

1999 DRAFTING REQUEST

Bill

Received: **12/18/98**

Received By: **traderc**

Wanted: **As time permits**

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 - PECTFA change deductibles

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>
/1	traderc 12/27/98	ygeller 12/28/98	hhagen 12/28/98	_____	lrb_docadmin 12/28/98		State
/2	traderc 01/4/99	ygeller 01/4/99	hhagen 01/4/99	_____	lrb_docadmin 01/4/99		State
/3	traderc 01/4/99	ygeller 01/4/99	jfrantze 01/5/99	_____	gretskl 01/5/99		State
/4	traderc 01/25/99	ygeller 01/25/99	jfrantze 01/25/99	_____	lrb_docadmin 01/25/99		State
/5	traderc 01/28/99	ygeller 01/28/99	jfrantze 01/28/99	_____	lrb_docadmin 01/28/99		State
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Vers. Drafted Reviewed Typist Proofed Submitted Jacketed Required

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<END>

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1/6/99 jg
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FE Sent For:

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26/KM
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1/28

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FE Sent For:

1/4 1/25 jlg
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1/2 1/4 jlg *1/4* *1/4*

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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.



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-1388/1

RCT:.....

soa

jlg

DNote

DOA:.....Wong - PECFA change deductibles

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

do not gen

1 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. Under current law, the owner or operator of a ~~an~~ ~~underground~~ petroleum product storage tank may receive an award for the amount by which the cost of the cleanup exceeds a deductible amount, up to a specified maximum. The deductible is generally \$2,500 plus 5% of eligible costs, but not more than \$7,500, except that the deductible for heating oil tanks owned by school districts and technical college districts is 25% of eligible costs.

PECFA
=====

for underground tanks

*

This bill changes the PECFA deductible amount for underground petroleum product storage tanks except for heating oil tanks owned by school districts and technical college districts and certain small farm tanks. Under this bill, the deductible for an underground petroleum product storage tank that is located at a facility at which petroleum is stored for resale or ~~is~~ an underground petroleum product storage tank that handles an annual average of more than 10,000 gallons of petroleum per month is \$2,500, plus 5% of the eligible costs up to \$100,000, plus 7.5% of the eligible costs that exceed \$100,000. For most other underground petroleum product storage tanks, the deductible is \$2,500, plus 5% of the eligible

costs up to \$100,000, plus 7.5% of the eligible costs that exceed \$100,000, but not more than \$15,000.

→ PFE-S

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

1 **SECTION 1.** 101.143 (4) (d) 2. (intro.)[✓] of the statutes is amended to read:

2 101.143 (4) (d) 2. (intro.) The department shall issue the award under this
3 paragraph without regard to fault in an amount equal to the amount of the eligible
4 costs that exceeds a the deductible amount of \$2,500 plus 5% of the eligible costs, but
5 not more than \$7,500 per occurrence, except that the deductible amount for a
6 petroleum product storage system that is owned by a school district or a technical
7 college district and that is used for storing heating oil for consumptive use on the
8 premises is 25% of eligible costs under par. (dg).[✓] An award issued under this
9 paragraph may not exceed the following for each occurrence:

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.

10 **SECTION 2.** 101.143 (4) (dg)[✓] of the statutes is created to read:

11 101.143 (4) (dg) *Deductible; underground systems.*[✓] The amount of the
12 deductible for an award under par. (d)[✓] is as follows:

13 1. For an owner or operator of an underground petroleum product storage tank
14 system that is located at a facility at which petroleum is stored for resale or an owner
15 or operator of an underground petroleum product storage tank system that handles
16 * an annual average of more than 10,000 gallons of petroleum per month, \$2,500[↓] plus
17 5% of the eligible costs up to \$100,000, plus 7.5% of the eligible costs that exceed
18 \$100,000.[✓]

1 2. For a school district or a technical college district with respect to a discharge
2 from an underground petroleum product storage tank system that is used for storing
3 heating oil for consumptive use on the premises, 25% of eligible costs.

4 3. For an owner or operator of an underground petroleum product storage tank
5 system described in par. (ei) 1., \$2,500 plus 5% of eligible costs.

6 4. For an owner or operator other than an owner or operator described in subd.
7 1., 2. or 3., \$2,500, plus 5% of the eligible costs up to \$100,000, plus 7.5% of the eligible
8 costs that exceed \$100,000, but not more than \$15,000.

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

10 (1) PETROLEUM STORAGE REMEDIAL ACTION PROGRAM DEDUCTIBLES. The treatment
11 of section 101.143 (4) (d) 2. (intro.) and (dg) of the statutes first applies to owners and
12 operators who begin activities under section 101.143 (3) (c) or (g) of the statutes on
13 the effective date of this subsection.

