

# Vermont Legislative Joint Fiscal Office

One Baldwin Street • Montpelier, VT 05633-5701 • (802) 828-2295 • Fax: (802) 828-2483

## *FISCAL NOTE*

Date: January 16, 2018  
Prepared by: Daniel Dickerson

### **H.549 An act relating to the Petroleum Cleanup Fund – As Introduced**

<https://legislature.vermont.gov/assets/Documents/2018/Docs/BILLS/H-0549/H-0549%20As%20Introduced.pdf>

#### **Bill Summary**

Under current law, the distributors of heating and motor fuels are required to collect and remit to the State a licensing fee of \$0.01 per gallon of fuel sold, the proceeds of which are deposited into the Petroleum Cleanup Special Fund (PCUF) and used for cleanup and restoration of contaminated soil and groundwater from fuel storage tanks. Additionally, an annual assessment (actual assessment varies, 10 VSA §1943) is required to be paid by owners of category one petroleum storage tanks, also deposited in the PCUF. The law authorizes disbursements, at the discretion of the Secretary of Natural Resource, from the PCUF for cleanup and remediation costs occurring on or before July 1, 2019, and authorizes the licensing fees and annual assessments to be collected until April 1, 2021. A three-year summary of annual PCUF revenues and expenses is below.

| <b>Petroleum Cleanup Fund (3-yr. summary)<sup>1</sup></b> | <b>Revenues</b> | <b>Expenses</b> | <b>Net</b>  |
|---|-----------------|-----------------|-------------|
| FY2015  | \$5,663,446     | (\$5,285,925)   | \$377,521   |
| FY2016  | \$5,865,033     | (\$5,575,870)   | \$289,163   |
| FY2017  | \$5,801,738     | (\$4,734,790)   | \$1,066,948 |

H.549 would extend both of the dates listed above. The law would be altered to authorize fund disbursements for costs occurring on or before **July 1, 2029**, an extension of ten years from the current repeal date. The licensing fee and annual assessments would be authorized through **April 1, 2031**, also an extension of ten years.

#### **Fiscal Impact**

This bill would not alter licensing fee and annual assessment revenues to the Petroleum Cleanup Fund in FY19-FY20. A full-year of fee and assessment collections would take place in FY21, rather than a partial year. Fees and assessments would continue to be remitted to the PCUF, as is the status quo, from FY22 until the new repeal date.

<sup>1</sup> These numbers were taken from the annual “Report on the Status of the Petroleum Cleanup Fund” for 2015, 2016 and 2017.

<http://dec.vermont.gov/waste-management/contaminated-sites/PCF>

Expenditures from the fund would not be altered in FY19. In FY20 and future years, until the new repeal date, expenditures would only be altered to the extent that project costs occurring after July 1, 2019 would be eligible for State assistance under the new law, at the discretion of the Secretary of Natural Resources.

There is no estimated General Fund impact from the provisions of this bill.