

FILED FEB 10 2005

SENATE FILE  
BY JOHNSON

141

NAT. RES. & ENVIRONMENT

Passed Senate, Date 3-3-05 Passed House, Date 3-14-05  
Vote: Ayes 48 Nays 0 Vote: Ayes 98 Nays 0  
Approved 3/21/05

A BILL FOR

1 An Act relating to reimbursement to owners of aboveground  
2 petroleum storage tanks for costs associated with the upgrade  
3 or permanent closure of aboveground petroleum storage tanks.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

SC 141

NAT. RES. & ENVIRONMENT

1 Section 1. Section 455G.23, subsection 2, paragraphs d and  
2 e, Code 2005, are amended to read as follows:

3 d. Upgrade expenses must be incurred after January 1,  
4 2004, and not later than ~~February 18~~ December 31, 2005.

5 Upgrade activities are limited to the installation or  
6 improvement of equipment or systems required to comply with 40  
7 C.F.R. § 112, specifically:

- 8 (1) Secondary containment.
- 9 (2) Corrosion protection.
- 10 (3) Loss prevention.
- 11 (4) Security.
- 12 (5) Drainage.
- 13 (6) Removal of noncompliant tanks.

14 e. Permanent closure activities, including tank system  
15 removal, decommission, and disposal, must occur after January  
16 1, 2004, and not later than ~~February 18~~ December 31, 2005,  
17 unless the owner is a party to an agreement entered into  
18 pursuant to subsection 3 and the tanks meet one of the  
19 following criteria:

- 20 (1) All tanks are empty by ~~February 18~~ December 31, 2005.
- 21 (2) All tanks containing petroleum on or after ~~February 18~~  
22 December 31, 2005, meet the requirements of 40 C.F.R. § 112 et  
23 seq. and any applicable provisions of chapter 101 and the  
24 administrative rules adopted pursuant to chapter 101.

25 EXPLANATION

26 This bill relates to reimbursement to owners of aboveground  
27 petroleum storage tanks for costs associated with the upgrade  
28 or permanent closure of aboveground petroleum storage tanks.

29 Currently, a tank owner may receive reimbursement if the  
30 tank site was registered with the state fire marshal by  
31 January 1, 2004, the tank contains petroleum, and certain  
32 other time-sensitive criteria are met. The time-sensitive  
33 criteria include that upgrade expenses must be incurred by  
34 February 18, 2005, permanent closure activities must occur by  
35 February 18, 2005, tanks must be empty by February 18, 2005,

1 and tanks must meet certain federal and state requirements by  
2 February 18, 2005. The bill changes the February 18, 2005,  
3 date to December 31, 2005, in each case.

- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28
- 29
- 30
- 31
- 32
- 33
- 34
- 35

**Fiscal Services Division**  
**Legislative Services Agency**  
**Fiscal Note**

---

SF 141 - Above Ground Storage Tank Program (LSB 1051 XS)  
Analyst: Jeff Robinson (Phone: (515) 281-4614) (jeff.robinson@legis.state.ia.us)  
Fiscal Note Version - New

---

**Description**

Senate File 141 extends a deadline enacted by the 2004 General Assembly in HF 2401 (Aboveground Storage Tank Upgrade and Removal Reimbursement Act of 2004). That Act allowed owners of aboveground petroleum storage tanks to receive partial reimbursement for expenses related to the upgrade or removal of tanks. The reimbursement was available for work completed from January 1, 2004, through February 18, 2005. The source of funding was the State Underground Storage Tank (UST) Fund.

Senate File 141 extends the deadline to December 31, 2005.

**Background**

The fiscal note for HF 2401 assumed a maximum of 940 aboveground tanks would qualify for reimbursement and the average reimbursement would be \$20,000 per tank. Those numbers provided a maximum exposure to the UST Fund of \$18.8 million. Through the end of January, the Board had reimbursed \$2.2 million in upgrade and removal expenditures, with total reimbursable expenditures under the current deadline expected to be \$11.0 million.

**Fiscal Impact**

The fiscal impact on the UST Fund of extending the deadline for expense reimbursement is projected to be \$4.0 million. The additional reimbursements related to the extended deadline will occur during FY 2005 and FY 2006.

The following table provides a summary of the projected impact on the UST Fund of HF 2401 and SF 141.

	HF 2401 2004 Session	SF 141 2005 Session	Total
Expense Reimbursements	\$11.0 million	\$4.0 million	\$16.0 million

**Source**

Underground Storage Tank Administrator

\_\_\_\_\_  
/s/ Holly M. Lyons

March 14, 2005

---

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.

---

- (1) All tanks are empty by ~~February-18~~ December 31, 2005.
- (2) All tanks containing petroleum on or after ~~February-18~~ December 31, 2005, meet the requirements of 40 C.F.R. § 112 et seq. and any applicable provisions of chapter 101 and the administrative rules adopted pursuant to chapter 101.

SENATE FILE 141

AN ACT

RELATING TO REIMBURSEMENT TO OWNERS OF ABOVEGROUND PETROLEUM STORAGE TANKS FOR COSTS ASSOCIATED WITH THE UPGRADE OR PERMANENT CLOSURE OF ABOVEGROUND PETROLEUM STORAGE TANKS.

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

Section 1. Section 455G.23, subsection 2, paragraphs d and e, Code 2005, are amended to read as follows:

d. Upgrade expenses must be incurred after January 1, 2004, and not later than ~~February-18~~ December 31, 2005.

Upgrade activities are limited to the installation or improvement of equipment or systems required to comply with 40 C.F.R. § 112, specifically:

- (1) Secondary containment.
- (2) Corrosion protection.
- (3) Loss prevention.
- (4) Security.
- (5) Drainage.
- (6) Removal of noncompliant tanks.

e. Permanent closure activities, including tank system removal, decommission, and disposal, must occur after January 1, 2004, and not later than ~~February-18~~ December 31, 2005, unless the owner is a party to an agreement entered into pursuant to subsection 3 and the tanks meet one of the following criteria:

---

JEFFREY M. LAMBERTI  
President of the Senate

---

CHRISTOPHER C. RANTS  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 141, Eighty-first General Assembly.

---

MICHAEL E. MARSHALL  
Secretary of the Senate

Approved 3/21/05, 2005

---

THOMAS J. VILSACK  
Governor