

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 192

SPONSOR: Natural Resources Committee

SUBJECT: Preapproved Advanced Cleanup Program

DATE: February 1, 1999 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Green</u>	<u>Voigt</u>	<u>NR</u>	<u>Favorable</u>
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

This bill repeals subsection (7) of s. 376.30713, Florida Statutes, which otherwise would cause the repeal of the Preapproved Advanced Cleanup Program on October 1, 1999.

II. Present Situation:

In 1996, the Legislature enacted s. 376.30713, F.S., as part of a major revision of the underground petroleum storage tank cleanup program. Because reimbursement claims for cleaning up contaminated sites were being filed faster than program revenues could accommodate them, the program, at that time, was in arrears for almost \$350 million. The Legislature established better financial controls to address the backlog of claims using a prior approval system and enacted this provision to assist owners, under certain conditions, to cleanup their sites before they were eligible for cleanup funds on the state's priority list.

Specifically, under s. 376.30713, F.S., owners of contaminated sites are required to pay at least 25 percent of the cleanup costs along with certain other costs not reimbursable by the state. The Program is competitive and successful applicants pay, on average, more than half of the total costs of cleanup. This program is funded through annual revenues from excise taxes on petroleum for the underground petroleum storage tank program which provides \$160 million. The Legislature has set aside \$10 million annually for the Preapproved Advanced Cleanup Program (Program) from these revenues.

Section 376.30713(7), F.S., repeals the Program effective October 1, 1999. Accordingly, the Senate Natural Resources Committee staff undertook a mandatory review of the Preapproved Advanced Cleanup Program. Staff mailed a questionnaire to various entities seeking comments on the effectiveness of the Program, its funding level, and any adverse impacts on funding for cleanup activities on priority sites. Their responses are incorporated into recommendations contained in the mandatory review report. Based on staff research, the mandatory review report recommended

the Program not be repealed on October 1, 1999, but continued at its current annual funding level of \$10 million.

III. Effect of Proposed Changes:

This bill repeals subsection (7) of s. 376.30713, F.S., which schedules s. 376.30713, F.S., for repeal on October 1, 1999. This will allow the Preapproved Advanced Cleanup Program to continue, instead of being repealed.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The Program benefits the private sector in several ways. First, the Program assists owners of low-ranking sites who may experience difficulty in selling or leasing their contaminated property by providing them a way to cleanup the contamination earlier than the priority for their site by sharing in the cost of the cleanup. Because the Program facilitates the financing of property transactions by lending institutions, owners can successfully transfer their property. As a result of this successful transfer of property, the Program provides a measure of stability and avoids the market concerns associated with unpredictability.

Second, the Program allows faster cleanup of contaminated sites, preventing the potential offsite migration of contaminants. Many site owners do not have the financial resources to bear the entire cost of cleanup in order to prevent potential offsite migration. The Program helps both the State and site owners by providing the owners of contaminated sites with a low priority ranking a mechanism to address offsite migration more quickly.

C. Government Sector Impact:

The Program provides an important benefit to the government sector, as well as to the private sector, by achieving cleanup at more sites with the available Inland Protection Trust Fund (IPTF) money. The Department of Environmental Protection ranks applications based on what percentage of the total cleanup costs an applicant is willing to pay. Because the site owners, so far, have contributed more than half of the total cleanup costs (an average of 57.38 percent), the available IPTF money goes further in cleaning up more contaminated sites than would otherwise be possible with this funding.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
