

1997-98 SESSION
COMMITTEE HEARING
RECORDS

Committee Name:

Joint Committee on
Finance (JC-Fi)

Sample:

Record of Comm. Proceedings ... RCP

- 05hrAC-EdR_RCP_pt01a
- 05hrAC-EdR_RCP_pt01b
- 05hrAC-EdR_RCP_pt02

➤ Appointments ... Appt

➤ **

➤ Clearinghouse Rules ... CRule

➤ **

➤ Committee Hearings ... CH

➤ **

➤ Committee Reports ... CR

➤ **

➤ Executive Sessions ... ES

➤ **

➤ Hearing Records ... HR

➤ **

➤ Miscellaneous ... Misc

➤ 97hrJC-Fi_Misc_pt47b_LFB

➤ Record of Comm. Proceedings ... RCP

➤ **

To: Joint Committee on Finance
From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

PECFA -- Priority for Brownfields (Commerce -- Building and Environmental Regulation)

[LFB Summary: Page 154, #15]

CURRENT LAW

The Petroleum Environmental Cleanup Fund Award (PECFA) program generally pays awards in the order that claims are received. Commerce reviews claims on a "fast track" priority basis if the claims are for home heating oil tanks or cleanups where the investigation and cleanup is completed with a cost of less than \$50,000. These fast track claims are then put at the end of the line of claims that have been reviewed and are waiting to be paid when funds are available.

GOVERNOR

Require Commerce to give priority in paying PECFA awards to claims for cleanups at brownfields. Define "brownfields" to mean abandoned, idle or underused industrial or commercial facilities or sites, where expansion or redevelopment is adversely affected by environmental contamination.

DISCUSSION POINTS

1. As of April 1, 1997, Commerce had received 2,003 PECFA award applications totaling \$180.4 million that had not been paid. This included two backlogs: (a) 1,583 claims for \$145.5 million that were waiting to be assigned to staff for review; and (b) 520 claims for \$34.9

million that had been reviewed and will be paid when sufficient petroleum inspection revenues have been received to pay the claims. Claims received in April, 1997, will be reviewed approximately nine months later and will be paid approximately 22 months after they were received. Commerce is receiving approximately \$15 million in PECFA claims per month and is paying approximately \$8 million per month in PECFA awards based on available revenues. At the current rate, the backlog of claims received and waiting for payment will be approximately \$200 million by June 30, 1997. Under the bill, owners and operators who submit a PECFA claim in July, 1997, would not receive payment for at least two years.

2. The bill does not define "priority." The provision is written broadly enough that Commerce could choose to review brownfields PECFA claims on a "fast track" basis before it reviews the current fast track small cleanups and home heating oil claims, and then either: (a) place the brownfields claims at the bottom of the line with other claims that have been reviewed and are waiting to be paid; or (b) place the brownfields claims at the top of the line of claims that have been reviewed and are waiting to be paid.

3. The bill does not specify the effective date for giving priority for brownfields sites. The provision is written broadly enough that it would be reasonable to interpret the provision as requiring Commerce to give priority to payments made as of the effective date of the budget act: (a) for any brownfields claims received prior to or after the effective date of the budget act; or (b) any brownfields claims received after the effective date.

4. At the Commerce briefing of the Joint Committee on Finance, Secretary McCoshen indicated that he hopes Commerce could give priority to brownfields PECFA claims received after the effective date of the budget act. However, this would appear to allow Commerce to pay brownfields claims received after the effective date of the budget act before it reviews brownfields claims received before the effective date of the act. Owners of PECFA sites that meet the brownfields definition would, in effect, be delayed if they submit a PECFA claim prior to the effective date of the budget bill.

5. The bill does not specify how Commerce would determine which PECFA sites are brownfields sites. Commerce Secretary McCoshen told the Joint Committee on Finance that he believes that most PECFA sites are brownfields sites. Commerce would consider the following to be examples of PECFA brownfields sites: (a) gas stations that need to undertake a PECFA cleanup before or while upgrading to meet federal requirements to continue business; (b) former gas stations that are being sold and converted to other uses which must be cleaned up before site redevelopment; and (c) industrial sites with closed or abandoned petroleum tanks from a past user of the site which must be cleaned up before site redevelopment. However, many PECFA sites are ongoing businesses (for example, either gas stations or former gas stations converted to other uses). If these sites are considered brownfields, this interpretation would essentially make the statutory provision meaningless. Others believe that the definition of brownfields in the bill could be interpreted narrowly enough to include a small percentage of PECFA sites. For

example, if it were determined that the definition of brownfields would not include operating gas stations, then most PECFA sites would not be brownfields.

6. It could be argued that a narrower definition of PECFA sites to be provided priority for payment would help meet the intended goals of encouraging brownfields redevelopment under the Governor's budget. For example, priority could be made for using PECFA funds for new cleanup projects, where investigation and cleanup begins after the effective date of the biennial budget act, if the project is also receiving assistance from other state-administered brownfields programs such as the proposed Commerce Brownfields Grant program and Clean Water Fund Land Recycling Loan program, and the existing Commerce Community Development Block Grant, Community-Based Economic Development, Rural Economic Development and Wisconsin Development Fund programs and the Department of Natural Resources Purchaser Limited Liability program. Under this alternative, projects would be given priority if they need PECFA reimbursement, in combination with other funding sources, in less than two years in order to make a brownfields redevelopment project work.

7. If a brownfields priority is provided for PECFA sites, some might argue for creating other types of PECFA payment priority, for example, for sites where there is contaminated groundwater, contaminated and unusable drinking water wells or a plume of contamination that is moving off of the site.

8. Some might consider it inappropriate to add any type of priority for paying PECFA claims when all of the 1997-99 PECFA awards appropriation will be used for claims received before July 1, 1997. That is, the current two-plus year wait for reimbursement sites could lengthen considerably, perhaps indefinitely, for a non-brownfields site, but a brownfields site would receive immediate reimbursement. It is unknown what effect the delay could have on lending for PECFA cleanup work on sites not considered brownfields.

9. The current priority for review of home heating oil tanks is in statutes, which contains a \$500,000 set-aside for the tanks. The priority for small cleanup claims is established in administrative rule. While Commerce could choose to implement the provision by rule, the bill does not require promulgation of an administrative rule. The Committee could require Commerce to promulgate administrative rules that establish how sites will be identified as being brownfields sites and how priority will be defined.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation to require Commerce to give priority in paying PECFA awards for brownfields claims.

2. Modify the Governor's recommendation to specify that Commerce shall give priority in reviewing and paying all brownfields PECFA claims received before, on or after the

effective date of the budget act before the Department reviews and pays non-brownfields PECFA claims received before, on or after the effective date of the budget act.

3. Modify the Governor's recommendation to specify that Commerce shall give priority in reviewing and paying all brownfields PECFA claims received on or after the effective date of the budget act before the Department reviews and pays brownfields and non-brownfields PECFA claims received before the effective date of the budget act and non-brownfields PECFA claims received on or after the effective date of the budget act.

