

HB

419

Senate Resources

April 27, 2006

HB 419 Sponsor Packet

Cover Sheet _____	1 page
Sponsor Statement _____	1 page
Sectional Analysis _____	2 pages
HB0419a _____	2 pages
DEC Fiscal Note 3/21/06 _____	1 page
Total Pages: _____	7 pages

ALASKA STATE HOUSE OF REPRESENTATIVES



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**State Capitol
Room 204**

REPRESENTATIVE JOHN COGHILL

HB 419 "Board of Storage Tank Assistance"

SPONSOR STATEMENT

In 1990 the Alaska Legislature passed HB 220 to create a state UST Program and a Storage Tank Assistance Fund in order to assist tank owners that were required to meet the deadlines set in the US Environmental Protection Agency (EPA) Underground Storage Tank Program.

In 1999, the year after EPA's deadline, the program began to phase out and was formally ended by the Legislature on June 30, 2004.

A loan program to assist owners with completing cleanup was established by SB 128, passed in 1999. The Storage Tank Assistance Fund was converted to the Underground Storage Tank Revolving Loan Fund in 2002.

The original legislation HB 220 also created the Board of Storage Tank Assistance to oversee state grants and loans. The Board is no longer needed since the grant program has been terminated and no loan applications have been received.

SB 128 established a June 30, 1999 sunset date for the board. Subsequent bills extended that date to June 30, 2007.

HB 419 will modify the end date for the board in order to be consistent with the end date for formal termination of the loan program. Additionally the bill lists out the statutes that relate to the board, the reporting, regulations, fees, revolving loan fund, loan program, definitions, uses of the fund, the respective administrative codes, the orderly completion of the boards obligations, and renumbering instructions related to those statutes repealed.

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REPRESENTATIVE JOHN COGHILL

HB419 – Repeal Board of Storage Tank Assistance

SECTIONAL

- Section 1.** AS 46.03.440(a) reworded to *former board of storage tank assistance* because this Board is being dissolved.
- Section 2.** This section lists the statutes that are being repealed, beginning with the Board of Storage Tank Assistance and Chapter 66 – Review of the activities of agencies, boards, and commissions
- AS 44.66.010(a)(7) – Expiration of Board of Storage Tank Assistance – June 30, 2007
- Article 6 – Underground Storage Tank Systems
- AS 46.03.360 – Board of storage tank assistance. *Board is being repealed.*
- AS 46.03.363 – Reports. *Reports will no longer be required.*
- AS 46.03.365 – Regulation of underground petroleum storage tank systems:
(d) Before adopting a regulation that sets a standard for the level of a contaminant that is allowed to remain in soil or groundwater after cleanup of a release from or associated with an underground petroleum storage tank, the department shall consult with the board. Before the department may adopt a regulation specifying allowable technologies for testing, containment and cleanup, or corrective action, the regulation must be approved by the board. *There is no longer a board to consult with or approve a regulation.*
- AS 46.03.385 – Registration fee:
(e) The department shall deposit fees collected under this section into the underground storage tank revolving loan fund established under AS 46.03.410. *There will no longer be a revolving loan fund for registration fee deposits.*
- AS 46.03.410 – Underground storage tank revolving loan fund. *Repealed in its entirety.*
- AS 46.03.422 – Tank cleanup loan program. *Repealed in its entirety.*

AS 46.03.450 – Definitions:

- (1) "board"
- (3) "containment and cleanup"
- (5) "facility"
- (9) "risk assessment"
- (11) "tangible net worth"

AS 46.08.040 – Uses of the fund:

(a)(2)(G) *(a) In addition to money in the response account of the fund that is transferred to the commissioner of commerce, community, and economic development to make grants under AS 29.60/510 and to pay for impact assessments under AS 29.60.560, the commissioner of environmental conservation may use money (2) from the prevention account in the fund to (G) pay or reimburse the underground storage tank revolving loan fund established in AS 46.03.410 for expenditures from that fund authorized by AS 46.03.410(b).*

Section 3. The Alaska Administrative Codes that relate to the repealed statutes in Sec. 2 above, are annulled.

Section 4. This section allows for an orderly completion of obligations, rights, liabilities, and contracts that were entered into prior to the Board of Storage Tank Assistance being repealed.

Section 5. This instruction is given because AS 46.03.360 and 46.03.363 are repealed in Sec. 2 above. There is no reason for statutes that have been repealed to be referenced.

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 419
(H) Publish Date: 3/24/06

Revision Date/Time (Note if correction): _____ Dept. Affected: Environmental Conservation
Title: Repeal Underground Storage Tank Laws RDU: Spill Prevention and Response
Component: Contaminated Sites
Sponsor: Representative John Coghill
Requester: House Resources Committee Component No.: 2386

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0
Other (Specify Type--Do not abbreviate)	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

The storage tank financial assistance program was established by the legislature to provide technical and financial assistance to underground tank owners and operators in an effort to prevent new spills and cleanup old spills from underground storage tanks (UST). The Storage Tank Assistance Fund began in 1990 as a grant program to assist UST owners with the cost of tank tightness testing, site assessment, clean up of contamination caused by leaking USTs, and removal, upgrade, or replacement of UST systems. The Board of Storage Tank Assistance was established to rank requests for grants and loans, and determine which costs were eligible under the financial assistance program. In 2002, SB 153 renamed the fund the Underground Storage Tank Revolving Loan Fund (USTRLF), and mandated that DEC could not pay money for grants after June 30, 2004. The grant program was successfully closed by the required date, and no loan requests have been received. Since no more grants can be issued, and no loan requests have been or are expected to be received, repealing the Board and the Fund should not have an impact. UST permit fees, which are directed to the USTRLF and amount to approximately \$35,000 per year will be deposited in the General Fund.

Prepared by: Larry Dieck
Division: Spill Prevention and Response
Approved by: Dan Easton, Deputy Commissioner
Agency: Department of Environmental Conservation

Phone 907-465-5250
Date/Time March 17, 2006 3:40 p.m.
Date 3/21/2006

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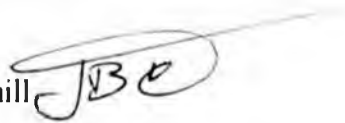
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REPRESENTATIVE JOHN COGHILL

MEMORANDUM

Date: April 18, 2006

To: Senator Tom Wagoner, Chairman
Senate Resources

From: Representative John Coghill 

Re: HB 419 – Repeal of Board of Storage Tank Assistance

I am requesting a hearing in Senate Resources for HB 419. "An Act repealing the Board of Storage Tank Assistance, the underground storage tank revolving loan fund, and the tank cleanup loan program; repealing certain reporting requirements relating to underground petroleum storage tank systems; making conforming amendments; and providing for an effective date."

I have attached a copy of HB 419, the sponsor statement and sectional.

Thank you.