

BILL ANALYSIS

Senate Research Center

H.B. 2816
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Natural Resources
5/9/1999
Engrossed

DIGEST

Currently, under Texas law, the petroleum product delivery fee is assessed on bulk loads of motor fuel. Proceeds from the fee are used to fund the Petroleum Storage Tank Remediation Account (account) administered by the Texas Natural Resource Conservation Commission (TNRCC). The account serves as a state-sponsored insurance fund to clean up sites contaminated by leaking petroleum storage tanks (tanks). In 1995, the fee was doubled to pay back loans from the general revenue fund issued when the account was insolvent. As of December 22, 1998, tank owners could no longer rely on the account as proof of federally mandated insurance. To meet federal requirements, tank owners must now acquire cleanup insurance from the private sector. In addition, the account will accept no new claims for cleanup. This bill would limit the administrative expenses of the account to an amount specifically appropriated for that purpose; would decrease by one-quarter the petroleum product delivery fee on bulk loads of motor fuel and would provide for the termination of the account on September 1, 2003, rather than 2001.

PURPOSE

As proposed, H.B. 2816 limits the administrative expenses of the Petroleum Storage Tank Remediation Account (account) to an amount specifically appropriated for that purpose; would decrease by one-quarter the petroleum product delivery fee on bulk loads of motor fuel; and would provide for the termination of the account on September 1, 2003, rather than 2001.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the Texas Natural Resource Conservation Commission in SECTION 4 (Section 26.481(a), Water Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 26.3573(d), Water Code, to authorize the Texas Natural Resource Conservation Commission (TNRCC) to use the money in the petroleum storage tank remediation account (account) to pay necessary expenses associated with the administration of the account and the groundwater protection cleanup program, not to exceed the amount specifically appropriated for that purpose, rather than five percent of the gross receipts of the account.

SECTION 2. Amends Section 26.3574, Water Code, by amending Subsections (b), (x), and (y), and adding Subsection (aa), as follows:

(b) Decreases by one-quarter the respective fees imposed on persons delivering a petroleum product on withdrawal from bulk (fee).

(x) Prohibits the fee from being collected or required to be paid when the balance in the account equals or exceeds \$100 million, rather than \$125 million. Makes a conforming change.

(y) Decreases by one-quarter the respective fee that each operator of a bulk facility is required to collect if the fee is reinstated as a result of the unobligated balance in the account falling below \$25 million.

(aa) Requires TNRCC to report to the Legislative Budget Board at the end of each fiscal quarter on the financial status of the account.

SECTION 3. Amends Section 26.361, Water Code, to provide that the reimbursement program

established under this subchapter expires on September 1, 2003, rather than September 1, 2001. Prohibits TNRCC from collecting a fee on or after March 1, 2002. Makes conforming changes.

SECTION 4. Amends Chapter 26, Water Code, by adding Subchapter L, as follows:

SUBCHAPTER L. UNDERGROUND PETROLEUM STORAGE TANK LOAN PROGRAM

Sec. 26.481. LOANS TO REMOVE UNDERGROUND PETROLEUM STORAGE TANKS. Requires TNRCC by rule to protect groundwater and surface water sources from contamination caused by leakage from underground petroleum storage tanks by establishing a program to loan money to a business that owns an underground petroleum storage tank to pay for the removal of the tank and for remediation of any harm to the environment attributable to leakage from the tank. Authorizes TNRCC to make a loan under the program at a rate of interest determined under TNRCC rules. Requires TNRCC to require an applicant for a loan to demonstrate that the applicant is not able to pay for the tank removal project with the applicant's resources and is not able to obtain a loan from a private lending institution. Requires TNRCC rules to provide that an applicant must have been denied a loan for the tank removal project by at least two private lenders. Provides that a loan TNRCC grants under the program constitutes a lien on the real property of the business in the amount of the loan. Authorizes TNRCC to require additional security for a loan granted under the program. Requires TNRCC to deposit money it receives as payment for principal of or interest on a loan granted under the program to the credit of the account.

Sec. 26.482. PETROLEUM STORAGE TANK REMOVAL LOAN PROGRAM ACCOUNT. Defines "account" and "program." Sets forth which funds make up the account. Provides that the account is an account in the general revenue account. Provides that the account is not subject to Section 403.095, Government Code. Requires interest on the money in the account to be credited to the account. Authorizes money in the account to be appropriated only for certain expenses.

SECTION 5. Effective date: September 1, 1999.

SECTION 6. Emergency clause.