### HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 733 Petroleum Restoration Program

SPONSOR(S): Agriculture & Natural Resources Subcommittee; Ray and others

TIED BILLS: IDEN./SIM. BILLS:

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Agriculture & Natural Resources Subcommittee	11 Y, 0 N, As CS	Moore	Blalock
Agriculture & Natural Resources Appropriations     Subcommittee			
3) State Affairs Committee			

### **SUMMARY ANALYSIS**

Petroleum is stored in thousands of underground and aboveground storage tank systems throughout Florida. Releases of petroleum into the environment may occur as a result of accidental spills, storage tank system leaks, or poor maintenance practices. These discharges pose a significant threat to groundwater quality, and Florida relies on groundwater for 90 percent of its drinking water. The Department of Environmental Protection (Department or DEP) is responsible for regulating these storage tank systems.

In 1986, the Legislature enacted the State Underground Petroleum Environmental Response Act (SUPER Act) to address the pollution problems caused by leaking underground petroleum storage systems. The SUPER Act led to the creation of the Petroleum Restoration Program (Restoration Program), which establishes the requirements and procedures for cleaning up contaminated land as well as the circumstances under which the state will pay for the cleanup. Under the Restoration Program, eligible contaminated sites are rehabilitated by the state in priority order.

As of February 2015, there are approximately 18,400 sites eligible for state funding. Of these, approximately 8,400 have been rehabilitated and closed, approximately 5,000 are currently undergoing some phase of rehabilitation, and approximately 5,000 await rehabilitation.

Two programs under the Restoration Program allow sites to receive rehabilitation funding out of priority order under certain circumstances. These programs are the Low-Scored Site Initiative and Advanced Cleanup.

The bill makes various changes to the Low-Scored Site Initiative and Advanced Cleanup. The bill changes the name of the Low-Scored Site Initiative to the Low-Risk Site Initiative (LRSI) and requires a responsible party who wishes to participate in LRSI to provide evidence of authorization from the property owner. The bill also revises the criteria that must be met to participate in LRSI. In addition, the bill increases the amount of money that may be encumbered from the Inland Protection Trust Fund each year to fund LRSI from \$10 million to \$15 million and increases the funding limit per site from \$30,000 to \$35,000.

The bill reduces the minimum number of sites that a facility owner or operator or other responsible party must bundle in order to be eligible for performance-based contracts under Advanced Cleanup from 20 to 10. The bill also increases the annual allocation for Advanced Cleanup contracts from \$15 million to \$25 million.

The bill may have an indeterminate negative fiscal impact on state government and an indeterminate positive fiscal impact on the private sector. (See Fiscal Comments section below).

This document does not reflect the intent or official position of the bill sponsor or House of Representatives. STORAGE NAME: h0733.ANRS

### **FULL ANALYSIS**

#### I. SUBSTANTIVE ANALYSIS

## A. EFFECT OF PROPOSED CHANGES:

### **Present Situation**

## **Petroleum Restoration Program**

Petroleum is stored in thousands of underground and aboveground storage tank systems throughout Florida. Releases of petroleum into the environment may occur as a result of accidental spills, storage tank system leaks, or poor maintenance practices. These discharges pose a significant threat to groundwater quality, and Florida relies on groundwater for 90 percent of its drinking water. The identification and cleanup of petroleum contamination is particularly challenging due to Florida's diverse geology, diverse water systems, and the complex dynamics between contaminants and the environment.

In 1983, Florida began enacting legislation to regulate underground and aboveground storage tank systems in an effort to protect Florida's groundwater from past and future petroleum releases. The Department of Environmental Protection (Department or DEP) is responsible for regulating these storage tank systems. In 1986, the Legislature enacted the State Underground Petroleum Environmental Response Act (SUPER Act) to address the pollution problems caused by leaking underground petroleum storage systems. The SUPER Act authorized the Department to establish criteria for the prioritization, assessment and cleanup, and reimbursement for cleanup of contaminated areas, which led to the creation of the Petroleum Restoration Program (Restoration Program). The Restoration Program establishes the requirements and procedures for cleaning up contaminated land as well as the circumstances under which the state will pay for the cleanup.

