

**1999 DRAFTING REQUEST**

**Bill**

Received: **12/18/98**

Received By: **traderc**

Wanted: **Soon**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Wong**

This file may be shown to any legislator: **NO**

Drafter: **traderc**

May Contact:

Alt. Drafters:

Subject: **Environment - env. cleanup**

Extra Copies:

**Topic:**

DOA:.....Wong - PECFA limit interest reimbursement

**Instructions:**

See Attached

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P1	traderc 01/9/99	gilfokm 01/9/99	lpaasch 01/11/99	_____	lrb_docadmin 01/11/99		State
/1	traderc 01/13/99	gilfokm 01/13/99	ismith 01/14/99	_____	lrb_docadmin 01/14/99		State
/2	traderc 01/20/99	gilfokm 01/20/99	jfrantze 01/20/99	_____	lrb_docadmin 01/20/99		State
/3	traderc 02/1/99	gilfokm 02/1/99	hhagen 02/1/99	_____	lrb_docadmin 02/1/99		State

FE Sent For:

<END>

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/2	traderc 01/20/99	gilfokm 01/20/99	jfrantze 01/20/99	_____	lrb_docadmin 01/20/99		State

FE Sent For:

*13-2-1-99  
Kmg*

*2/1 #/2/1*

<END>

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/1	traderc 01/13/99	gilfokm 01/13/99	ismith 01/14/99	_____	lrb_docadmin 01/14/99		State

FE Sent For: *12-1-20-99 kmg* *1/1/20* *1/20*  
**<END>**

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May Contact:

Alt. Drafters:

Subject: **Environment - env. cleanup**

Extra Copies:

**Topic:**

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**Instructions:**

See Attached

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<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P1	traderc 01/9/99	gilfokm 01/9/99	lpaasch 01/11/99	_____	lrb_docadmin 01/11/99		State
FE Sent For:		1-1-13-99 King	IS 1/14/99	IS/LP 1/14/99 <END>			

**1999 DRAFTING REQUEST**

**Bill**

Received: **12/18/98**

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Identical to LRB:

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By/Representing: **Wong**

This file may be shown to any legislator: **NO**

Drafter: **traderc**

May Contact:

Alt. Drafters:

Subject: **Environment - env. cleanup**

Extra Copies:

**Topic:**

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**Instructions:**

See Attached

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1?	traderc	/PI-1-9 King	111 LP	111 <del>LP</del> hmt			

FE Sent For:

<END>

## 2. Revenue Bond Authority

- Authorize \$150 million in bonding.
- Require that debt service be paid from a sum-sufficient appropriation from the Petroleum Inspection Fund.

## 3. Interest Cost Reimbursement

- Cap interest reimbursement at the rate on state revenue bonds issued for the program.
- Eliminate interest reimbursement for site owners with gross revenues in excess of \$20 million in the most recent tax year prior to submission of a claim.
- Authorize Commerce to collect and audit owner revenue information.

## 4. Deductibles

- Change current deductible structure for owners of underground storage tanks with petroleum stored for resale or which handle in excess of 10,000 gallons per month to add \$7,500 for **each** \$100,000 increment after the first \$100,000 in costs.
- Change current deductible structure for owners of underground storage tanks with petroleum not stored for resale and handling less than or equal to 10,000 gallons per month to add \$7,500 for the **first** \$100,000 increment after the first \$100,000 in costs up to a maximum of \$15,000 per occurrence.
- No change is necessary for aboveground, small farm, home heating, and school districts.

## 5. Petroleum Inspection Fee

- Beginning January 1, 2002 and each January 1 thereafter, require the Department of Commerce to determine the backlog of claim reimbursements. If claim backlog exceeds two times the revenue collected and available for claim reimbursements in the previous fiscal year, authorize the Department of Commerce to increase the petroleum inspection fee on the following April 1 by an amount, rounded to the nearest 0.1 cent, that reduces the backlog to twice the revenues collected in the previous fiscal year.
- Beginning April 1, 2003 and each April thereafter, require the Department of Commerce to reduce the petroleum inspection fee by an amount, rounded to the nearest 0.1 cent, equal to the difference between the balance in the petroleum inspection fund on June 30 of the previous year and \$10 million.

