Colorado Legislative Council Staff Fiscal Note

STATE FISCAL IMPACT

Drafting Number: LLS 15-0982 Date: March 31, 2015

Prime Sponsor(s): Rep. Hamner; Nordberg Bill Status: House Finance

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BILL TOPIC: COMPLIANCE ASSISTANCE PETROLEUM STORAGE TANK FUND

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
State Expenditures	Workload and potential expenditure increase.	
FTE Position Change		
Appropriation Required: None.		

^{*} This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

Under current law, Petroleum Storage Tank Fund moneys may be used as incentives to underground tank owners and operators to update existing systems. This bill extends the eligibility for the incentives to tank owners and operators of aboveground petroleum tanks, and for significant operational compliance for both underground and aboveground petroleum tanks. "Significant operational compliance" means that an owner or operator of an underground or aboveground storage tank is in full regulatory compliance and, through optional best management practices, has prevented or reduced the threat of a release into the environment.

Background

The continuously appropriated Petroleum Storage Tank Fund reimburses eligible applicants for the costs of cleaning up both underground and aboveground petroleum tank contamination. Fund revenue primarily comes from a surcharge on petroleum products, excluding railroad and aircraft fuel. The surcharge amount is determined by available fund revenue. Additional funding comes from fees, civil penalties, and reimbursement for the cost of investigating petroleum leaks by the Division of Oil and Public Safety in Department of Labor and Employment.

State Expenditures

The Division of Oil and Public Safety will have an minimal increase in workload to upgrade its rules to expand the eligibility for tank owners and operators to receive incentives. The expansion of eligibility may increase the amount of incentives paid out. Because the division has discretion in determining which owners and operators will receive incentives, and due to the fund's limited balance, this amount cannot be estimated at this time but is assumed to be addressed within existing resources.

Effective Date

The bill takes effect August 5, 2015, if the General Assembly adjourns on May 6, 2015, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Labor and Employment