### Site Rehabilitation

Florida law requires land contaminated by petroleum to be cleaned up, or rehabilitated, so that the concentration of each contaminant in the ground is below a certain level. These levels are known as Cleanup Target Levels (CTLs). Once the CTLs for a contaminated site have been attained, rehabilitation is complete and the site may be closed. When a site is closed, no further cleanup action is required unless the contaminant levels increase above the CTLs or another discharge occurs.

## State Funding Assistance for Rehabilitation

The average cost to rehabilitate a site is approximately \$300,000, but some sites may cost millions of dollars to rehabilitate. Under Florida law, an owner of contaminated land (site owner) is responsible for rehabilitating the land unless the site owner can show that the contamination resulted from the activities of a previous owner or other third party (responsible party), who is then responsible. Over the years, different eligibility programs have been implemented to provide state financial assistance to

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<sup>&</sup>lt;sup>1</sup> DEP, Guide to Florida's Petroleum Cleanup Program 1 (2002).

<sup>&</sup>lt;sup>2</sup> *Id.* 

<sup>&</sup>lt;sup>3</sup> *Id*.

<sup>&</sup>lt;sup>4</sup> Chapter 83-310, L.O.F.

<sup>&</sup>lt;sup>5</sup> Chapter 86-159, L.O.F.

<sup>&</sup>lt;sup>6</sup> Section 376.3071(5)(b)3., F.S.

<sup>&</sup>lt;sup>7</sup> *Id.* 

<sup>&</sup>lt;sup>8</sup> A "site" is any contiguous land, sediment, surface water, or groundwater area upon or into which a discharge of petroleum or petroleum products has occurred or for which evidence exists that such a discharge has occurred. The site is the full extent of the contamination, regardless of property boundaries.

<sup>&</sup>lt;sup>9</sup> DEP, Guide to Florida's Petroleum Cleanup Program 24 (2002).

<sup>&</sup>lt;sup>10</sup> DEP, GUIDE TO FLORIDA'S PETROLEUM CLEANUP PROGRAM 26 (2002).

<sup>&</sup>lt;sup>11</sup> Section 376.308, F.S.

certain site owners and responsible parties for site rehabilitation. To receive rehabilitation funding assistance, a site must qualify under one of these programs, which are outlined in the following table:

TABLE 1: STATE-ASSISTED PETROLEUM CLEANUP ELIGIBILITY PROGRAMS				
PROGRAM NAME	PROGRAM DATES	PROGRAM DESCRIPTION		
Early Detection Incentive Program (EDI) s. 376.3071(9), F.S.	Discharges must have been reported between July 1, 1986, and December 31, 1988, to be eligible	<ul> <li>First state-assisted cleanup program</li> <li>100 percent state funding for cleanup if site owners reported releases</li> <li>Originally gave site owners the option of conducting cleanup themselves and receiving reimbursement from the state or having the state conduct the cleanup in priority order</li> <li>Reimbursement option was phased out, so all cleanups are now conducted by the state</li> </ul>		
Petroleum Liability and Restoration Insurance Program (PLRIP) s. 376.3072, F.S.	Discharges must have been reported between January 1, 1989, and December 31, 1998, to be eligible	<ul> <li>Required facilities to purchase third party liability insurance to be eligible</li> <li>Provides varying amounts of state-funded site restoration coverage<sup>12</sup></li> </ul>		
Abandoned Tank Restoration Program (ATRP) s. 376.305(6), F.S.	Applications must have been submitted between June 1, 1990, and June 30, 1996 <sup>13</sup>	Provides 100 percent state funding for cleanup, less deductible, at facilities that had out-of-service or abandoned tanks as of March 1990		
Innocent Victim Petroleum Storage System Restoration Program s. 376.30715, F.S.	The application period began on July 1, 2005, and remains open	Provides 100 percent state funding for a site acquired before July 1, 1990, that ceased operating as a petroleum storage or retail business before January 1, 1985		
Petroleum Cleanup Participation Program (PCPP) s. 376.3071(13), F.S.	PCPP began on July 1, 1996, and accepted applications until December 31, 1998	<ul> <li>Created to provide financial assistance for sites that had missed all previous opportunities</li> <li>Only discharges that occurred before 1995 were eligible</li> <li>Site owner or responsible party must pay 25 percent of cleanup costs<sup>14</sup></li> <li>Originally had a \$300,000 cap on the amount of coverage, which was raised to \$400,000 beginning July 1, 2008</li> </ul>		

