replaced, or converted under the program.
7 The bill provides eligibility and application requirements.
8 The bill provides that a site classified as a no further
9 action site pursuant to a certificate issued by the department
10 of natural resources retains its classification following
11 modifications necessary to store and dispense super ethanol.
12 Moneys used to support the fund derive from the Iowa strategic
13 investment fund administered by the department of economic
14 development. The bill provides procedures for the expenditure
15 of moneys from the fund. The bill provides that not more than
16 \$500,000 from the fund shall be used to support the program
17 during any one fiscal year.

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