



# Legislative Council Staff

## Research Note

Version: Final

Date: 6/9/2016

### Bill Number

**House Bill 16-1044**

### Sponsors

***Representative Becker J.  
Senator Hill***

### Short Title

***Extend Repeal Dates Petroleum  
Storage Tank Fund***

### Research Analyst

**Katie Ruedebusch (x3001)**

### Status

This research note reflects the final version of the bill, which was signed by the Governor on March 2, 2016, and becomes effective August 10, 2016, assuming no petition is filed.

### Summary

The bill extends two repeal dates related to the Petroleum Storage Tank Fund (fund) by five years. First, the bill extends from July 1, 2018, to September 1, 2023, a trigger that would reduce the environmental response surcharge assessment to a flat \$25, or eliminate it entirely if the fund balance exceeds \$8 million. Second, the bill extends from July 1, 2018, to September 1, 2023, the provision authorizing the use of the fund for petroleum storage tank facility inspections and meter calibrations.

### Background

The continuously appropriated fund, created in 1989 and approved as a TABOR-exempt enterprise in 2005, reimburses eligible applicants, awarded by the Petroleum Storage Tank Committee under the Division of Oil and Public Safety in the Colorado Department of Labor and Employment, for the costs of cleaning up both underground and aboveground petroleum tank contamination. Applicants are responsible for the first \$10,000 of clean up costs, and reimbursement cannot exceed \$2 million per release occurrence or \$3 million in aggregate per applicant per fiscal year.

Fund revenue comes primarily from an environmental response surcharge — paid to the Colorado Department of Revenue — assessed on all petroleum products, excluding railroad and aircraft fuel. As of June 30, 2015, the total fund balance was about \$4.9 million, and its net cash

*This research note was prepared by Legislative Council Staff, the nonpartisan research staff for the Colorado General Assembly. The research note is provided for informational purposes only and should not be relied upon as an official record of action by the General Assembly. Legislative Council Staff are not attorneys, and the research note is not a legal opinion. If you have legal questions about the bill, including questions about the meaning of the bill language or amendments, please contact the drafter.*

balance (without liabilities) was about \$1.3 million. The environmental response surcharge is assessed according to the net cash balance of the fund.

## House Action

**House Finance Committee (January 28, 2016).** At the hearing, representatives of A-B Petroleum, the Colorado Wyoming Petroleum Marketers Association, Palmetto Environmental, and the Colorado Petroleum Association, testified in support of the bill. The committee referred the bill to the House Committee of the Whole with no amendments.

**House second reading (February 1, 2016).** The House passed the bill on second reading with no amendments.

**House third reading (February 2, 2016).** The House passed on the bill on third reading with no amendments.

## Senate Action

**Senate Finance Committee (February 9, 2016).** The committee referred the bill to the Senate Committee of the Whole with no amendments.

**Senate second reading (February 16, 2016).** The Senate passed the bill on second reading with no amendments.

**Senate third reading (February 17, 2016).** The Senate passed the bill on third reading with no amendments.