TABLE 1: STATE-ASSISTED PETROLEUM CLEANUP ELIGIBILITY PROGRAMS			
PROGRAM NAME	PROGRAM NAME	PROGRAM NAME	
Consent Order	This program began	Created to provide financial assistance under	

<sup>12</sup> The PLRIP initially provided \$1M worth of site restoration coverage to eligible sites. In 1994, the state began phasing out the Department's participation in the restoration insurance program by reducing the amount of restoration coverage provided. For discharges reported from January 1, 1994, to December 31, 1996, coverage was limited to \$300,000. For discharges reported from January 1, 1997, to December 31, 1998, coverage was limited to \$150,000. Section 376.3072(2)(d)2.c.-d., F.S. In 2008, the Legislature raised the coverage for all PLRIP sites as follows: sites with \$1M in coverage were raised to \$1.2M, sites with \$300,000 in coverage were raised to \$400,000, and sites with \$150,000 in coverage were raised to \$300,000. Chapter 2008-127, s. 3, at 6, L.O.F.

<sup>&</sup>lt;sup>13</sup> The ATRP originally had a one-year application period, but the deadline was extended. The deadline is now waived indefinitely for site owners who are financially unable to pay for the closure of abandoned tanks. Section 376.305(6)(b), F.S.

<sup>14</sup> The 25 percent copay requirement can be reduced or eliminated if the site owner and all responsible parties

<sup>&</sup>lt;sup>14</sup> The 25 percent copay requirement can be reduced or eliminated if the site owner and all responsible parties demonstrate that they are financially unable to comply. Section 376.3071(13)(c), F.S. **STORAGE NAME**: h0733.ANRS

(aka "Hardship" or "Indigent")	in 1986 and remains open	certain circumstances for sites that the Department initiates an enforcement action to clean up
s. 376.3071(7)(c), F.S.		An agreement is formed whereby the Department conducts the cleanup and the site owner or responsible party pays for a portion of the costs

As of February 2015, there are approximately 18,400 sites eligible for state funding through one of the above programs. Of these, approximately 8,400 have been rehabilitated and closed, approximately 5,000 are currently undergoing some phase of rehabilitation, and approximately 5,000 await rehabilitation.

## **Inland Protection Trust Fund**

To fund the cleanup of contaminated sites, the SUPER Act created the Inland Protection Trust Fund (IPTF). The IPTF is funded by an excise tax per barrel on petroleum and petroleum products in or imported into the state. The amount of the excise tax per barrel is determined by a formula, which is dependent upon the unobligated balance of the IPTF. The Each year, approximately \$200 million is deposited into the IPTF, and about \$125 million is available for site rehabilitation.

