



**Senate Fiscal Agency**  
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BILL



ANALYSIS

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House Bill 5599 (Substitute S-2 as reported)  
Sponsor: Representative Andrea LaFontaine  
House Committee: Natural Resources  
Senate Committee: Natural Resources

## **CONTENT**

The bill would amend Part 215 (Underground Storage Tank Corrective Action Funding) to do the following regarding payments from the Michigan Underground Storage Tank Authority (MUSTA) for corrective action or indemnification due to a release from a refined petroleum underground storage tank (UST):

- Establish a MUSTA reimbursement claims limit of \$1.0 million per release, and a claim period aggregate limit of \$1.0 million or \$2.0 million, depending on the number of USTs a person owned or operated.
- Eliminate requirements that a UST owner or operator pay a deductible amount in order to be eligible for reimbursement and pay the deductible before submitting a reimbursement claim (but retain a requirement for payment of a deductible).
- For all claims filed for releases discovered and reported on or after December 30, 2014, reduce the deductible amount from \$50,000 per claim to \$2,000 per claim for the owner or operator of fewer than eight USTs and \$10,000 per claim for the owner or operator of eight or more USTs.
- Eliminate a provision allowing an owner or operator of fewer than eight USTs to pay MUSTA an annual fee of \$500 per tank in exchange for a lower deductible.
- Prohibit MUSTA from approving reimbursement for claims costs that were paid under an insurance policy; costs arising from corrective actions performed in excess of those required to obtain a restricted closure based on then-current land use; and, subject to certain exceptions, costs incurred after the closure date of the release.
- Require a UST owner or operator who intended to rely on the UST Cleanup Fund to meet financial responsibility requirements to submit to MUSTA a request for a determination of eligibility for the funding in the event of a release from a refined petroleum UST system.
- Delete a prohibition against the submission of a claim to MUSTA until work invoices exceeding the deductible amount have been incurred.
- Require the MUSTA Administrator to determine whether the cost of a claim was based upon a competitive bidding process established by the Authority.
- Allow an owner or operator to submit to the MUSTA Administrator work invoices that were related to a claim only after initial approval of the claim, and if the aggregate amount of invoices in the submission were at least \$5,000.
- Require, rather than allow, the Administrator to approve a reimbursement for a submitted work invoice meeting the applicable requirements for an approved claim and an approved invoice.
- Extend from 30 to 45 days the time period in which MUSTA must make a payment for an approved claim.
- Include the contractor that performed the work listed in approved invoices among those to whom MUSTA must make a payment for an approved claim.
- Extend provisions regarding the review of a MUSTA decision to a determination of eligibility for reimbursement.

The bill also would eliminate a requirement that the Department of Treasury collect environmental protection regulatory fees on certain fuel purchases at the same time the sales tax is collected.

MCL 324.21502 et al.

Legislative Analyst: Julie Cassidy

**FISCAL IMPACT**

The bill would have no fiscal impact on State or local government.

Date Completed: 12-2-16

Fiscal Analyst: Josh Sefton

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.