14

(END) ✓

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

LRB-1388/1dn

RCT:.....

jtg

Manyee:

This is the draft that changes PECFA deductibles for most underground tanks. Please review it carefully to determine whether it carries out your intent.

The draft needs to specify which cleanups it applies to. As drafted, it applies to cleanups that begin on or after the effective date of the budget act. Another option would be to apply it to cleanups that are underway but for which claims have not yet been filed. There are certainly other options. Please let me know if you would prefer a different option or if you have any questions about this draft.

Rebecca C. Tradewell
Managing Attorney
266-7290

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

LRB-1388/1dn
RCT;jlg:hmh

Monday, December 28, 1998

Manyee:

This is the draft that changes PECFA deductibles for most underground tanks. Please review it carefully to determine whether it carries out your intent.

The draft needs to specify which cleanups it applies to. As drafted, it applies to cleanups that begin on or after the effective date of the budget act. Another option would be to apply it to cleanups that are underway but for which claims have not yet been filed. There are certainly other options. Please let me know if you would prefer a different option or if you have any questions about this draft.

Rebecca C. Tradewell
Managing Attorney
266-7290

Tradewell, Becky

From: Wong, Manyee [Manyee.Wong@doa.state.wi.us]
Sent: Tuesday, December 29, 1998 1:11 PM
To: Tradewell, Becky
Subject: RE: LRB drafts 1388 and 1361

Hi Becky,

Comments are below.

> -----Original Message-----
> From: Tradewell, Becky [SMTP:Becky.Tradewell@legis.state.wi.us]
> Sent: Tuesday, December 29, 1998 11:55 AM
> To: 'Wong, Manyee'
> Subject: RE: LRB drafts 1388 and 1361

> Manyee,

* > I want to clarify about the PECFA deductible. What you want is that if
> the
> eligible costs are \$199,999 the deductible is \$7,500 but if the costs are
> \$200,001 the deductible is \$15,000?

> Yes.

> In 99-1361, the point that I was trying to make was that the backlog is
> always determined as of a June 30, that is, what was the backlog on the
> last
> June 30. By January of 2003, the department must determine the backlog as
> of June 30, 2002, which is only 3 months after the increased fee will have
> taken effect.

> Ok. I will talk to Dave to see if this is a concern.

> I will send the voluntary party memo.

> Thanks.

> Becky

> -----Original Message-----
> From: Wong, Manyee [mailto:Manyee.Wong@doa.state.wi.us]
> Sent: Tuesday, December 29, 1998 11:32 AM
> To: Tradewell, Becky
> Subject: LRB drafts 1388 and 1361

> Hi Becky,

> For draft 1388, we want the deductible for underground storage tanks to be
> 7,500 for every \$100,000 increment of costs incurred. The way the draft
> is
> right now (7.5% of the eligible costs that exceed \$100,000), owners will
> end
> up paying more. For example: \$150,000 x 7.5% = \$11250 as oppose to
> \$7,500
> if \$100,000 increments were used.

> For draft 1361, you mentioned that the first time the fee is increased,
> the
> increase will have been in effect for only 3 months before the next date



State of Wisconsin
1999 - 2000 LEGISLATURE
SOON

LRB-1388# 2
RCT:jlg:hmh redraft
make
run

DOA:.....Wong - PECFA change deductibles

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

1 AN ACT ^{do not gen} ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

ENVIRONMENT

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This bill changes the PECFA deductible amount for underground petroleum product storage tanks except for heating oil tanks owned by school districts and technical college districts and certain small farm tanks. Under this bill, the deductible for an underground petroleum product storage tank that is located at a facility at which petroleum is stored for resale or an underground petroleum product storage tank that handles an annual average of more than 10,000 gallons of petroleum per month is \$2,500, plus 5% of the eligible costs up to \$100,000, plus ~~25%~~ ^{of the} eligible costs ~~that exceed~~ \$100,000. For most other underground petroleum product storage tanks, the deductible is \$2,500, plus 5% of the eligible costs up to

\$7,500
for each
whole \$100,000
of

after the first

Tradewell, Becky

From: Wong, Manyee [Manyee.Wong@doa.state.wi.us]
Sent: Monday, January 04, 1999 3:11 PM
To: Tradewell, Becky
Subject: Draft 99-1388

Hi Becky,

We would like to request a change regarding draft 1388 (PECFA Deductible). Instead of \$7500 per each \$100,000 increment, we would like the deductible to be \$3750 for each \$50,000 increment instead. Let me know if you have any questions.