Funding for rehabilitation of a site is based on a relative risk scoring system. Each funding-eligible site receives a numeric score based on the threat the site contamination poses to the environment or to human health, safety, or welfare. Sites currently in the Restoration Program range in score from five to 115 points, with a score of 115 representing a substantial threat and a score of five representing a very low threat. Sites are rehabilitated in priority order beginning with the highest score, with funding based on available budget. The Department sets the priority score funding threshold, which is the minimum score a site must be assigned to receive restoration funding at a particular point in time. The threshold is periodically raised or lowered depending on the Restoration Program's current budget, projected expenditures for the remainder of the fiscal year, and the next fiscal year's anticipated budget. Currently, the threshold is set at 30 points.

## **Expediting Site Rehabilitation**

As described above, eligible contaminated sites typically receive state rehabilitation funding in priority order based on their numeric score. However, there are some programs that allow sites to receive funding for rehabilitation or site closure out of priority score order, as long as the sites are eligible under one of the programs in Table 1. Two of these programs are Advanced Cleanup and Low Scored Site Initiative.

### Advanced Cleanup

Advanced Cleanup (formerly known as Preapproved Advanced Cleanup) is a program that was created in 1996 to allow an eligible site to receive state rehabilitation funding even if the site's priority score does not fall within the threshold currently being funded. The purpose of creating Advanced Cleanup was to facilitate property transactions or public works projects on contaminated sites. To participate in Advanced Cleanup, a site must be eligible for state rehabilitation funding under the Early Detection Incentive Program (EDI), the Petroleum Liability and Restoration Insurance Program (PLRIP), the

<sup>21</sup> *Id.* 

<sup>&</sup>lt;sup>15</sup> Section 376.3071(3)-(4), F.S.

<sup>&</sup>lt;sup>16</sup> Sections 206.9935(3) and 376.3071(6), F.S.

<sup>&</sup>lt;sup>17</sup> The amount of the excise tax per barrel is based on the following formula: 30 cents if the unobligated balance is between \$100 million and \$150 million; 60 cents if the unobligated balance is between \$50 million and \$100 million; and 80 cents if the unobligated balance is \$50 million or less. Section 206.9935(3), F.S.

<sup>&</sup>lt;sup>18</sup> Chapter 62-771.100, F.A.C.

<sup>&</sup>lt;sup>19</sup> Chapter 62-771.300, F.A.C.

<sup>&</sup>lt;sup>20</sup> Section 376.30713(1), F.S.

Abandoned Tank Restoration Program (ATRP), the Innocent Victim Petroleum Storage System Restoration Program (Innocent Victim), or the Petroleum Cleanup Participation Program (PCPP).<sup>22</sup>

To apply for Advanced Cleanup, a site owner or responsible party must bid a cost share of the total site rehabilitation. The cost share must be at least 25 percent of the total cost of rehabilitation. For PCPP sites, the cost share must be at least 25 percent of the state's share of the rehabilitation, as the site owner or responsible party is already required to pay for 25 percent of the total cost of rehabilitation to be eligible for PCPP. Alternatively, an applicant may use a commitment to pay, a demonstrated cost savings to DEP, or both to meet this requirement if the application proposes a performance-based contract for the cleanup of 20 or more sites.

In years when the Department runs a bid cycle, bids may be accepted in two windows of May 1 through June 30 and November 1 through December 31.<sup>27</sup> Bids are awarded based solely on the proposed cost-share percentage and not the estimated dollar amount of that share.<sup>28</sup> The Department may enter into Advanced Cleanup contracts for a total of up to \$15 million per fiscal year,<sup>29</sup> and no more than \$5 million per fiscal year may be approved for rehabilitation work at an individual facility.<sup>30</sup>

### Low Scored Site Initiative

The Low Scored Site Initiative (LSSI) was created to expedite the assessment and closure of sites that contain minimal contamination and that are not a threat to human health or the environment. To participate in LSSI, a site owner or responsible party must demonstrate that the following criteria are met:

