

CS FOR SENATE BILL NO. 384 (RESOURCES)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE RESOURCES COMMITTEE

Offered: 5/6/92
Referred: Finance

Sponsor(s): SENATOR MENARD

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the financial assistance program for underground storage tanks and
2 storage tank systems; authorizing use of not more than \$4,500,000 of the oil and
3 hazardous substance release response fund to support certain activities related to the
4 underground petroleum storage tank program during FY 1993; imposing a temporary
5 surcharge on the motor fuel tax and directing the separate accounting for the proceeds
6 of that surcharge; authorizing use of revenue generated by the surcharge for certain
7 activities related to the underground petroleum storage tank program, and terminating that
8 authorization; and repealing provisions of the underground petroleum storage tank program;
9 and providing for an effective date."

10 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

11 * Section 1. AS 46.03.410 is amended by adding a new subsection to read:

12 (d) In the award of grants and loans authorized by (b)(2) and (3) of this section, the

1 commissioner shall give first consideration to the award of financial support to individuals and
2 small businesses.

3 * **Sec. 2. USE OF OIL AND HAZARDOUS SUBSTANCE RELEASE RESPONSE FUND FOR**
4 **UNDERGROUND PETROLEUM STORAGE TANK CLEANUP PROGRAM DURING FISCAL YEAR**
5 **1993. (a) In addition to the objects of expenditure for which the commissioner of environmental**
6 **conservation may use money in the oil and hazardous substance release response fund established in**
7 **AS 46.08.010, the commissioner may, after June 30, 1992, and before July 1, 1993, use not more than**
8 **\$4,500,000 of the money from the fund to pay for the grants and loans described in AS 46.03.410(b)(2)**
9 **and (3).**

10 (b) Notwithstanding AS 46.08.070(a), the commissioner of environmental conservation is not
11 required to seek reimbursement under AS 46.03.760(e), AS 46.08.070, or federal law of money spent
12 under (a) of this section if the commissioner finds that

13 (1) the owner or operator of an underground petroleum storage tank system has been in
14 compliance with all state and federal laws applicable to underground petroleum storage tank systems and
15 releases from them, including notification and registration laws, but excluding financial responsibility
16 requirements; and

17 (2) the grant or loan made under AS 46.03.410(b)(2) or (3) was not made to correct an
18 underground storage tank release attributable to the owner's or operator's gross negligence, recklessness,
19 or intentional conduct.

20 (c) The prohibition of AS 46.08.010(c) against use of money in the oil and hazardous substance
21 release response fund for capital improvements does not apply to the grants authorized by (a) of this
22 section.

23 * **Sec. 3. MOTOR FUEL SURCHARGE.** In addition to the tax levied and collected under
24 AS 43.40.010(a) and (b), the Department of Revenue shall levy and collect, on all sources subject to tax
25 under AS 43.40, a surcharge of one cent per gallon on all motor fuel sold, otherwise transferred, or
26 consumed within the state. The surcharge levied and collected under this section is in addition to and
27 shall be paid in the same manner as the tax imposed by AS 43.40. However, the surcharge levied under
28 this section does not apply to

- 29 (1) aviation gasoline;
30 (2) motor fuel used in and on watercraft of all descriptions; and
31 (3) aviation fuel other than gasoline.

1 * **Sec. 4. DISPOSITION OF PROCEEDS OF SURCHARGE.** (a) Notwithstanding AS 43.40.010(g),
2 the commissioner of revenue shall deposit the proceeds of the surcharge levied by sec. 3 of this Act into
3 the general fund.

4 (b) The commissioner of administration shall separately account for all proceeds of the surcharge
5 that are deposited into the general fund.

6 * **Sec. 5. USE OF REVENUE DERIVED FROM SURCHARGE.** (a) The legislature may
7 appropriate the annual estimated balance of the account established under sec. 4(b) of this Act to the
8 storage tank assistance fund established by AS 46.03.410.

9 (b) Notwithstanding any other provision of law, the amounts appropriated under this section may
10 be used by the commissioner of environmental conservation only to pay for the grants and loans
11 described in AS 46.03.410(b)(2) and (3).

12 * **Sec. 6.** AS 46.03.365(c) is amended to read:

13 (c) When [EXCEPT AS PROVIDED IN AS 46.03.420(c)(2)(A), WHEN] the regulations
14 adopted under this section address areas governed by federal laws or regulations, the state
15 regulations must be consistent with federal laws and regulations and may not be more stringent
16 than the federal laws and regulations.

17 * **Sec. 7.** AS 46.03.405 is amended to read:

18 Sec. 46.03.405. PROHIBITIONS. A person, including a governmental entity or
19 institution, or a public corporation, may not operate an underground petroleum storage tank or
20 tank system unless

21 (1) the tank and tank system is registered with the department as provided in
22 AS 46.03.360 - 46.03.450 or other law; and

23 (2) [EXCEPT AS PROVIDED IN AS 46.03.420(c)(1)(D),] the person has
24 provided to the department proof of financial responsibility to the extent required under
25 regulations adopted under AS 46.03.365 or proof of application for arrangements that would
26 satisfy state financial responsibility requirements.

27 * **Sec. 8.** AS 46.03.360(e), 46.03.360(f), 46.03.360(g), 46.03.363(5), 46.03.380(b)(3)(B)(ii),
28 46.03.385(e), 46.03.410, 46.03.415, 46.03.420, and 46.03.430 are repealed.

29 * **Sec. 9.** Section 2 of this Act is repealed July 1, 1993.

30 * **Sec. 10.** Sections 3 - 5 of this Act are repealed July 1, 1996.

31 * **Sec. 11.** Section 1 of this Act takes effect immediately under AS 01.10.070(c).

- 1 * **Sec. 12.** Sections 2 - 5, 9, and 10 of this Act take effect July 1, 1992.
- 2 * **Sec. 13.** Sections 6 - 8 of this Act take effect July 1, 1996.