



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 290

PRINTERS NO. 2217

PRIME SPONSOR: Metzgar

COST / (SAVINGS)

FUND	FY 2017/18	FY 2018/19
Underground Storage Tank Indemnification Fund; Storage Tank Fund	See Fiscal Impact	See Fiscal Impact

SUMMARY: House Bill 290, Printer's Number 2217, amends the Storage Tank and Spill Prevention Act to address a vacancy on the Underground Storage Tank Indemnification Board.

ANALYSIS: This bill amends the Storage Tank and Spill Prevention Act (Act 32 of 1989) to make changes related to the appointment of members to the Underground Storage Tank Indemnification Board. It removes four of the Governor's appointments and provides one appointment each to the Senate President Pro Tempore, House Speaker, Senate Minority Leader, and House Minority Leader. All industry-related appointments to the board shall be selected from a list of nominees established in the act.

The other appointment change removes "the Middle Atlantic Truck Stop Operators" from the list of nominees and replaces it with "a Statewide organization representing fuel retailers and food merchants."

The bill clarifies that the Governor's other two appointees shall include a local government member with underground storage tank expertise for a two-year term, and a public member for a three-year term who is not an owner or operator of storage tanks nor affiliated with any person regulated under the act.

The sunset dates for both the Underground Storage Tank Environmental Cleanup Program and Underground Storage Tank Pollution Prevention Program are extended an additional five years. The date is changed from June 30, 2017 to June 30, 2022.

The bill revises the program allocations from the fund such as increasing the annual allocation to the Underground Storage Tank Environmental Cleanup Program from \$500,000 to \$750,000 that may be used for costs of corrective action. It decreases the annual allocation from \$1,000,000 to \$350,000 for the Underground Storage Tank Pollution Prevention Program as long as the allocation does not impede the actuarial soundness of the fund's ability to pay claims.

It also provides for investigation, closure, compliance and enforcement costs by allowing the Department of Environmental Protection to request additional funding related to such program

costs. The bill increases the amount the department may request from \$3,000,000 to \$7,000,000 annually beginning in Fiscal Year 2017-2018.

This legislation would take effect in 60 days upon enactment.

FISCAL IMPACT: Enactment of this bill will have no adverse fiscal impact on Commonwealth funds. The bill does provide a total projected savings of \$400,000 to the Underground Storage Tank Indemnification Fund (USTIF) with the proposed changes to funding allocations, including an increase of \$250,000 to the Underground Storage Tank Environmental Cleanup Program for the costs of corrective actions and a decrease of \$650,000 for the Underground Storage Tank Pollution Prevention Program.

However, the bill also increases the amount the department may request by \$4 million for investigation, closure, compliance and enforcement costs related to the Underground Storage Tank Environmental Cleanup Program. The annual amount that may be requested is increased from \$3,000,000 to \$7,000,000 beginning in Fiscal Year 2017-2018. Funding is transferred from the USTIF to the Storage Tank Fund and was projected as part of the Governor's FY 2017-18 Executive Budget.

Assuming the department requests the full amount permitted for related cleanup costs, the resulting net cost to the USTIF would be \$3.6 million annually when including the revised allocation amounts listed above for the Underground Storage Tank Environmental Cleanup and Underground Storage Tank Pollution Prevention programs. It should be noted that the projected cash ending balance for the USTIF is \$209.9 million in FY 2017-18.

PREPARED BY: Jeffrey Clukey
Jeff Miller
House Appropriations Committee (R)

DATE: December 6, 2017

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.