- Upon assessment, the site retains a priority ranking score of 29 points or less;
- No excessively contaminated soil exists onsite;
- A minimum of six months of groundwater monitoring indicates that the plume is shrinking or stable:
- The remaining contamination resulting from petroleum products does not adversely affect adjacent surface waters;
- The area of groundwater contamination is less than one-quarter acre and is confined to the source property boundary; and
- Soils onsite found between the land surface and two feet below the land surface must meet the soil cleanup target levels (SCTLs) established by the Department unless human exposure is limited by appropriate institutional or engineering controls.<sup>31</sup>

An assessment is conducted to determine whether the above criteria are met.<sup>32</sup> The state pays the assessment costs for sites eligible for funding under EDI, ATRP, Innocent Victim, PLRIP, or PCPP.<sup>33</sup> Funding for LSSI is limited to \$10 million per fiscal year, which may only be used to fund site assessments.<sup>34</sup> Each site has a funding cap of \$30,000, and each site owner or responsible party is

<sup>&</sup>lt;sup>22</sup> For PCPP sites, Advanced Cleanup is only available if the 25 percent copay requirement of PCPP has not been reduced or eliminated. Section 376.30713(1)(d), F.S.

<sup>&</sup>lt;sup>23</sup> Section 376.30713(2)(a), F.S.

<sup>&</sup>lt;sup>24</sup> *Id.* 

<sup>&</sup>lt;sup>25</sup> Section 376.30713(1)(d)-(2)(a), F.S.

<sup>&</sup>lt;sup>26</sup> Section 376.30713(2)(a)1., F.S.

<sup>&</sup>lt;sup>27</sup> Section 376.30713(2)(a), F.S.

<sup>&</sup>lt;sup>28</sup> Section 376.30713(2)(b), F.S.

<sup>&</sup>lt;sup>29</sup> Section 376.30713(4), F.S.

<sup>&</sup>lt;sup>30</sup> A "facility" includes, but is not limited to, "multiple site facilities such as airports, port facilities, and terminal facilities even though such enterprises may be treated as separate facilities for other purposes under this chapter." Section 376.30713(4), F.S.

<sup>&</sup>lt;sup>31</sup> Section 376.3071(11)(b)1., F.S.

<sup>&</sup>lt;sup>32</sup> DEP PETROLEUM RESTORATION PROGRAM, PROCEDURAL AND TECHNICAL GUIDANCE FOR THE LOW-SCORED SITE INITIATIVE 9 (2013).

<sup>&</sup>lt;sup>33</sup> *Id.* at 3.

<sup>&</sup>lt;sup>34</sup> Section 376.3071(11)(b)3.c., F.S. **STORAGE NAME**: h0733.ANRS

limited to 10 eligible sites per fiscal year.<sup>35</sup> Funds are allocated on a first-come, first-served basis.<sup>36</sup> Sites not eligible for state rehabilitation funding may still qualify for closure under LSSI if an assessment reveals that the above criteria are met, but the state will not pay for the assessment.<sup>37</sup>

If the assessment shows the above criteria are met, there are three options for site closure:

- If no contamination is detected during the assessment, the Department may issue a site rehabilitation completion order.<sup>38</sup>
- If the assessment demonstrates that minimal contamination exists onsite, but the above criteria are met, the Department may issue an LSSI no further action administrative order. This determination acknowledges that the contamination is not a threat to human health or the environment.<sup>39</sup>
- If soil between the land surface and two feet below the land surface exceeds SCTLs, but the above criteria are otherwise met, the Department may issue a site rehabilitation completion order with conditions. This determination requires that institutional and/or engineering controls be put in place to prevent human or environmental exposure to the contamination. The state is not authorized to fund such controls.<sup>40</sup>

If at any time data collected during the assessment indicate that the above criteria for closure will not be met, assessment activities will be terminated. LSSI funding will be discontinued if it is determined at any point that a closure cannot be accomplished within the \$30,000 funding limit, unless the site owner or responsible party is willing to contribute funds to the assessment work. A site determined to be ineligible for LSSI funding retains its current program eligibility and will receive rehabilitation funding in priority order.