4. Modify the Governor's recommendation to specify that Commerce shall give priority in reviewing and paying brownfields PECFA claims for investigations and cleanups started on or after the effective date of the budget act if the projects have also been approved to receive assistance under the Commerce Brownfields Grant, Community Development Block Grant, Community-Based Economic Development, Rural Economic Development Program or Wisconsin Development Fund programs, Clean Water Fund Land Recycling Loan program or DNR Purchaser Limited Liability program.

5. In addition to one of the above alternatives, require Commerce to promulgate administrative rules to implement the provision.

6. Maintain current law.

Revised by: Kendra Bonderud

MO# AIH#6

| | | | |
|------------|-------------------------------------|--------------|---|
| JENSEN | <input checked="" type="checkbox"/> | N | A |
| 1 OURADA | <input checked="" type="checkbox"/> | N | A |
| 2 HARDSORF | <input checked="" type="checkbox"/> | N | A |
| ALBERS | <input checked="" type="checkbox"/> | N | A |
| GARD | <input checked="" type="checkbox"/> | N | A |
| KAUFERT | <input checked="" type="checkbox"/> | N | A |
| LINTON | <input checked="" type="checkbox"/> | N | A |
| COGGS | <input checked="" type="checkbox"/> | N | A |
| | | | |
| BURKE | <input checked="" type="checkbox"/> | N | A |
| DECKER | <input checked="" type="checkbox"/> | N | A |
| GEORGE | <input checked="" type="checkbox"/> | N | A |
| JAUCH | <input checked="" type="checkbox"/> | N | A |
| WINEKE | <input checked="" type="checkbox"/> | N | A |
| SHIBILSKI | <input checked="" type="checkbox"/> | N | A |
| COWLES | <input checked="" type="checkbox"/> | N | A |
| PANZER | <input checked="" type="checkbox"/> | N | A |

AYE 9 NO 7 ABS

To: Joint Committee on Finance
From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Aviation Fuel Petroleum Inspection Fee Allowance (Commerce - Building and Environmental Regulation; Miscellaneous Appropriations)

[LFB Summary: Page 156, #23 and Page 386, #6]

CURRENT LAW

A petroleum inspection fee of 3¢ per gallon is imposed on all petroleum products brought into Wisconsin. Petroleum products include gasoline (including aviation fuel), gasoline-alcohol fuel blends, kerosene, fuel oil, burner oil and diesel fuel oil. Commerce is responsible for inspecting petroleum products brought into the state to assure that the product meets minimum product grade and environmental specifications. The Department of Revenue (DOR) is responsible for collecting the fee at the same time it collects the motor vehicle fuel tax at petroleum company terminals.

GOVERNOR

Make purchasers of aviation fuel on which the petroleum inspection fee has been imposed eligible for reimbursement of two cents for each gallon of aviation fuel purchased in excess of one million gallons per month. Purchasers of aviation fuel for resale would not be eligible for the allowance. Purchasers would be eligible for the allowance for purchases made on or after the effective date of the budget bill.

To receive an allowance, eligible purchasers would have to file a claim with DOR within 12 months of the purchase of the aviation fuel. DOR would be required to allow or deny the claim within 60 days after the filing of the claim. If DOR does not pay the allowance within 90

days after the purchaser files the claim, DOR would pay interest beginning on the 90th day, at the rate of 9% per year.

Create a sum sufficient appropriation, estimated at \$400,000 annually, from the petroleum inspection fund for DOR payment of the allowances.

If a purchaser negligently files an inaccurate claim, DOR would be required to take one of the following actions: (a) if DOR has not paid the claim but has allowed a portion of the claim, to reduce the allowance by 25%; or (b) if DOR has paid the claim, require the purchaser to repay the portion of the claim to which the purchaser is not entitled, plus a penalty equal to 25% of the allowance, plus interest on the sum of the unpaid penalty and the amount required to be refunded, accruing from the date that the penalty is imposed, at the rate of 12% per year. DOR would be required to give notice to the purchaser of imposing a penalty and requiring a refund within four years after the claim was filed.

If a purchaser files a fraudulent claim, DOR would be required to take one of the following actions: (a) if DOR has not paid the claim and does not allow any of the claim, require the purchaser to pay a penalty equal to 50% of the amount claimed, plus interest on the unpaid penalty, accruing from the date that the penalty is issued, at the rate of 12% per year; (b) if DOR has not paid the claim and DOR allows a portion of the claim, to reduce the allowance by 50%; or (c) if DOR has paid the claim, require the purchaser to repay the portion of the amount paid that DOR determines was fraudulently obtained, plus a penalty equal to 50% of the amount claimed by the purchaser, plus interest on the sum of the unpaid penalty and the amount required to be refunded, accruing from the date that the penalty is imposed, at the rate of 12% per year. DOR would be authorized to impose a penalty and require a refund when DOR discovers the fraud committed. Any repayments by purchasers under the provisions for inaccurate or fraudulent claims would be deposited in the general fund. No estimate of revenue is included.

Persons who knowingly sign or verify a fraudulent claim, or who knowingly aid, abet or assist another in making a fraudulent claim or in signing or verifying a fraudulent claim, could be fined not more than \$500 or imprisoned for not more than 30 days or both.

DISCUSSION POINTS

1. While not specified in the bill, DOA believes that Midwest Express Airlines is the only purchaser currently meeting the criteria in the bill.

2. While the Executive Budget Book states that the provision is intended to help Wisconsin-based airlines remain competitive in Wisconsin, the bill bases eligibility for the allowance on whether the airline purchases over one million gallons per month, rather than on whether the purchaser is or is not a Wisconsin-based airline. Midwest Express is the only airline that exceeds the one million gallon threshold in all or almost all months. Air Wisconsin,

Blackhawk Airways and Skyway Airlines are Wisconsin-based airlines which purchase less than one million gallons per month and would therefore, be ineligible for the allowance.

3. In Wisconsin, aviation fuel is subject to a 3¢ per gallon petroleum inspection fee and a 6¢ per gallon aviation fuel tax, but 29 commercial airlines are exempt from the aviation fuel tax. This means that small private companies that purchase aviation fuel but do not meet the definition of commercial airline pay 9¢ per gallon (6¢ per gallon aviation fuel tax plus 3¢ per gallon petroleum inspection fee), while commercial airlines pay only the 3¢ per gallon petroleum inspection fee. The Department of Revenue reports that in 1995-96, there were 17 million gallons subject to the aviation fuel tax and 122 million gallons exempt from the tax. All of the aviation fuel (except an unknown amount of purchases by the federal government) was subject to the petroleum inspection fee.

4. The estimated \$400,000 annual cost of the bill was based on a fall, 1996, estimate by Midwest Express that it would purchase approximately 2.6 million gallons of aviation fuel in Milwaukee per month in calendar year 1996. Actual Midwest Express 1996 purchases in Milwaukee were approximately 28.3 million, which averaged 2.3 million gallons per month. In addition, in 1996, Midwest Express purchased approximately 19,000 gallons per month in Madison and 3,000 gallons per month in Appleton. If the provision had been in effect during calendar year 1996, Midwest Express would have received a petroleum inspection fee allowance of \$346,600.