Thanks.

Manyee



State of Wisconsin
1999 - 2000 LEGISLATURE

SOON

LRB-1388~~2~~ 3

RCT;jlg:hmh

redraft
make
run

DOA:.....Wong - PECFA change deductibles

FOR 1999-01 BUDGET -- NOT READY FOR INTRODUCTION

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do not gen

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

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\$37,500

*

\$50,000 ✓

* 5% of the eligible costs up to \$100,000, plus ~~\$7,500~~ if the eligible costs are \$200,000 or more.

\$3,750 for each whole \$50,000 of eligible costs after the first \$100,000, but not more than \$15,000

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:

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14 system that is located at a facility at which petroleum is stored for resale or an owner
15 or operator of an underground petroleum product storage tank system that handles
16 an annual average of more than 10,000 gallons of petroleum per month, \$2,500, plus
17 5% of the eligible costs up to \$100,000, plus ~~\$7,500~~ for each whole ~~\$100,000~~ of eligible
18 costs after the first \$100,000.

Tradewell, Becky

From: Schmiedicke, David
Sent: Monday, January 25, 1999 9:09 AM
To: Tradewell, Becky
Subject: RE: LRB Draft: 99-1388/3

Importance: High
Sensitivity: Confidential

Becky:

Sorry for the confusion. The intent is that the new deductibles apply to sites with underground tanks where the petroleum is stored for resale or a system that handles an annual average of more than 10,000 gallons per month (this definition is at s. 101.143 (4)(d) 2. a.). Current law deductibles should apply to all other sites.

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
Sent: Saturday, January 23, 1999 1:01 PM
To: Schmiedicke, David
Subject: RE: LRB Draft: 99-1388/3
Sensitivity: Confidential

Dave,

I am confused by your parenthetical "(as defined in current law)" because I do not see any definition in the statutes or the rules. Do you want owners of gasoline stations to pay this deductible and owners of other tanks that store petroleum products for resale to pay the deductible that would be created under s. 101.143 (4) (dg) 1. in 99-1388/3?

Becky

-----Original Message-----

From: Schmiedicke, David [<mailto:david.schmiedicke@doa.state.wi.us>]
Sent: Thursday, January 21, 1999 9:20 PM
To: Tradewell, Becky
Cc: Wong, Manyee
Subject: FW: LRB Draft: 99-1388/3
Importance: High
Sensitivity: Confidential

Becky: Please make the following modifications to this draft:

For underground tanks used for retail sale of gasoline (as defined in current law), the deductible should be as follows:

\$7,500 for the first \$50,000 in costs;
\$10,000 for all costs between \$50,000 and \$150,000;
\$15,000 for all costs between \$150,000 and \$250,000;
and \$10,000 additional at each \$100,000 increment above \$250,000 (e.g.,
\$25,000 for costs between \$250,000 and \$350,000; \$35,000 for costs between
\$350,000 and \$450,000, etc.).

Thanks very much.

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: Frantzen, Jean [SMTP:Jean.Frantzen@legis.state.wi.us]
> Sent: Tuesday, January 05, 1999 10:22 AM
> To: 'manyee.wong@doa.state.wi.us'
> Cc: 'david.schmiedicke@doa.state.wi.us';
> 'vicky.labelle@doa.state.wi.us'; Hubli, Scott; Haugen, Caroline
> Subject: LRB Draft: 99-1388/3
>
> Following is the PDF version of draft 99-1388/3.
>
>
> <<99-1388/3>>

Tradewell, Becky

From: Schmiedicke, David
Sent: Saturday, January 23, 1999 5:09 PM
To: Tradewell, Becky
Cc: Wong, Manyee
Subject: FW: LRB Draft: 99-1388/3

Importance: High
Sensitivity: Confidential

Becky: I need to make a further modification to the deductible--

\$10,000 for the first \$50,000 in costs;
\$15,000 for all costs between \$50,000 and \$150,000;
\$25,000 for all costs between \$150,000 and \$250,000;
and \$10,000 additional at each \$100,000 increment above \$250,000 (e.g., \$35,000 for costs between \$250,000 and \$350,000; \$45,000 for costs between \$350,000 and \$450,000, etc.).