# **Effect of Proposed Changes**

## **Low-Risk Site Initiative**

The bill changes the name of the Low Scored Site Initiative to the Low-Risk Site Initiative (LRSI) and makes various changes to the program. The bill requires a responsible party who wishes to participate in LRSI to provide evidence of authorization from the property owner.

To participate in LRSI, the bill requires a property owner or responsible party to submit a "No Further Action" proposal that demonstrates the required criteria are met and revises the criteria in the following manner:

- Removes the requirement that a contaminated site must have a priority ranking score of 29 points or less.
- Provides a more specific standard for the prohibition on the presence of excessively contaminated soil on the site. Specifically, soil saturated with petroleum or petroleum products, or soil that causes a total corrected hydrocarbon measurement of 500 parts per million (ppm) or higher for Gasoline Analytical Group or 50 ppm or higher for Kerosene Analytical Group, as defined by DEP rule, must not exist onsite as a result of a release of petroleum products;
- Specifies that the requirement that contamination remaining at the site does not adversely affect
  adjacent surface waters includes the effects of those waters on human health and the
  environment.

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<sup>35</sup> *Id.* 

 $<sup>^{36}</sup>$  Id

<sup>&</sup>lt;sup>37</sup> DEP PETROLEUM RESTORATION PROGRAM, PROCEDURAL AND TECHNICAL GUIDANCE FOR THE LOW-SCORED SITE INITIATIVE 1-2 (2013).

<sup>&</sup>lt;sup>38</sup> Section 376.3071(11)(b)2., F.S.

<sup>&</sup>lt;sup>39</sup> Id

<sup>&</sup>lt;sup>40</sup> DEP PETROLEUM RESTORATION PROGRAM, PROCEDURAL AND TECHNICAL GUIDANCE FOR THE LOW-SCORED SITE INITIATIVE 3 (2013).

<sup>&</sup>lt;sup>41</sup> *Id.* at 11.

<sup>&</sup>lt;sup>42</sup> *Id.* 

- Removes the requirement that the area of groundwater contamination is less than one-quarter acre.
- Allows the presence of groundwater containing petroleum products' chemicals of concern that is not confined to the source property boundaries if it only migrates to a transportation facility of the Florida Department of Transportation.
- Adds a requirement that the groundwater contamination containing the petroleum products' chemicals of concern is not a threat to any permitted potable water supply well.

If DEP determines that the property owner or responsible party has demonstrated that these conditions are met, DEP must issue a site rehabilitation completion order that incorporates the "No Further Action" proposal. This determination acknowledges that minimal contamination exists onsite and that such contamination is not a threat to the public health, safety, or welfare, water resources, or the environment. If DEP determines that a discharge for which a site rehabilitation completion order was issued pursuant to LRSI may pose a threat to the public health, safety, or welfare, water resources, or the environment, the issuance of the site rehabilitation completion order does not alter eligibility for state-funded rehabilitation that would otherwise apply.

The bill authorizes DEP to approve the cost of a limited remediation plan, in addition to the cost of the assessment authorized in current law, submitted by a property owner or responsible party if DEP determines that the assessment and limited remediation will likely result in a no further action determination. The approval may be provided in one or more task assignments or modifications thereof, but the total amount authorized for a particular site may not exceed the threshold amount specified in chapter 287, F.S., <sup>43</sup> for a Category Two purchasing category, which is currently \$35,000. This is an increase from the current LRSI funding limit of \$30,000. The bill authorizes DEP to pay the costs associated with a professional land survey or specific purpose survey, if needed, and costs associated with obtaining a title report and recording fees.

The bill requires DEP to procure contractual services for LRSI in accordance with chapter 287, F.S., and applicable DEP rules in order to ensure the work is conducted in a cost-effective manner.