5. Midwest Express officials estimate that the 1997 monthly average number of gallons purchased in Milwaukee could increase to approximately 3.0 million because Midwest Express purchased four new jets for flights to Florida, which began to be phased in during March, 1997. (Midwest Express indicates that it is cheaper to fuel its planes in Wisconsin with the 3¢ petroleum inspection fee, than in Florida, with a total of 9¢ per gallon in taxes.) Fuel purchases made during and after April, 1997 should begin to reflect the added flights. If actual purchases increase to 3.0 million gallons per month, payments made under the bill would increase to approximately \$480,000 annually. However, given the limited information to date, an estimate of \$400,000 annually does not appear unreasonable.

6. Northwest Airlines purchases the second greatest amount of aviation fuel in Wisconsin after Midwest Express. In calendar year 1996, Northwest Airlines purchased 11.6 million gallons of fuel in Wisconsin, averaging approximately 965,000 gallons per month, including an average of 576,000 gallons per month in Milwaukee, 228,000 gallons in Madison, 147,000 in Green Bay and 13,000 in La Crosse. During 1996, Northwest Airlines fuel purchases in Wisconsin exceeded one million during four months by a total of approximately 330,000 gallons. If the provision had been in effect during 1996, Northwest Airlines would have received approximately \$6,600. Actual Northwest Airlines fuel purchases in Wisconsin in 1997 have exceeded one million gallons in each of the first three months by a total of 350,000 gallons.

7. American Trans Air, based in Indiana, would likely qualify for the allowance under the bill during one to three months per year. American Trans Air flies in and out of Milwaukee year-round, but its flights peak during the winter months when it flies many charters to Florida, Las Vegas and Mexico. American Trans Air purchased approximately 7.8 million gallons of aviation fuel in Milwaukee in 1996, averaging 646,000 gallons per month, and 8.1 million gallons in 1995. However, because of the charter flight activity in peak months, American Trans Air fuel purchases in Milwaukee exceeded one million gallons in three months of 1995 (by a total of approximately 400,000 gallons) and one month of 1996 (by a total of approximately 200,000 gallons). If the provision had been in effect in the two years, American Trans Air would have received approximately \$8,000 in 1995 and \$4,000 in 1996.

8. It is possible that, under the bill, Northwest Airlines and American Trans Air might marginally increase fuel purchases in Wisconsin in a few months of each year if: (a) fuel purchases will exceed one million gallons in the state in the month; (b) if the price of fuel and taxes in the destination state of flights is higher than in Wisconsin; and (c) if the plane is within weight restrictions to the extent that extra fuel could be loaded onto the plane. For example, under the bill, Northwest Airlines would pay 2.5¢ per gallon on purchases in Minnesota during months that the Minnesota tank cleanup fee is in effect and 1¢ per gallon on purchases in Wisconsin in excess of one million gallons. This might shift some Northwest Airlines fuel purchases from Minnesota to Wisconsin (depending on the underlying fuel price).

9. Midwest Express Airlines seeks a reduction in all or part of the petroleum inspection fee because it believes the fee puts Midwest Express at a competitive disadvantage compared to other airlines that serve Wisconsin, especially those serving Milwaukee. Midwest Express argues that airlines with a large base or hub operation in another state can purchase fuel more cheaply in the other state than in Wisconsin, then fly in and out of Wisconsin without refueling in this state. This practice of "tankering" is commonly used to maximize fuel purchases where fuel prices and taxes are lower. For example, Midwest Express indicates that it purchases 49% of all aviation fuel purchased at the Milwaukee airport but carries 26% of all passengers flying out of Milwaukee, while its primary competitor in Milwaukee, Northwest Airlines, carries about 21% of all passengers but purchases 14% of its fuel in Milwaukee.

10. Midwest Express also argues that other states offer tax relief such as volume-based rebates similar to SB 77 to airlines that use the state as their hub. Midwest Express especially compares the tax structure of Minnesota, hub of Northwest Airlines. Minnesota imposes an aviation fuel tax of 5¢ per gallon, but purchasers receive a volume-based fuel tax refund of 4.5¢ per gallon for all gallons if more than 200,000 gallons are purchased annually. Minnesota also imposes a petroleum tank release cleanup fee of 2¢ per gallon, but the fee is not imposed in all months. The fee is activated for four (or more) months whenever the balance of the petroleum tank fund (Minnesota's counterpart to Wisconsin's PECFA program) drops below \$4 million. The fee was imposed during 12 months of fiscal year 1994, eight months of 1995, four months of 1996 and will be imposed during an estimated five months of fiscal year 1997. An aviation fuel purchaser such as Northwest Airlines would pay combined Minnesota taxes of 0.5¢ per

gallon in some months and 2.5¢ per gallon in the months that the tank fee is imposed for purchases made in Minnesota, and would pay Wisconsin petroleum inspection fees of 3¢ per gallon in all months for purchases made in Wisconsin.

11. Some argue that if the petroleum inspection fee is burdensome to Midwest Express, it is burdensome to all purchasers of all types of fuel in the state. The cost of the petroleum inspection fee is passed along to anyone who purchases gasoline and other petroleum products to pay for the cost of PECFA cleanups. The 3¢ fee currently generates approximately \$105 million annually. Each 1¢ reduction would result in a revenue loss of approximately \$35 million.

12. The provision would provide the only exemption from the petroleum inspection fee and could set a precedent for other types of fuel purchasers who want to pay less in petroleum inspection fees. There have been attempts made in the past to exempt other groups from all or part of the fee. However, the Legislature has not enacted any such exemptions. Large volume purchasers of other types of petroleum fuel such as trucking firms, suppliers to ships on the Great Lakes or barges on the Mississippi River and railroads might argue that they should be granted similar allowances, rebates or reductions in the petroleum inspection fee. For example, a few companies fuel ships in Wisconsin Great Lakes ports or barges in Mississippi river ports and believe they could encourage more ships to refuel in Wisconsin instead of other Great Lakes or river ports if the companies would not have to pay part or all of the petroleum inspection fee.

13. The international fuel tax agreement (IFTA) provides a standardized motor fuel tax reporting system and collection procedure for interstate motor carriers. Federal law required most states to join IFTA by September 30, 1996. In the 1995 Act 113 (the 1995-97 transportation budget act), the IFTA process was modified to include the petroleum inspection fee in IFTA settlements. Under IFTA, interstate motor carriers pay the vehicle fuel tax and petroleum inspection fee on fuel used in Wisconsin, regardless of where that fuel was purchased. However, interstate motor carriers pay the entire 3¢ per gallon petroleum inspection fee on all fuel used in Wisconsin, and IFTA has no provision for volume fuel purchases. There is no interstate method similar to IFTA to allocate aviation fuel taxes among the states.

14. Some might argue that instead of applying the provision only to the largest volume aviation fuel purchaser, it should apply to all purchasers of aviation fuel for all gallons purchased in the state. Based on annual aviation fuel purchases of more than 140 million gallons, providing a 2¢ per gallon allowance for aviation fuel would cost approximately \$2.8 million annually, an increase of \$2.4 million over the bill. However, purchasers of non-aviation gasoline might argue that a tax reduction solely for aviation fuel is an unfair advantage for that type of fuel.