## 6. Claim Prioritization Process

- Authorize the Department of Commerce to establish a process for prioritizing claims through rule.
- Allow claim priority to be based on environmental factors as established through rule.
- Authorize Commerce to deny payment of interest costs to claimant that proceeds with cleanup prior to notification from Commerce, as defined in rule.

**Tradewell, Becky**

---

**From:** Tradewell, Becky  
**Sent:** Monday, January 04, 1999 4:32 PM  
**To:** Manyee Wong (E-mail)  
**Subject:** PECFA interest cost reimbursement drafting request

Manyee,

The draft limiting PECFA interest cost reimbursement should indicate to which claims the new restrictions apply. For example, they could apply only to cleanups started after the effective date of the budget, to claims filed after the effective date of the budget or to claims that have already been filed when the budget takes effect. Please let me know. Note that the provision limiting the rate of reimbursement to the revenue bond interest rate cannot take effect until the state begins issuing revenue bonds. I have no idea how long that would take. Do you want to reduce the reimbursable interest rate before that (to prime rate, for example)?

Becky

**CORRESPONDENCE MEMORANDUM**

**STATE OF WISCONSIN  
Department of Administration**

**Date:** January 7, 1999

**To:** Steve Miller  
Legislative Reference Bureau

**From:** David P. Schmiedicke  
State Budget Office

*DPS*

**Subject:** 1999-01 Budget Drafting Instructions

Please draft the following for inclusion in the Governor's 1999-01 biennial budget:

**PECFA** *\$20 per Dave*

**Interest Reimbursement for Certain Site Owners**

Eliminate reimbursement of interest costs for all site owners with gross receipts in excess of \$10 million annually. Authorize Commerce to establish information and audit requirements associated with implementing this provision through rule. This change should be effective for all claims submitted after the effective date of the budget.

Please feel free to call me at 6-1040 with questions. Thanks.





State of Wisconsin  
1999 - 2000 LEGISLATURE

SOON

LRB-1359/P1

RCT:.....  
*[Signature]*

DOA:.....Wong - PECFA limit interest reimbursement

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

ONote

1 AN ACT <sup>Don't cancel.</sup>; relating to: the budget.

*Analysis by the Legislative Reference Bureau*  
ENVIRONMENT

HAZARDOUS SUBSTANCES AND ENVIRONMENTAL CLEANUP

Under current law, the department of commerce administers a program to reimburse owners of certain petroleum product storage tanks for a portion of the costs of cleaning up discharges from those tanks. This program is commonly known as PECFA. Currently, the PECFA program reimburses applicants for interest costs incurred in financing a cleanup, but that reimbursement is limited to interest at 1% over the prime rate.

Under this bill, the PECFA program does not reimburse interest costs incurred in financing a cleanup by an applicant if the applicant has annual gross receipts in excess of \$20,000,000. For other applicants, PECFA interest reimbursement is limited to the interest rate on revenue bonds issued to fund the PECFA program. The limits on interest reimbursements apply to claims filed after this bill takes effect. <sup>effective date of these provisions</sup>

REVENUES

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

(4)

1 SECTION 1. 101.143 (2) (h) of the statutes is created to read:

2 101.143 (2) (h) The department may promulgate a rule specifying information  
3 and audit requirements to implement sub. (4) (c) 8.

4 SECTION 2. 101.143 (4) (c) 8. of the statutes is amended to read:

5 101.143 (4) (c) 8. ~~Interest~~ Any interest costs incurred by an applicant with gross  
6 revenues that exceed \$20,000,000 in the most recent tax year before the applicant  
7 submits a claim. For any other applicant, if revenue obligations are issued under  
8 sub. (9m), interest costs that exceed interest at the effective rate of revenue  
9 obligations issued under sub. (9m) or, if revenue obligation<sup>s</sup> are not issued under sub.  
10 (9m), interest costs that exceed interest at 1% over the prime rate, as determined  
11 under rules promulgated by the department.

History: 1987 a. 399; 1989 a. 31, 254, 255; 1991 a. 39, 82, 269; 1993 a. 16, 301, 416, 491; 1995 a. 27 ss. 3665 to 3683m, 9116 (5); 1995 a. 227, 247, 378, 417; 1997 a. 27, 35, 237, 252, 283.