The bill increases the amount of time within which assessment work must be completed from six months to nine months. However, if groundwater monitoring is required following the assessment in order to satisfy the LRSI conditions, DEP may authorize an additional six months to complete the monitoring.

The bill also increases the annual amount of money that may be encumbered from the Inland Protection Trust Fund to fund LRSI from \$10 million to \$15 million.

## **Advanced Cleanup**

The bill reduces the minimum number of sites that a facility owner or operator or other responsible party must bundle in order to be eligible for performance-based contracts under Advanced Cleanup from 20 to 10.

The bill also adds a new requirement that an applicant who is not the property owner for any of the sites contained in an application must provide evidence of authorization from the property owners for site access and rehabilitation tasks consistent with the proposed course of action.

The bill increases the annual allocation for Advanced Cleanup contracts from \$15 million to \$25 million.

### B. SECTION DIRECTORY:

Section 1. amends s. 376.3071, F.S., relating to the Inland Protection Trust Fund.

Section 2. amends s. 376.30713, F.S., relating to Advanced cleanup.

<sup>&</sup>lt;sup>43</sup> Chapter 287, F.S., regulates state agency procurement of commodities and services. **STORAGE NAME**: h0733.ANRS

### II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

## 2. Expenditures:

The bill may have an indeterminate negative fiscal impact on DEP as a result of reducing the number of sites that must be bundled to be eligible to compete for performance-based contracts for Advanced Cleanup from 20 to 10. According to DEP, the process of bundling sites and implementing cleanups under a performance-based contract has resulted in an average cost savings ranging between 25 percent and 40 percent. The decrease in the number of sites needed for a bundle in conjunction with raising the amount of funds available may result in pushing the average cost savings closer to 25 percent.<sup>44</sup>

See FISCAL COMMENTS.

# **B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

None.

2. Expenditures:

None.

## C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill may have an indeterminate positive fiscal impact on the private sector because more rehabilitation contracts may be awarded as a result of increasing the total funding limits for Advanced Cleanup and LRSI.

### D. FISCAL COMMENTS:

The bill increases the amount of money that may be encumbered from the Inland Protection Trust Fund to fund LRSI contracts from \$10 million to \$15 million and increases the annual allocation for Advanced Cleanup contracts from \$15 million to \$25 million. However, these changes do not increase DEP's overall annual appropriation for the Restoration Program, but rather revise how much of the annual appropriation may be expended on these programs within the Restoration Program.

### III. COMMENTS

### A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. The bill does not appear to affect county or municipal governments.

2. Other:

None.

## **B. RULE-MAKING AUTHORITY:**

<sup>44</sup> DEP, 2015 Agency Legislative Bill Analysis for SB 314. **STORAGE NAME**: h0733.ANRS

The bill may require DEP to update its rules relating to the LRSI and Advanced Cleanup programs to reflect the new requirements of the bill.

### C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

### IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On March 24, 2015, the Agriculture & Natural Resources Subcommittee heard a proposed committee substitute for HB 733 and reported the bill favorably with committee substitute.

### The committee substitute:

- Reduces the minimum number of sites that a facility owner or operator or other responsible party must bundle in order to be eligible for performance-based contracts under Advanced Cleanup from 20 to 10:
- Increases the annual allocation for Advanced Cleanup contracts from \$15 million to \$25 million;
- Changes the name of the Low Scored Site Initiative to the Low-Risk Site Initiative (LRSI);
- Revises the criteria for participating in LRSI, including removing the requirement that a site must have a priority ranking score of 29 or less;
- Authorizes DEP to approve the cost of a limited remediation under LRSI;
- Increases the amount of money that DEP may spend on each LRSI site from \$30,000 to \$35,000;
- Increases the amount of time allowed to complete LRSI assessment work from six months to nine months; and
- Increases the amount of money that may be spent to fund LRSI from \$10 million to \$15 million.

This analysis is drafted to the committee substitute as passed by the Agriculture & Natural Resources Subcommittee.