15. If the one million gallon threshold would be lowered so that more purchasers would receive the benefit, the cost would increase over the bill and the largest volume purchasers would benefit. The cost for lower thresholds is difficult to estimate and would depend on the

selected threshold. For example, if the threshold would be decreased from one million gallons to 500,000 per month, the allowance would expand to include Northwest and American Trans Air for most of the year. The increase in cost would be approximately \$275,000 annually above the bill's estimated \$400,000 cost, including \$120,000 for Midwest Express, \$120,000 for Northwest Airlines and \$35,000 for American Trans Air.

16. Midwest Express Airlines argues that it pays more into the petroleum inspection fund than it receives in PECFA program reimbursement, paying over \$900,000 annually in petroleum inspection fees (approximately \$500,000 annually under the bill), while the estimated cost of the current PECFA-eligible petroleum cleanup at the Milwaukee airport is \$550,000. However, it is probable that many others, especially people who do not own tanks, will pay more in petroleum inspection fees than they will receive in PECFA reimbursement. Some tank owners will receive more in PECFA reimbursement than they pay in petroleum inspection fees.

17. The PECFA program backlog of claims waiting to be paid will be approximately \$200 million on July 1, 1997. PECFA site owners who file a claim in July, 1997, will probably wait more than two years for payment. Under the bill, the backlog may exceed \$385 million by June 30, 1999. It could be argued that it is inappropriate to enact provisions which reduce petroleum inspection fee revenues during this time when PECFA program demand greatly exceeds current revenues.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation to create: (a) an aviation fuel petroleum inspection fee allowance of 2¢ per gallon on monthly purchases that exceed one million gallons, procedures for filing a claim with DOR and procedures DOR must follow for negligent or fraudulent claims; and (b) a sum sufficient appropriation from the petroleum inspection fund, estimated at \$400,000 SEG annually.

2. Modify the Governor's recommendation to make all gallons purchased in excess of 500,000 gallons per month eligible for the allowance and reestimate the sum sufficient appropriation for payments of the allowance to be \$675,000 SEG annually (an increase of \$275,000 annually).

| <u>Alternative 2</u> | <u>SEG</u> |
|----------------------------------|------------|
| 1997-99 FUNDING (Change to Bill) | \$550,000 |

3. Modify the Governor's recommendation to make all purchasers of aviation fuel eligible for the 2¢ per gallon petroleum inspection fee allowance. Reestimate the sum sufficient

appropriation for payments of the allowance to be \$2,800,000 SEG annually (an increase of \$2,400,000 annually).

| | |
|----------------------------------|-------------|
| <u>Alternative 3</u> | <u>SEG</u> |
| 1997-99 FUNDING (Change to Bill) | \$4,800,000 |

FAK
~~4~~

Maintain current law.

| | |
|----------------------------------|-------------|
| <u>Alternative 4</u> | <u>SEG</u> |
| 1997-99 FUNDING (Change to Bill) | - \$800,000 |

Prepared by: Kendra Bonderud

MO# Alt #4

| | | | |
|-----------|--------------|--------------|---|
| JENSEN | Y | N | A |
| OURADA | Y | N | A |
| HARSDORF | Y | N | A |
| ALBERS | Y | N | A |
| GARD | Y | N | A |
| KAUFERT | Y | N | A |
| LINTON | Y | N | A |
| COGGS | Y | N | A |
| | | | |
| BURKE | Y | N | A |
| 2 DECKER | Y | N | A |
| GEORGE | Y | N | A |
| 1 JAUCH | Y | N | A |
| WINEKE | Y | N | A |
| SHIBILSKI | Y | N | A |
| COWLES | Y | N | A |
| PANZER | Y | N | A |

AYE 7 NO 9 ABS _____

MO# Alt #

| | | | |
|-----------|---|---|---|
| JENSEN | Y | N | A |
| OURADA | Y | N | A |
| HARSDORF | Y | N | A |
| ALBERS | Y | N | A |
| GARD | Y | N | A |
| KAUFERT | Y | N | A |
| LINTON | Y | N | A |
| COGGS | Y | N | A |
| | | | |
| BURKE | Y | N | A |
| DECKER | Y | N | A |
| GEORGE | Y | N | A |
| JAUCH | Y | N | A |
| WINEKE | Y | N | A |
| SHIBILSKI | Y | N | A |
| COWLES | Y | N | A |
| PANZER | Y | N | A |

AYE _____ NO _____ ABS _____

*Alt # / Adopted
 By Default*

COMMERCE

Building and Environmental Regulation

PECFA - Maximum Award Extension

Motion:

Move to extend the date on which the current maximum PECFA award (\$1,000,000 or \$500,000) decreases from June 30, 1998, to December 22, 2001.

↳ Date made known in 773 Act 419

Note:

Currently, owners or operators of petroleum product storage tank systems are eligible for the maximum award of \$500,000 or \$1,000,000 per occurrence if the investigation and remedial action activities are started before July 1, 1998. The maximum award of \$500,000 is for non-marketers that handle 10,000 or less gallons per month and the maximum award of \$1,000,000 is for petroleum marketers with systems that store products for resale or nonmarketers with systems that handle more than 10,000 gallons per month. The maximum award for investigations and remedial activities that begin on or after July 1, 1998, would be \$190,000.

Federal regulations require that federally-regulated tanks (including underground commercial petroleum or storage tanks larger than 110 gallons and underground farm and residential vehicle fuel tanks larger than 1,100 gallons) must be upgraded or closed by December 22, 1998. Owners of federally-regulated tanks who choose to cease operations in December, 1998, would have until December, 1999, to properly close and remove the tank and begin an investigation for any contamination. State regulations require that for aboveground petroleum storage tanks over 5,000 gallons, farm and residential vehicle fuel tanks of 1,100 gallons or less and heating oil tanks over 4,000 gallons, owners must upgrade or close the tanks by May 1, 2001.

Currently, many federally-regulated and state-regulated sites would likely begin investigations and remedial activities before July 1, 1998, in order to ensure that the current higher maximum award would continue to be available after July 1, 1998.

The motion would extend the date by which investigations and remedial activities must begin in order to remain eligible for the current maximum awards to December 22, 2001. The

motion would provide owners of federally-regulated underground tanks three years after the federal upgrading deadline to begin a PECFA cleanup with the higher maximum award and owners of certain state-regulated aboveground, farm, residential and heating oil tanks with seven months after the state upgrading deadline to begin a PECFA cleanup.

The motion would increase PECFA program costs for sites with cleanup costs exceeding \$190,000 where the investigation and remedial activities are begun between July 1, 1998, and December 22, 2001. For example, sites may be discovered after July 1, 1998, such as during DOT road construction projects or by private parties who complete property assessments during other real estate transactions. Commerce indicates that most sites will begin cleanup before July 1, 1998, and that new sites reported to PECFA may total 15 per month, three of which would be expected to incur more than \$190,000 in PECFA costs. Commerce estimates that the cost of the provision for currently unknown sites would be approximately \$11.9 million. However, PECFA cleanup work might be spread over a longer term, and short-term PECFA demand for program resources could be lower than under current law.