\*\*\*\*NOTE: This SECTION depends upon the inclusion of LRB-1432 in the budget. If that draft is not included, this SECTION will have to be changed.

12 SECTION 9310. Initial applicability; commerce.

13 (1) PETROLEUM STORAGE REMEDIAL ACTION PROGRAM INTEREST REIMBURSEMENT.

14 The treatment of section 101.143<sup>(4)</sup> (c) 8. of the statutes first applies to claims  
15 submitted under section 101.143 (3) of the statutes on the day after the effective date  
16 of this subsection.

17 (END)

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-1359/P1dn

RCT: *king*

Note that the provision limiting interest reimbursement to the revenue bond interest rate cannot take effect until the state begins to issue revenue bonds. I have no idea how long that might be. Do you want to reduce the reimbursable interest rate before that (to prime rate, for example)? Should s. 101.143 (4) (c) 9. also be limited in some way?

Rebecca C. Tradewell  
Managing attorney  
266-7290

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-1359/P1dn  
RCT:kmg:lp

January 11, 1999

Note that the provision limiting interest reimbursement to the revenue bond interest rate cannot take effect until the state begins to issue revenue bonds. I have no idea how long that might be. Do you want to reduce the reimbursable interest rate before that (to prime rate, for example)? Should s. 101.143 (4) (c) 9. also be limited in some way?

Rebecca C. Tradewell  
Managing attorney  
266-7290

## **Tradewell, Becky**

---

**From:** Schmiedicke, David [david.schmiedicke@doa.state.wi.us]  
**Sent:** Wednesday, January 13, 1999 12:57 PM  
**To:** Tradewell, Becky  
**Cc:** Wong, Manyee  
**Subject:** RE: LRB - 1359 - limit interest reimbursement

Becky: The 5% should be fixed and permanent. Eliminate any connection to revenue bond interest rates. Thanks.

David P. Schmiedicke  
Wisconsin Department of Administration  
Voice -- (608) 266-1040  
FAX -- (608) 267-0372  
E-Mail -- david.schmiedicke@doa.state.wi.us

> -----Original Message-----

> From: Tradewell, Becky [SMTP:Becky.Tradewell@legis.state.wi.us]  
> Sent: Wednesday, January 13, 1999 11:39 AM  
> To: 'Wong, Manyee'  
> Cc: David Schmiedicke (E-mail)  
> Subject: RE: LRB - 1359 - limit interest reimbursement

>

> Manyee:

> Is the 5% limit only to be in effect until the revenue bonds are issued?  
> Note that the revenue bond interest rate may at times exceed 5%.

> Becky

>

> -----Original Message-----

> From: Wong, Manyee [mailto:Manyee.Wong@doa.state.wi.us]  
> Sent: Tuesday, January 12, 1999 11:49 AM  
> To: Tradewell, Becky  
> Subject: FW: LRB - 1359 - limit interest reimbursement

>

>

> Hi Becky,

>

> Here's a response to your comments on LRB draft-1359. Let me know if you  
> have any question. Thanks.

>

> > -----Original Message-----

> > From: Schmiedicke, David  
> > Sent: Tuesday, January 12, 1999 11:25 AM  
> > To: Wong, Manyee  
> > Subject: RE: LRB - 1359 - limit interest reimbursement

> >

> > Manyee: Let's go with limiting the interest reimbursement to 5%. Also,  
> > continue to allow origination fee reimbursement. Thanks.

> >

> > David P. Schmiedicke  
> > Wisconsin Department of Administration  
> > Voice -- (608) 266-1040  
> > FAX -- (608) 267-0372  
> > E-Mail -- david.schmiedicke@doa.state.wi.us

> >

> > -----Original Message-----

> > From: Wong, Manyee  
> > Sent: Tuesday, January 12, 1999 11:08 AM  
> > To: Schmiedicke, David  
> > Subject: LRB - 1359 - limit interest reimbursement

---

> >

> > Hi Dave,

> >

> > For this draft, Becky notes that the limit on interest reimbursement to  
> > the revenue bond interest rate cannot take effect until the state begins  
> > to issue revenue bonds. During the interim, do we want to still want to  
> > reduce reimbursable interest rate?

