

1                                   **UNDERGROUND STORAGE TANK AMENDMENT**

2   2003 GENERAL SESSION

3   STATE OF UTAH

4   **Sponsor: Bill Wright**

5   **This act modifies the Underground Storage Tank Act by increasing the environmental**  
6   **assurance fee of 1/4 cent per gallon on the first sale or use of petroleum products to 1/2**  
7   **cent per gallon. The act provides for a reduction of the fee when the cash balance in the**  
8   **Petroleum Storage Tank Trust Fund exceeds \$20,000,000 in any year.**

9   This act affects sections of Utah Code Annotated 1953 as follows:

10   AMENDS:

11           **19-6-410.5**, as last amended by Chapter 118, Laws of Utah 1999

12   *Be it enacted by the Legislature of the state of Utah:*

13           Section 1. Section **19-6-410.5** is amended to read:

14           **19-6-410.5. Environmental assurance program -- Participant fee.**

15           (1) As used in this section:

16           (a) "Cash balance" means cash plus investments and current accounts receivable minus  
17   current accounts payable exclusive of the liabilities estimated by the state risk manager.

18           (b) "Commission" means the State Tax Commission, as defined [~~under~~] in Section  
19   59-1-101.

20           (2) (a) There is created an Environmental Assurance Program.

21           (b) The program shall provide to participating owners and operators, upon payment of  
22   the fee imposed under Subsection (4), assistance with the costs of investigation, abatement, and  
23   corrective action regarding releases at facilities participating in the program, to the extent  
24   provided [~~under~~] in Section 19-6-419.

25           (3) Participation in the program is voluntary.

26           (4) There is assessed an environmental assurance fee of [~~1/4~~] 1/2 cent per gallon on the  
27   first sale or use of petroleum products in the state.



28 (5) Revenue collected under this section shall be deposited in the Petroleum Storage  
29 Tank Trust Fund created in Section 19-6-409 and used solely for the purposes ~~[under]~~ listed in  
30 Section 19-6-409.

31 (6) (a) The commission is responsible for the collection of the fee and any penalties  
32 and interest imposed under this section.

33 (b) The commission shall by rule, in accordance with Title 63, Chapter 46a, Utah  
34 Administrative Rulemaking Act, establish:

35 (i) the method of payment of the environmental assurance fee;

36 (ii) the procedure for reimbursement or exemption of owners or operators who do not  
37 participate in the program, including owners and operators of above ground storage tanks; and

38 (iii) the procedure for confirming with the department those owners and operators who  
39 qualify for reimbursement or exemption under Subsection (6)(b)(ii).

40 (c) The commission may retain an amount not to exceed 2.5% of fees collected under  
41 this section for the cost to it of rendering its services.

42 (7) The person or entity responsible for payment of the fee under this section shall pay  
43 the fee to the commission ~~[on or before]~~ by the last day of the month following the month in  
44 which the sale occurs.

45 (8) The payment under this section shall be accompanied by the form prescribed by the  
46 commission.

47 (9) (a) The penalties and interest for failure to file the form required under this section  
48 or to pay the environmental assurance fee are the same as the penalties and interest under  
49 Sections 59-1-401 and 59-1-402.

50 (b) The commission shall deposit penalties and interest collected under this section in  
51 the Petroleum Storage Tank Trust Fund.

52 (10) The commission shall report to the department any person or entity who is  
53 delinquent in payment of the fee under this section.

54 (11) (a) If the cash balance of the Petroleum Storage Tank Trust Fund on June 30 of  
55 any year exceeds ~~[\$40,000,000]~~ \$20,000,000, the assessment of the environmental assurance  
56 fee as provided in Subsection (4) shall be ~~[suspended]~~ reduced to 1/4 cent per gallon beginning  
57 November 1 and the ~~[suspension]~~ reduction shall remain in effect ~~[through October 31 of the~~  
58 ~~year in which the cash balance of the fund on June 30 has decreased to below \$30,000,000]~~

59 until modified by the Legislature in a general or special session.

60 (b) The commission [~~shall be~~] is responsible for determining each year the cash  
61 balance of the fund as of June 30.

62 (c) Before September 1 of each year, the department shall provide the commission with  
63 the accounts payable of the fund as of June 30.

---

---

**Legislative Review Note**

as of 8-7-02 11:41 AM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

**Office of Legislative Research and General Counsel**

**State Impact**

Provisions of this bill increase the environmental assurance fee for petroleum products from 1/4 cent per gallon to 1/2 cent per gallon. It is estimated that \$4,048,900 in new revenue to the Petroleum Storage Tank Trust Fund will be realized in FY 2004.

Provisions of the bill automatically drop the 1/4 cent increase when the trust fund reaches \$20,000,000.

	<u>FY 04 Approp.</u>	<u>FY 05 Approp.</u>	<u>FY 04 Revenue</u>	<u>FY 05 Revenue</u>
Trust Funds	\$0	\$0	\$4,048,900	\$4,108,900
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,048,900</b>	<b>\$4,108,900</b>

---

---

**Individual and Business Impact**

Individuals and businesses will pay this 1/4 cent per gallon increase in increased petroleum products costs.

---

---

**Office of the Legislative Fiscal Analyst**