MO# 1061

| | | | |
|------------|--------------|--------------|--------------|
| JENSEN | Y | N | A |
| OURADA | Y | N | A |
| 1 HARSDORF | X | N | A |
| ALBERS | Y | N | A |
| GARD | Y | N | A |
| KAUFERT | X | N | A |
| LINTON | X | N | A |
| COGGS | X | N | A |
| | | | |
| BURKE | X | N | A |
| DECKER | X | N | A |
| GEORGE | X | N | A |
| 2 JAUCH | X | N | A |
| WINEKE | X | N | A |
| SHIBILSKI | X | N | A |
| COWLES | Y | N | A |
| PANZER | Y | N | A |
| | | | |
| AYE | <u>10</u> | NO | <u>6</u> ABS |

COMMERCE

Building and Environmental Regulation

PECFA - Interest Cost Reimbursement [LFB Paper #269]

Motion:

Move to specify that if a PECFA site owner or operator can not find a lender who will agree to make a loan for PECFA-eligible cleanup work at an interest rate equal to or less than the maximum reimbursable interest rate under the program, the owner or operator would be exempt from state cleanup requirements under the state hazardous substances spills law.

MO# 1054

| | | | |
|-----------|--------------|--------------|---------------|
| JENSEN | Y | N | A |
| OURADA | Y | N | A |
| HARSDORF | Y | N | A |
| 1 ALBERS | Y | N | A |
| 2 GARD | Y | N | A |
| KAUFERT | Y | N | A |
| LINTON | Y | N | A |
| COGGS | Y | N | A |
| | | | |
| BURKE | Y | N | A |
| DECKER | Y | N | A |
| GEORGE | Y | N | A |
| JAUCH | Y | N | A |
| WINEKE | Y | N | A |
| SHIBILSKI | Y | N | A |
| COWLES | Y | N | A |
| PANZER | Y | N | A |
| | | | |
| AYE | <u>1</u> | NO | <u>15</u> ABS |

COMMERCE

Building and Environmental Regulation

PECFA - Service Providers [LFB Paper #270]

Motion:

Move to direct Commerce to update, on a regular basis, the list of service providers that it selects to provide certain services in specified areas.

MO# 1046

| | | | |
|-----------|--------------|-------------|-----------|
| JENSEN | Y | N | A |
| OURADA | Y | N | A |
| HARSDORF | Y | N | A |
| ALBERS | Y | N | A |
| GARD | Y | N | A |
| KAUFERT | Y | N | A |
| LINTON | Y | N | A |
| COGGS | Y | N | A |
| | | | |
| BURKE | Y | N | A |
| DECKER | Y | N | A |
| GEORGE | Y | N | A |
| JAUCH | Y | N | A |
| WINEKE | Y | N | A |
| SHIBILSKI | Y | N | A |
| COWLES | Y | N | A |
| PANZER | Y | N | A |
| AYE | <u>16</u> | NO <u>0</u> | ABS _____ |

To: Joint Committee on Finance
From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

PECFA Awards (Commerce -- Building and Environmental Regulation)

[LFB Summary: Page 150, #2]

CURRENT LAW

The Petroleum Environmental Cleanup Fund Award (PECFA) program reimburses owners for a portion of the cleanup costs of discharges from petroleum product storage tank systems and home heating oil tank systems. The program is funded from a portion of a 3¢ per gallon petroleum inspection fee. In 1995-97, \$84,031,700 was appropriated each year in a biennial appropriation for PECFA awards. In September, 1996, the Joint Committee on Finance approved, under s. 13.10, additional one-time expenditure authority of \$34,800,000 in 1996-97.

GOVERNOR

Provide \$7,100,000 annually from the petroleum inspection fund to increase funding for PECFA awards to \$91,131,700 per year in a biennial appropriation.

DISCUSSION POINTS

Funding and Backlog

1. Under the bill, \$182.3 million would be provided for PECFA awards during 1997-99. In 1995-97, \$202.9 million was provided.

2. As of April 1, 1997, Commerce had received 2,003 PECFA award applications totaling \$180.4 million that had not been paid. This included two backlogs: (a) 1,583 claims for \$145.5 million that were waiting to be assigned to staff for review; and (b) 520 claims for \$34.9 million that had been reviewed and will be paid when sufficient petroleum inspection revenues have been received to pay the claims. Claims received in April, 1997, will be reviewed approximately nine months later and will be paid approximately 22 months after they were received.

3. Currently, Commerce is receiving approximately \$15 million in PECFA claims per month and is paying approximately \$8 million in PECFA awards in order to limit expenditures to available revenues. At the current rate, the backlog of claims received and waiting for payment will be approximately \$200 million by June 30, 1997.

4. If PECFA demand continues at current rates, new PECFA claims would exceed \$380 million during 1997-99, the monthly backlog of claims will grow by \$7 to \$8 million per month. The backlog will likely exceed \$385 million by the end of 1997-99.

5. Under the bill, owners and operators who submit a PECFA claim in July, 1997, would not receive payment for at least two years. Owners who submit a PECFA claim in June, 1999, might wait over four years for PECFA reimbursement.

6. Commerce is currently auditing approximately \$15.5 million of claims per month but estimates that the monthly amount will increase soon to an average of \$21 million per month as it allocates three additional staff to claims review by filling a vacancy and transferring responsibility for reviewing investigations from two claims reviewers to two hydrogeologists. At the higher level of claim review, by the end of 1998-99, almost all of the potential \$385 million claim backlog would be in claims that have been reviewed and are waiting to be paid.

7. It is probable that PECFA demand will grow during 1997-99, rather than continue at current rates, as owners and operators upgrade federally-regulated underground petroleum storage tanks before the December 22, 1998, federal deadline for upgrading tanks. It is possible that demand could plateau sometime during 1999 or 2000, then decline as federally-regulated tanks are upgraded and contamination identified during the upgrading is cleaned up.

8. Approximately 3.5 billion gallons of petroleum are inspected annually. Each one cent of petroleum inspection fees generates revenues of approximately \$35 million annually. Therefore, the current 3¢ per gallon fee generates approximately \$105 million annually.

9. The balance of the petroleum inspection fund will be approximately \$4.8 million on June 30, 1999, as shown in Table 1.

