

## HOUSE REPUBLICAN STAFF ANALYSIS

Bill:	House File 2646/Senate File 2416	House Committee:	2/15/2024	<b>18-3</b>
Committee:	Appropriations	House Approps:	3/6/2024	<b>25-0</b>
Floor Manager:	Rep. Mommsen	House Floor:		
Date:	April 9, 2024	Senate Floor:	4/3/2024	<b>48-0</b>
Staff:	Lew Olson (1-3096)	Governor:		

### Final Disposition of Remaining UST Funds

**House File 2646** and its Senate companion **Senate File 2414** proposes to transfers all unencumbered and unobligated moneys (just under \$7-million) in the Iowa comprehensive petroleum underground storage tank (UST) fund on the effective date of the bill to the DNR's existing storage tank management account of the groundwater protection fund effective on July 1, 2024. At least \$3 million shall be used for permanent closures of existing tanks, for any assessment or corrective action on a tank that previously had been deemed that "no further action" related to clean-up is necessary, and tank operator training.

The Floor manager will offer an amendment (**H 8283**) to HF 2646 so that it conforms with Senate File 2414 and can be substituted.

- SF 2414 provides that moneys transferred to the storage tank management account pursuant to the bill shall be used/appropriated by DNR to reimburse tank owners for the costs associated with a corrective action for a petroleum release, with at least \$3-million of the moneys transferred from the Iowa comprehensive petroleum underground storage tank fund to the storage tank management account to be used:
  - for the permanent closure of underground storage tank systems,
  - for actions arising from sites where certificates of no further action have been issued, and
  - for tank operator training that does not exceed \$50,000 each fiscal year.
- Annual appropriation to IDALS of \$250,000 for the purpose of inspecting fuel quality at pipeline terminals and renewable fuel production facilities
- SF 2414 also repeals the UST Board and Fund.
  - It moves Code sections under 455G into 455B pertaining to the management of UST Fund now under the DNR through the storage tank management account that includes liability, insurance, and cost recovery details.
  - Lastly, the bill includes conforming changes and transition provisions, which take effect upon enactment.

### Section by Section Analysis of SF 2414/H 8283

Action 1 of H 8283 strikes everything after the enacting clause and inserts the following (SF 2414 provisions)--

Division I

## Storage Tank Management Account

### Section 1—DNR Jurisdiction of UST Board and Fund Repealed

Section 455B.471, subsections 1 and 3, Code 2024 are struck. This removes DNR jurisdiction authority for UST Board and UST fund.

### Section 2—New Definitions for DNR UST Programs

Amends 455B.471, Code 2024 by creating new definitions for—‘Account’, ‘Claimant’, ‘Community Remediation’, ‘Costs’, ‘Insurance’, ‘Potentially responsible party’, ‘Program’, and ‘Third-party Liability’.

### Section 3—DNR Storage tank Management Account Financing program

Creates a new section 455B.472A that directs DNR to establish and administer a storage tank management account financing program for purposes of reimbursing eligible claimants for all or parts of costs of corrective actions.

### Section 4—Cost Recovery Enforcement

Creates a new section 455B.472B that empowers (may) DNR to seek full recovery from an owner, operator, or other potentially responsible party for a release that is subject of a corrective action for which money from the account are expended. Owners and operators not in compliance can be assessed for the full and total costs of corrective actions. Liens may be placed on property for unpaid corrective costs. These provisions will largely replace similar provisions found in 455G.13.

### Section 5—DNR Discretionary Rulemaking Authority

Creates a new section 455B.472C that give the Environmental Protection Commission (EPC) authority to promulgate administrative rules to implement the conditioning of receipt of money from the account transfer.

### Section 6—Internal References in 455B.474 Changed to Reflect New 455B.--474A, 474B, 474C

Amends sections 455B.474, subsections 1, paragraph a, subparagraph (6) subparagraph divisions (g), (i), and (j), Code 2024, to reflect replacement of 455G provisions with 455B.472-(A, B, C) references.

### Section 7—The Terms Board and Fund Replaced by DNR and Account

Amends sections 455B.474, subsections 9, paragraph d, Code 2024 to remove the terms ‘board’ and ‘fund’ and insert ‘account’.

### Section 8—DNR Practices & Procedures for Implementing & Administering Account Financing program

Creates a new section 455B.474, Code 2024 to add a new subsection **11**. Directs DNR to by rule specify practices and procedures for implementing and administering the account financing program concerning—eligibility; investigating, and settling claims made against the account; appeal procedures; community remediations; prioritization of account moneys; funding tank operator training; additional corrective action expenses; and reimbursement of permanent closure of an underground storage tank system.

### Sections 9—Code Language Concerning Deposit of Moneys into UST Fund Corrected

Amends sections 455B.477, subsection 7, Code 2024, to remove no longer pertinent language concerning the deposit of funds into repealed UST fund.

### Section 10—Storage Tank Management Account Authorized Deposits

Amends sections 455E.11, subsection 2, paragraph d, unnumbered paragraph **1**, Code 2024, to add replacement relevant ‘account verbiage’.

### Section 11--—Storage Tank Management Account Authorized Purposes

Amends sections 455E.11, subsection 2, paragraph d, Code 2024, to add a new subparagraph **(1A)** that provides new language concerning allowable use of storage tank management account moneys. These include—

- reimbursement to tank owners or operators for all or part of corrective action for petroleum release;
- an annual appropriation to IDALS of \$250,000 for the purpose of inspecting fuel quality at pipeline terminals and renewable fuel production facilities;
- at least \$3 million dollars of the total transferred be expended on permanent closures of an UST under remedial program, additional assessment and corrective action, and for tank operator training that does not exceed \$50,000 each fiscal year.

Section 12—Residual Account Moneys may be Used to Address Environmental Harm & Public Health

Amends sections 455E.11, subsection 2, paragraph d, subparagraph **(2)** Code 2024, to reflect the impact of prior two sections (11 & 12) of this bill.

Section 13—Repeal of Following Provisions

Repeals the following 2024 Code provisions—455G.1; 455G.2; 455G.2A; 455G3; 455G4; 455G.5; 455G.6; 455G.7; 455G.8; 455G.9; 455G.12; 455G.12A; 455G.13; 455G.14; 455G.15; 455G.16; 455G.20; and 455G.21.

Division II  
Conforming Changes

Sections 14 thru 19—Removal or Renumbering of Code Cite Provisions to Reflect Impact of Division I

Amends a number of provisions to reflect the transfer of Code provisions from 455G to 455B dealing with the repeal of UST Board and Fund and transfer of duties and funds to DNR and DNR managed account.

Section 20—Repeal of 427B.20, 427B.21 & 427B.22

Repeal of Code 2023 sections--427B.20, 427B.21 & 427B.22 that deal with Special Tax provisions dealing with underground storage tanks remedial action credits.

Division III  
Transition Provisions

Section 21—Transitional Provisions

Provides session law language concerning the repeal of UST board, fund and program and transfer of remaining moneys and liabilities to DNR account and transfer or residual program operations to EPC/DNR jurisdiction. DNR may begin the transference of fund and program prior to effective date of this bill (July 1, 2024) applying to divisions I and II. However, any existing liability, contracts, outstanding claims, payment or obligations for open claims existing on or before the effective date of divisions I and II shall continue in full force and effect under the jurisdiction of DNR.

Section 22- Division III is Effective Upon Enactment

Action 2—amends HF 2641 Title to make it identical to SF 2414.

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## Amendment Analysis to Sf 2414

None filed as of yet

