

**STATE  
FISCAL IMPACT**

<b>Drafting Number:</b> LLS 14-0989	<b>Date:</b> April 1, 2014
<b>Prime Sponsor(s):</b> Rep. Hamner; Scott Sen. Jahn; King	<b>Bill Status:</b> House Finance
	<b>Fiscal Analyst:</b> Kristen Koehler (303-866-4918)

**SHORT TITLE:** PETROLEUM CLEANUP & REDEVELOPMENT FUND

Fiscal Impact Summary	FY 2014-2015	FY 2015-2016
<b>State Revenue</b>		
<b>State Expenditures</b>	See State Expenditures section.	
<b>FTE Position Change</b>		
<b>Appropriation Required:</b> None		

**Summary of Legislation**

This bill specifies that revenue in the Petroleum Cleanup and Redevelopment Fund (fund) is exempt from the cash fund uncommitted reserves limit imposed by current law, and continuously appropriates revenue in the fund to the Division of Oil and Public Safety (division) within the Department of Labor and Employment (CDLE).

**Background**

The fund was created by House Bill 13-1252 to assist with the redevelopment of properties that were previously operated as gas stations or other businesses that contained petroleum storage tanks, and from which petroleum contamination has been discovered. The fund consists of civil penalties collected from petroleum tank violations; public and private gifts, grants, and donations; interest; and any legislative appropriations. Revenue in the fund may be used for program administration, investigation, abatement action, and for preparing and implementing corrective action plans for petroleum releases. Property owners, including former petroleum tank owners, may apply for assistance from the fund upon meeting the eligibility criteria. The maximum amount payable from the fund for any single corrective action cannot exceed the lesser of 50 percent of eligible cleanup costs, or \$500,000. The division is responsible for establishing rules and policies for the distribution of monies in the fund. As of February, 2014, the balance of the fund was approximately \$5.68 million.

In 1998, the General Assembly adopted legislation to limit the amount of reserves that a state agency may maintain in cash funds. Current law prescribes a reserve limit for most cash funds of 16.5 percent of the total expenditures from the fund during the fiscal year. This bill exempts the Petroleum Cleanup and Redevelopment Fund from this limit.

**State Expenditures**

This bill does not directly impact overall state expenditures; however, it provides flexibility to the division to expend revenue in the fund without seeking annual legislative appropriations, and therefore is assessed as having a state fiscal impact. The manner in which monies in the fund are distributed depends on the rules created by the division for the administration of the fund.

**Effective Date**

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

**State and Local Government Contacts**

Labor