> >

> > Also, she asked if we want to put a limit in 101.143 (4) (c) 9. It is  
> for

> > origination costs. Since we have not talked about this, I assume the  
> > answer is no.

> >

> > Thanks.

> >



State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-1359/1

RCT:kmg:lp

SO ON

redraft  
make  
run

DOA:.....Wong - PECFA limit interest reimbursement

FOR 1999-01 BUDGET -- NOT READY FOR INTRODUCTION

1

*Don't  
Gen. Cont.*  
AN ACT relating to: the budget.

*Analysis by the Legislative Reference Bureau*

ENVIRONMENT

HAZARDOUS SUBSTANCES AND ENVIRONMENTAL CLEANUP

Under current law, the department of commerce administers a program to reimburse owners of certain petroleum product storage tanks for a portion of the costs of cleaning up discharges from those tanks. This program is commonly known as PECFA. Currently, the PECFA program reimburses applicants for interest costs incurred in financing a cleanup, but that reimbursement is limited to interest at 1% over the prime rate.

*interest at 5%*  
Under this bill, the PECFA program does not reimburse interest costs incurred by an applicant in financing a cleanup if the applicant has annual gross revenues in excess of \$20,000,000. For other applicants, PECFA interest reimbursement is limited to the interest rate on revenue bonds issued to fund the PECFA program. The limits on interest reimbursements apply to claims filed after the effective date of these provisions.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           **SECTION 1.** 101.143 (2) (h) of the statutes is created to read:

2           101.143 (2) (h) The department may promulgate a rule specifying information  
3 and audit requirements to implement sub. (4) (c) 8.

4           **SECTION 2.** 101.143 (4) (c) 8. of the statutes is amended to read:

5           101.143 (4) (c) 8. ~~Interest~~ Any interest costs incurred by an applicant with gross  
6 revenues that exceed \$20,000,000 in the most recent tax year before the applicant  
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8 sub. (9m), interest costs that exceed interest at the effective rate of revenue  
9 obligations issued under sub. (9m) or, if revenue obligations are not issued under sub.  
10 (9m), interest costs that exceed interest at 1% over the prime rate, as determined  
11 under rules promulgated by the department. 5%  
12

13           \*\*\*\* NOTE: This SECTION depends upon the inclusion of LRB-1432 in the budget.  
14           If that draft is not included, this SECTION will have to be changed.

15           **SECTION 9310. Initial applicability; commerce.**

16           (1) PETROLEUM STORAGE REMEDIAL ACTION PROGRAM INTEREST REIMBURSEMENT.  
17           The treatment of section 101.143 (4) (c) 8. of the statutes first applies to claims  
18 submitted under section 101.143 (3) of the statutes on the day after the effective date  
19 of this subsection.

(END)



---

**Tradewell, Becky**

---

**From:** Wong, Manyee [Manyee.Wong@doa.state.wi.us]  
**Sent:** Wednesday, January 20, 1999 10:37 AM  
**To:** Tradewell, Becky  
**Subject:** draft 1359

Hi Becky,

Please change the effective date on draft 1359 to November 1, 1999.

Thanks.



State of Wisconsin  
1999 - 2000 LEGISLATURE

500N

LRB-1359/2  
RCT:kmg:ijs

redraft  
maker  
run

DOA:.....Wong - PECFA limit interest reimbursement

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

1

*Don't  
get on Cal.*  
AN ACT relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**ENVIRONMENT**

**HAZARDOUS SUBSTANCES AND ENVIRONMENTAL CLEANUP**

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\* For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1 SECTION 1. 101.143 (2) (h) of the statutes is created to read:

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6 revenues that exceed \$20,000,000 in the most recent tax year before the applicant  
7 submits a claim. For any other applicant, interest costs that exceed interest at 1%  
8 over the prime rate, as determined under rules promulgated by the department 5%.

9 SECTION 9310. Initial applicability; commerce.

10 <sup>↖ auto ref. "KA"</sup>  
(1) PETROLEUM STORAGE REMEDIAL ACTION PROGRAM INTEREST REIMBURSEMENT.

