



**Senate Fiscal Agency**  
P. O. Box 30036  
Lansing, Michigan 48909-7536

BILL



ANALYSIS

**Telephone: (517) 373-5383**  
**Fax: (517) 373-1986**

House Bill 4583 (Substitute H-1 as reported without amendment)

Sponsor: Representative Mary Whiteford

House Committee: Natural Resources

Senate Committee: Natural Resources

### **CONTENT**

The bill would amend Part 215 (Underground Storage Tank Corrective Action Funding) of the Natural Resources and Environmental Protection Act to require the Department of Environmental Quality to create the Legacy Release Program, which would, under certain conditions, reimburse owners and operators for the costs of corrective actions for releases from refined petroleum underground storage tank (UST) systems that occurred before December 30, 2014.

The bill also would allow money in the Refined Petroleum Fund to be spent, upon appropriation, for the Legacy Release Program; grants and loans to facilitate brownfield development at property with leaking USTs; the permanent closure of USTs; and reimbursement to local units of government and county road commissions for costs of corrective action in situations where regulated substances were left in place within a public highway.

In addition, the bill would allow an UST owner or operator to rely on certain financial assurance mechanisms or a deposit account to demonstrate its financial responsibility for a deductible amount, if it intended to rely on the UST Cleanup Fund.

MCL 324.21506a et al.

Legislative Analyst: Nathan Leaman

### **FISCAL IMPACT**

The bill would have a negative fiscal impact on the Refined Petroleum Fund (RPF) within the Department of Environmental Quality (DEQ) budget, and a potentially positive fiscal impact on local units of government. Under the bill, the allowable uses of the RPF would be expanded to include reimbursements of up to \$200,000 to local units of government for cleanup of roadway construction refuse regulated under Part 213 (Leaking underground Storage Tanks), up to \$5.0 million per year in brownfield redevelopment grants for sites that had received corrective action under Part 213, and reimbursements to eligible underground storage tank operators of up to \$50,000 under the proposed Legacy Release Program. It is unclear how much these new uses would cost on an annual basis, but the fiscal year 2017-18 DEQ budget contains an additional \$14.9 million in one-time RPF revenue for these purposes as well as accompanying boilerplate that allows for up to \$36.0 million to be spent on reimbursements to underground storage tank operators. As of September 30, 2016, the RPF had a balance of about \$67.7 million.

Date Completed: 9-21-17

Fiscal Analyst: Josh Sefton