

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1503 – SB 1690

March 22, 2016

SUMMARY OF ORIGINAL BILL: Requires costs, restitution awards, and other recoveries collected or received pertaining to the Tennessee Petroleum Underground Storage Act (the Act) to be deposited into the Petroleum Underground Storage Tank Fund (PUSTF) regardless of the nature of recovery, cause of action, or basis of the claim, and regardless of whether the claim is statutory or equitable.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (014842): Deletes all language of the original bill. Authorizes the Underground Storage Tanks and Solid Waste Disposal Control Board (USTSWB) to promulgate rules suspending fees imposed on owners or operators of petroleum underground storage tanks. Requires damages, costs, restitution awards, and other recoveries collected or received by this state pertaining to the Act to be deposited into PUSTF, to the extent that such recoveries represent the restoration of amounts disbursed from the PUSTF including any costs charged to such fund in pursuing claims. Requires the board to adjust underground storage tank fees, by rule rather than regulation, to consider all current and future liabilities and income of the PUSTF and to maintain a sufficient level of funds for current and expected obligations, up to a maximum unobligated balance of \$50,000,000 in such fund. Requires the board to choose the process, timing and assumptions to be used in the board's determinations of the obligation, anticipated income, and appropriate fund balance after consideration of all relevant information.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Other Fiscal Impact – Funding in the Petroleum Underground Storage Tank Fund (PUSTF) could increase or decrease based on actions taken by the Underground Storage Tanks and Solid Waste Disposal Control Board. The extent and timing of any such impacts cannot be determined because such impacts are dependent upon the unknown future actions of the Board.

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Assumptions for the bill as amended:

- According to the Department of Environment and Conservation, the Division of Underground Storage Tanks and the Department already have staff to deposit funds and mechanisms to use the PUSTF.
- The proposed bill as amended could result in suspension of fees imposed on tank owners or operators; however, that would require action by the USTSWB. Currently, USTSWB has the authority to lower such tank fees.
- The proposed bill as amended could result in an increase revenue to the PUSTF as a result of the requirement that damages, costs, restitution awards and other recoveries are deposited to the PUSTF.
- The extent and timing of any impacts to the PUSTF is unknown for such impacts will be dependent upon the future actions of the Board.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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