11 The treatment of section 101.143 (4) (c) 8. of the statutes first applies to claims

12 submitted under section 101.143 (3) of the statutes on the ~~day after the~~ effective date

13 of this subsection.

Insert FFF

(END)

1999

Nonstat File Sequence: **FFF**

LRB 1359 12

**EFFECTIVE DATE**

1. In the component bar: For the action phrase, execute: ... **create** → **action:** → \*NS: → **effdate**  
For the text, execute: ..... **create** → **text:** → \*NS: → **effdateA**
2. Nonstatutory subunits are numbered automatically if "( #1 )", "(#2)", etc., is filled in. Below, fill in "\_\_\_" or "( )" only if a "frozen" number is needed.

**SECTION #** \_\_\_\_ . **Effective date.**

( #1 ) ( ) ..... This act takes effect on .....

1. In the component bar: For the action phrase, execute: .. **create** → **action:** → \*NS: → **effdateE**  
For the text, execute: ..... **create** → **text:** → \*NS: → **effdate**
2. Nonstatutory subunits are numbered automatically if "( #1 )", "(#2)", etc., is filled in. Below, fill in "\_\_\_" or "( )" only if a "frozen" number is needed.

**SECTION #** \_\_\_\_ . **Effective dates;** .....

..... This act takes effect on the day after publication, except as follows:  
( #1 ) ( ) ..... The treatment of sections ..... of the statutes takes effect on .....

1. In the component bar: For the budget action phrase, execute:.. **create** → **action:** → \*NS: → **94XX**  
For the text, execute: ..... **create** → **text:** → \*NS: → **effdate**
2. Nonstatutory subunits are numbered automatically if "( #1 )", "(#2)", etc., is filled in. Below, for the budget, fill in the **9400** department code; and fill in "( )" only if a "frozen" number is needed.

**SECTION 94** / 0 . **Effective dates;** .. *commerce* .....

( #1 ) *WU9 Petroleum storage remedial actions* ..... The treatment of sections *101, 143, (4), (c), 8* and *Section 9310 (c)* of this act ..... of the statutes takes effect on *November 1, 1999* ..... *program interest reimbursement*

(CS)

*WPO - Add auto. ref. to initial app. "KA"*

2/1/99 Per Dave Schmeidicke -

Commerce wants to pay interest under the old law for all claims filed before 11/1 and for interest incurred before 11/1 on claims filed after 11/1.

ROT



State of Wisconsin  
1999 - 2000 LEGISLATURE  
today

LRB-1359/23

RCT:kmg:jf

redraft  
run

DOA:.....Wong - PECFA limit interest reimbursement

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

1

*Wong  
Sen Cal.*  
AN ACT relating to: the budget.

*interest incurred  
after October  
31, 1999, on*

*Analysis by the Legislative Reference Bureau*

**ENVIRONMENT**

**HAZARDOUS SUBSTANCES AND ENVIRONMENTAL CLEANUP**

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Under this bill, the PECFA program does not reimburse interest costs incurred by an applicant in financing a cleanup if the applicant has annual gross revenues in excess of \$20,000,000. For other applicants, PECFA interest reimbursement is limited to interest at 5%. The limits on interest reimbursements apply to claims filed after October 31, 1999.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*





State of Wisconsin  
1999 - 2000 LEGISLATURE

LRB-1359/3  
RCT:kmg:hmh

DOA:.....Wong - PECFA limit interest reimbursement

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

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*Analysis by the Legislative Reference Bureau*

**ENVIRONMENT**

**HAZARDOUS SUBSTANCES AND ENVIRONMENTAL CLEANUP**

Under current law, the department of commerce administers a program to reimburse owners of certain petroleum product storage tanks for a portion of the costs of cleaning up discharges from those tanks. This program is commonly known as PECFA. Currently, the PECFA program reimburses applicants for interest costs incurred in financing a cleanup, but that reimbursement is limited to interest at 1% over the prime rate.

Under this bill, the PECFA program does not reimburse interest costs incurred by an applicant in financing a cleanup if the applicant has annual gross revenues in excess of \$20,000,000. For other applicants, PECFA interest reimbursement is limited to interest at 5%. The limits on interest reimbursements apply to interest incurred after October 31, 1999, on claims filed after October 31, 1999.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

---

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*