TABLE 1

Petroleum Inspection Fund Estimated Condition -- SB 77
(\$ Millions)

| | <u>1996-97</u> | <u>1997-98</u> | <u>1998-99</u> |
|--|----------------|----------------|----------------|
| Opening Balance* | \$17.5 | \$7.7 | \$5.4 |
| Revenue: | | | |
| Petroleum Inspection Fee | 104.0 | 105.0 | 106.1 |
| Interest and Other | <u>0.4</u> | <u>0.3</u> | <u>0.3</u> |
| Total Revenue | 104.4 | 105.3 | 106.4 |
| Total Revenue Available | \$121.9 | \$113.0 | \$111.7 |
| Expenditures and Reserves: | | | |
| PECFA Awards and Administration | \$98.5 | \$93.9 | \$93.9 |
| Commerce Petroleum Inspection | 7.5 | 8.1 | 7.5 |
| Other Programs | 5.1 | 5.6 | 5.5 |
| Expenditure of Prior Year Encumbrances | <u>3.1</u> | <u>---</u> | <u>---</u> |
| Total Expenditures | \$114.2 | \$107.6 | \$106.9 |
| Closing Unencumbered Balance | \$7.7 | \$5.4 | \$4.8 |

* Opening cash balance in 1996-97, unencumbered fund balance in 1997-98 and 1998-99

10. Under the bill, approximately 87% of 1997-99 petroleum inspection fund appropriations will be for PECFA awards and Commerce PECFA administration. An additional 7% of appropriations will be for Commerce petroleum inspection programs. The remaining 6% will fund the collection of the petroleum inspection fee by the Department of Revenue and brownfields, clean air and other environmental programs in Commerce, the Department of Natural Resources, the Department of Transportation, the Department of Agriculture, Trade and Consumer Protection and the Department of Military Affairs. The Attachment shows 1997-99 appropriations under the bill.

11. PECFA claimants who obtain bank loans for site remediation are eligible for reimbursement of loan origination fees, loan renewal fees and other interest expenses. From January 1, 1994 through June 30, 1996, 7.1% of PECFA award payments were for loan interest. For the 600 PECFA claims processed from November 1, 1996, through February 28, 1997, 10.7% (\$4.9 million) of the \$45.8 million in PECFA claims processed was for interest costs. During 1997-99, this would equal approximately \$9.1 million per year on interest costs. However, the amount and percentage of PECFA payments for interest expenses could be expected to increase as the backlog increases.

Current Activities to Reduce Future Costs

12. Commerce established an administrative code advisory committee in February, 1997, to discuss changes that would control PECFA costs and improve program administration. It is possible that the Commerce code advisory committee might recommend changes to administrative rules and state statutes that could reduce future PECFA claim costs and close sites more quickly.

13. DNR promulgated administrative rules, effective November 1, 1996, that allow flexible closure of contaminated sites. Flexible closure means that cleanup activities can be stopped and the site closed when groundwater contamination levels exceed enforcement standards if certain conditions are met. DNR is developing administrative rules for landspreading of contaminated soils that would allow application of excavated petroleum contaminated soil at certain suitable locations, with natural attenuation of the contaminants by soil microorganisms. Natural attenuation means allowing naturally-occurring physical, chemical or biological processes to decrease contamination over a period of time. DNR is also working on a pilot project to evaluate the effectiveness of all PECFA sites with operating engineered remedial systems. Engineered systems are mechanical systems that can be operated continuously without on-site personnel to pump petroleum products and other contamination out of the groundwater or to extract petroleum vapors or other contamination from the soil.

14. While the recent and current Commerce and DNR efforts related to program and administrative rule changes could reduce future PECFA costs, they will not reduce the existing backlog of claims.

15. If owners, operators and the banks who lend money for PECFA-eligible cleanup are willing and able to wait two to four years for state reimbursement of PECFA costs, the bill could be considered to provide sufficient funding for cleanup activities that are currently underway.

16. Some believe that two to four years is an unacceptably long wait for PECFA reimbursement and that program funding should be increased to address the existing backlog and the 1997-99 demand that exceeds the funding provided under the bill.

17. Commerce officials argue that if funding is significantly increased without first implementing other cost controls, demand would increase beyond current levels and the program would not achieve a decrease in the per site cost of cleanup or increase in site closures. Under this argument, PECFA awards could be kept at current levels until the code advisory committee makes recommendations for future implementation of cost controls with the issue of the backlog being addressed at that time.

Possible Revenues to Reduce Backlog

18. Two main approaches to funding the program have been discussed in recent years: (a) increasing the existing 3¢ per gallon petroleum inspection fee; and (b) authorizing the use of general obligation bonds for PECFA awards and pledging repayment of the bonds by petroleum inspection fee revenues. If funding would be increased beyond that in the bill, it could either be provided in an amount that would eliminate the June 30, 1997, backlog or at an amount that would fund all potential 1997-99 demand.

19. If the existing 3¢ per gallon petroleum inspection fee would be doubled to 6¢ per gallon during 1997-99, an estimated \$198.1 million in additional funds would be provided during the biennium. That is, an additional 3¢ per gallon fee (6¢ total) would reduce the June 30, 1999, backlog from approximately \$385 million to \$187 million. If the petroleum inspection fee would be tripled by increasing the fee from 3¢ per gallon to 9¢ per gallon, \$396.2 million in additional funds would be provided during the biennium to fund the existing backlog (assuming only marginal claims growth over current levels).

20. The current petroleum inspection fee is among the highest such state fees in the country and many are opposed to increasing the current fee. In particular, gasoline retailers located near Wisconsin's borders believe that the combination of the petroleum inspection fee and the state motor vehicle fuel tax places them at a competitive disadvantage with gasoline retailers in adjacent states.

21. Further, many believe that if increases in fuel taxes or fees are warranted, the increase should be made in motor vehicle fuel taxes to support Department of Transportation programs.

22. In October, 1993, the Joint Committee on Finance established the Special PECFA Study Committee to review the PECFA program. The Study Committee reviewed proposed legislation, funding and the use of bonding for the program. At the request of the Study Committee, the Joint Committee on Legislative Organization requested the Attorney General to issue an opinion regarding whether the use of bonding is an acceptable means of financing portions of the PECFA program.

23. On March 14, 1994, the Attorney General issued an opinion that Wisconsin may use the proceeds from general obligation bonds to fund an expansion of the PECFA program. The opinion stated that PECFA is a program to improve land or waters for the public purpose of mitigating environmental threats caused by past practices, and that bonding for PECFA would not violate the constitutional prohibition against contracting debt for works of internal improvements. In the opinion, the Attorney General recommended that if legislation is drafted to use bond financing to support PECFA, it should clearly set out the specific reasons for PECFA and the specific reasons why bond financing is deemed an appropriate method of financing for

the program. To date, the Legislature has not authorized the issuance of any bonds for the PECFA program.

24. Some would argue that general obligation bonding is an appropriate method of financing a portion of PECFA award costs because: (a) using bonds to finance the PECFA program could result in remedying the contamination of soil and groundwater more rapidly and in the prevention of more contamination than if bonds are not used; (b) any potential cost-containment changes in the program will not reduce the existing backlog of claims; and (c) state bonds are currently being issued at below 6% while the program currently reimburses private loans at 10.5%.

25. A general obligation bond program could be authorized for the PECFA program without incurring GPR debt service costs by specifying that the bonds would be repaid with existing petroleum inspection fee revenues. The petroleum inspection fees would have to be dedicated to paying bond debt service before any other appropriations from the fund for the term of the bonds. There are several possible scenarios and assumptions for issuing bonds. In this paper, it is assumed that bonds would be issued with a 6% interest rate and 20-year level debt service payments. Bonds could be issued at an amount sufficient to pay the anticipated \$200 million June 30, 1997, backlog or to pay the existing backlog and all estimated PECFA claims that will be waiting to be paid by June 30, 1999.

26. Table 2 illustrates a scenario for issuing \$200 million of general obligation bonds in 1997-98 to pay the June 30, 1997, backlog. A SEG sum sufficient appropriation from the petroleum inspection fund would pay bond debt service, estimated at \$20.4 million (\$3 million in 1997-98 and \$17.4 million in 1998-99) during 1997-99. The PECFA awards appropriation would have to be reduced by the amount of the estimated debt service costs, but the \$200 million in bond proceeds would allow a total of \$361.8 million in PECFA payments to be made during 1997-99. As shown in Table 2, the estimated June 30, 1999, backlog would be \$208 million instead of the \$385 million under the bill. Total debt service costs (principal and interest) on \$200 million of bonds would be approximately \$349 million over 20 years (\$17.4 million annually).

TABLE 2

**PECFA General Obligation Bonding Scenario -
\$200 Million Issuance in 1997-99
(\$ Million)**

| | <u>1997-98</u> | <u>1998-99</u> | Total <u>1997-99</u> |
|---|----------------|----------------|-------------------------|
| July 1 Estimated Claim Backlog | \$200.0 | \$91.9 | \$200.0 |
| Claims Received During Year | <u>180.0</u> | <u>190.0</u> | <u>370.0</u> |
| Total Demand | \$380.0 | \$281.9 | \$570.0 |
| | | | |
| PECFA Awards Appropriation Under the Bill | 91.1 | \$91.1 | 182.2 |
| Less Bond Debt Service | -3.0 | -17.4 | -20.4 |
| Plus Bond Proceeds | <u>200.0</u> | <u>0.0</u> | <u>200.0</u> |
| Total Available for PECFA Payments | \$288.1 | \$73.7 | \$361.8 |
| | | | |
| June 30 Backlog (Demand less Payments) | \$91.9 | \$208.2 | \$208.2 |

27. Table 3 illustrates a scenario for issuing \$400 million of general obligation bonds (\$200 million in each year of the biennium) to pay the June 30, 1997, backlog and most of the estimated 1997-99 claim demand (assuming only marginal claims growth over current levels). Debt service would be estimated at \$23.4 million (\$3 million in 1997-98 and \$20.4 million in 1998-99) during 1997-99. The PECFA awards appropriation would have to be reduced by the amount of the estimated debt service costs, but the \$400 million in bond proceeds would allow a total of \$558.8 million in PECFA payments to be made during 1997-99 (compared to \$182.3 million under the bill). As shown in Table 3, the estimated June 30, 1999, backlog would be \$11 million instead of the \$385 million under the bill. Total debt service costs (principal and interest) on \$400 million of bonds would be approximately \$698 million over 20 years (\$34.9 million annually). In 1999-2000, the \$34.9 million in debt service costs would reduce the PECFA awards appropriation to \$56.2 million.

TABLE 3

**PECFA General Obligation Bonding Scenario -
\$400 Million Issuance in 1997-99
(\$ Million)**

| | <u>1997-98</u> | <u>1998-99</u> | <u>Total 1997-99</u> |
|---|----------------|----------------|--------------------------|
| July 1 Estimated Claim Backlog | \$200.0 | \$91.9 | \$200.0 |
| Claims Received During Year | <u>180.0</u> | <u>190.0</u> | <u>370.0</u> |
| Total Demand | \$380.0 | \$281.9 | \$570.0 |
| | | | |
| PECFA Awards Appropriation Under the Bill | 91.1 | \$91.1 | 182.2 |
| Less Bond Debt Service | -3.0 | -20.4 | -23.4 |
| Plus Bond Proceeds | <u>200.0</u> | <u>200.0</u> | <u>400.0</u> |
| Total Available for PECFA Payments | \$288.1 | \$270.7 | \$558.8 |
| | | | |
| June 30 Backlog (Demand less Payments) | \$91.9 | \$11.2 | \$11.2 |

28. If general obligation bonds are authorized for PECFA, the statutes could include legislative findings of why PECFA is an appropriate use of bonding. For example, the Legislature could find that: (a) thousands of petroleum storage tanks throughout the state have discharged petroleum products into the soil of the state that have contaminated the soil and have contaminated or threaten to contaminate the groundwater of the state; (b) discharges of petroleum products from petroleum product storage tanks damage the environment and public health, safety and welfare; (c) the problem of petroleum product discharges arose largely because of actions taken years ago, without knowledge either of the likelihood that discharges would occur as a result of those actions or of the seriousness of the consequences of petroleum product discharges; (d) the damage caused by discharges of petroleum products becomes more serious the longer the petroleum products remain in the environment; (e) remedying the contamination of the soil and groundwater by petroleum product discharges and preventing further contamination will benefit future generations; (f) the current source of funding is inadequate to meet the need under the PECFA program; (g) using bonds to finance the PECFA program will result in remedying the contamination of soil and groundwater more rapidly and in the prevention of more contamination than if bonds are not used; (h) the PECFA program improves land and water for a public purpose; and (i) it is in the public interest to use bonds to finance the PECFA program.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation to provide an additional \$7,100,000 annually for PECFA awards.

2. Approve the Governor's recommendation. In addition, establish general obligation bonding authority for PECFA awards and create a SEG sum sufficient appropriation from the petroleum inspection fund for debt service costs. Specify legislative findings of why general obligation bond financing should be used for PECFA as identified in discussion point 28. Further, approve one of the following:

a. Provide \$200,000,000 in PECFA general obligation bonding authority. Transfer \$3,000,000 in 1997-98 and \$17,400,000 in 1998-99 from the PECFA awards appropriation to a SEG sum sufficient debt service appropriation to provide a total of \$361,863,400 for PECFA awards during 1997-99.

| | |
|----------------------------------|---------------|
| <u>Alternative 2a</u> | <u>BR</u> |
| 1997-99 BONDING (Change to Bill) | \$200,000,000 |

b. Provide \$400,000,000 in PECFA general obligation bonding authority. Transfer \$3,000,000 in 1997-98 and \$20,400,000 in 1998-99 from the PECFA awards appropriation to a SEG sum sufficient debt service appropriation to provide a total of \$558,863,400 for PECFA awards during 1997-99.

| | |
|----------------------------------|---------------|
| <u>Alternative 2b</u> | <u>BR</u> |
| 1997-99 BONDING (Change to Bill) | \$400,000,000 |

MO# AH# 21A

Prepared by: Kendra Bonderud

| | | | |
|----------|--------------|--------------|---|
| JENSEN | Y | N | A |
| OURADA | Y | N | A |
| HARSDORF | Y | N | A |
| ALBERS | Y | N | A |
| GARD | Y | N | A |
| KAUFERT | Y | N | A |
| LINTON | Y | N | A |
| COGGS | Y | N | A |

| | | | |
|-----------|--------------|--------------|---|
| BURKE | Y | N | A |
| DECKER | Y | N | A |
| GEORGE | Y | N | A |
| JAUCH | Y | N | A |
| WINEKE | Y | N | A |
| SHIBILSKI | Y | N | A |
| COWLES | Y | N | A |
| PANZER | Y | N | A |

AYE 5 NO 11 ABS

ATTACHMENT

**Appropriations From the Petroleum Inspection Fund
Governor's 1997-99 Biennial Budget Bill Recommendations**

| | | 1997-98 | 1998-99 | 1998-99 |
|---|---|----------------------|----------------------|----------------------|
| | | Appropriated | Appropriated | Authorized Positions |
| Petroleum Environmental Cleanup Fund Award Program (PECFA) | | | | |
| <i>Commerce</i> | | | | |
| 143 | (3)(v) PECFA Awards | \$91,131,700 | \$91,131,700 | |
| | (3)(w) PECFA Administration | 2,529,300 | 2,484,400 | 29.8 |
| <i>Natural Resources</i> | | | | |
| 370 | (2)(dw) PECFA Administration | <u>244,800</u> | <u>250,600</u> | <u>4.0</u> |
| | (Subtotal) | \$93,905,800 | \$93,866,700 | 33.8 |
| Other Programs | | | | |
| <i>Agriculture, Trade and Consumer Protection</i> | | | | |
| 115 | (1)(r) Unfair Sales Act | 104,000 | 104,600 | 2.0 |
| | (1)(s) Weights and Measures | 207,200 | 207,500 | 1.0 |
| <i>Commerce</i> | | | | |
| 143 | (1)(qa) Staff for business development center | 250,400 | 266,700 | 2.0 |
| | (3)(r) Safety and buildings - petroleum inspection | 8,138,700 | 7,468,500 | 58.4 |
| <i>Natural Resources</i> | | | | |
| 370 | (2)(bq) Vapor recovery administration | 82,500 | 82,500 | 1.0 |
| | (2)(br) Air management - mobile sources | 1,267,000 | 1,271,400 | 7.0 |
| | (2)(mu) Environmental fund - environmental repair | 969,400 | 969,400 | |
| | (2)(mu) Environmental fund - Well compensation | 80,000 | 80,000 | |
| | (2)(mw) Environmental fund - Groundwater management | 764,600 | 766,900 | |
| | (3)(ms) Pollution prevention | 55,000 | 55,100 | 1.0 |
| | (8)(mq) Mobile source air pollution | 395,400 | 395,600 | 0.5 |
| | (9)(mq) Mobile source air pollution | 155,300 | 155,300 | |
| | (9)(ms) Cooperative environmental assistance | 118,700 | 119,600 | 2.0 |
| <i>Transportation</i> | | | | |
| 395 | (4)(dq) Air quality - demand management | 267,600 | 267,600 | 4.0 |
| <i>Military Affairs</i> | | | | |
| 465 | (3)(r) State emergency response board | 465,700 | 465,700 | |
| <i>Revenue</i> | | | | |
| 566 | (1)(s) Petroleum inspection fee collection | 114,400 | 114,400 | 2.0 |
| <i>Miscellaneous Appropriations</i> | | | | |
| 855 | (4)(r) Petroleum allowance | <u>400,000</u> | <u>400,000</u> | <u>---</u> |
| | (Subtotal) | \$13,835,900 | \$13,190,800 | 80.9 |
| Total SEG Petroleum Inspection Fund Appropriations | | \$107,741,700 | \$107,057,500 | 114.7 |

Department of Commerce

To Delete
MO# Item #14

| | | | |
|-------------|--------------|--------------|---|
| JENSEN | Y | N | A |
| OURADA | Y | N | A |
| HARSDORF | Y | N | A |
| 1 ALBERS | Y | N | A |
| GARD | Y | N | A |
| KAUFERT | Y | N | A |
| LINTON | Y | N | A |
| COGGS | Y | N | A |
| | | | |
| BURKE | Y | N | A |
| DECKER | Y | N | A |
| GEORGE | Y | N | A |
| JAUCH | Y | N | A |
| WINEKE | Y | N | A |
| 2 SHIBILSKI | Y | N | A |
| COWLES | Y | N | A |
| PANZER | Y | N | A |

→ increases fiscal exposure

AYE 2 NO 14 ABS

FAIL

To Delete
MO# Item #18

| | | | |
|-------------|--------------|--------------|---|
| JENSEN | Y | N | A |
| OURADA | Y | N | A |
| HARSDORF | Y | N | A |
| 1 ALBERS | Y | N | A |
| GARD | Y | N | A |
| KAUFERT | Y | N | A |
| LINTON | Y | N | A |
| COGGS | Y | N | A |
| | | | |
| BURKE | Y | N | A |
| DECKER | Y | N | A |
| GEORGE | Y | N | A |
| JAUCH | Y | N | A |
| WINEKE | Y | N | A |
| 2 SHIBILSKI | Y | N | A |
| COWLES | Y | N | A |
| PANZER | Y | N | A |

AYE 2 NO 14 ABS

FAIL

To Delete
MO# Item #27 — PASS

| | | | |
|-----------|--------------|---|---|
| JENSEN | Y | N | A |
| OURADA | Y | N | A |
| HARSDORF | Y | N | A |
| ALBERS | Y | N | A |
| GARD | Y | N | A |
| KAUFERT | Y | N | A |
| LINTON | Y | N | A |
| COGGS | Y | N | A |
| | | | |
| 1 BURKE | Y | N | A |
| 2 DECKER | Y | N | A |
| GEORGE | Y | N | A |
| JAUCH | Y | N | A |
| WINEKE | Y | N | A |
| SHIBILSKI | Y | N | A |
| COWLES | Y | N | A |
| PANZER | Y | N | A |

AYE 16 NO 0 ABS

COMMERCE

Building and Environmental Regulation

LFB Summary Items for Which No Issue Papers Have Been Prepared

| <u>Item #</u> | <u>Title</u> |
|---------------|--|
| 3 | PECFA Database |
| 10 | PECFA -- Sale of Remedial Equipment |
| 13 | PECFA -- Deductible for Intermingled Contamination |
| 14 | PECFA -- Discharges Caused by Service Providers |
| 18 | PECFA -- Third Party Compensation |
| 19 | Petroleum Laboratory Improvements |
| 20 | Petroleum Laboratory Operations |
| 21 | Petroleum Laboratory Rent |
| 22 | Petroleum Inspection Position Reduction |
| 24 | Attorney Services |
| 25 | Computer Programmer and Analyst Support |
| 26 | Safety and Buildings Overtime |
| 27 | Private Sewage System Training Center |

LFB Summary Item to be Addressed in a Subsequent Paper

| <u>Item #</u> | <u>Title</u> |
|---------------|--------------------------------------|
| 1 | Recycling Market Development Program |

LFB Summary Items for Introduction as Separate Legislation

| <u>Item #</u> | <u>Title</u> |
|---------------|--|
| 16 | PECFA -- Appeals Process |
| 17 | PECFA -- Self Certification of Cleanup Activities |
| 28 | Multifamily Housing Accessibility Requirements |
| 29 | Denial of Licenses for Child Support and Tax Delinquency |