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: Schmiedicke, David
Sent: Thursday, January 21, 1999 9:20 PM
To: 'Becky.Tradewell@legis.state.wi.us'
Cc: Wong, Manyee
Subject: FW: LRB Draft: 99-1388/3
Importance: High
Sensitivity: Confidential

Becky: Please make the following modifications to this draft:

For underground tanks used for retail sale of gasoline (as defined in current law), the deductible should be as follows:

\$7,500 for the first \$50,000 in costs;
\$10,000 for all costs between \$50,000 and \$150,000;
\$15,000 for all costs between \$150,000 and \$250,000;
and \$10,000 additional at each \$100,000 increment above \$250,000 (e.g., \$25,000 for costs between \$250,000 and \$350,000; \$35,000 for costs between \$350,000 and \$450,000, etc.).

Thanks very much.

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: Frantzen, Jean [SMTP:Jean.Frantzen@legis.state.wi.us]
Sent: Tuesday, January 05, 1999 10:22 AM
To: 'manyee.wong@doa.state.wi.us'
Cc: 'david.schmiedicke@doa.state.wi.us'; 'vicky.labelle@doa.state.wi.us'; Hubli, Scott; Haugen, Caroline
Subject: LRB Draft: 99-1388/3

Following is the PDF version of draft 99-1388/3.



State of Wisconsin
1999 - 2000 LEGISLATURE
509W

LRB-1388/4

RCT:jl:gjf

redraft
maker
run

DOA:.....Wong - PECFA change deductibles

FOR 1999-01 BUDGET -- NOT READY FOR INTRODUCTION

1 AN ACT ^{do not gen} ...; 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. Under current law, the owner or operator of a petroleum product storage tank may receive a PECFA award for the amount by which the cost of the cleanup exceeds a deductible amount, up to a specified maximum. The deductible for underground tanks is generally \$2,500 plus 5% of eligible costs, but not more than \$7,500, except that the deductible for heating oil tanks owned by school districts and technical college districts is 25% of eligible costs.

This bill changes the PECFA deductible amount for ^{certain} underground petroleum product storage tanks ~~except for heating oil tanks owned by school districts and technical college districts and certain small farm tanks.~~ Under this bill, the deductible for an underground petroleum product storage tank that is located at a facility at which petroleum is stored for resale or an underground petroleum product storage tank that handles an annual average of more than 10,000 gallons of petroleum per month is ~~\$2,500~~ ^{\$10,000}, plus ~~5%~~ ^{\$2,750} the eligible costs up to \$100,000, plus ~~5%~~ ^{\$5,000 if} for each whole \$50,000 of eligible costs after the first \$100,000. For most other underground petroleum product storage tanks, the deductible is \$2,500, plus ~~5%~~ ^{exceed \$50,000}

\$10,000
\$10,000

\$100,000 by which

exceed \$150,000

~~the eligible costs up to \$100,000, plus \$3,750 for each whole \$50,000 of eligible costs after the first \$100,000, but not more than \$15,000.~~ *keep*

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 (4) (d) 2. (intro.) of the statutes is amended to read:

2 101.143 (4) (d) 2. (intro.) The department shall issue the award under this
3 paragraph without regard to fault in an amount equal to the amount of the eligible
4 costs that ~~exceeds a the deductible amount of \$2,500 plus 5% of the eligible costs, but~~
5 ~~not more than \$7,500 per occurrence, except that the deductible amount for a~~
6 ~~petroleum product storage system that is owned by a school district or a technical~~
7 ~~college district and that is used for storing heating oil for consumptive use on the~~
8 ~~premises is 25% of eligible costs under par. (dg).~~ An award issued under this
9 paragraph may not exceed the following for each occurrence:

10 **SECTION 2.** 101.143 (4) (dg) of the statutes is created to read:

11 101.143 (4) (dg) *Deductible; underground systems.* The amount of the
12 deductible for an award under par. (d) is as follows: *For each occurrence*

13 1. For an owner or operator of an underground petroleum product storage tank
14 system that is located at a facility at which petroleum is stored for resale or an owner
15 or operator of an underground petroleum product storage tank system that handles
16 an annual average of more than 10,000 gallons of petroleum per month, *\$10,000* plus
17 *5%* of the eligible costs *up to \$100,000*, plus *\$3,750* for each whole \$50,000 of eligible
18 costs ~~after the first \$100,000~~ *exceed \$150,000* *by which*

Tradewell, Becky

From: Schmiedicke, David
Sent: Thursday, January 28, 1999 2:13 PM
To: Tradewell, Becky
Cc: Wong, Manyee
Subject: FW: LRB Draft: 99-1388/4

Importance: High

Becky: Please make the following changes to this draft:

1. Add a \$12,500 deductible at a new \$80,000 cost threshold (i.e., costs from \$50,001 to \$80,000 would have a \$12,500 deductible; costs from \$80,001 to \$150,000 would have a \$15,000 deductible).
2. Aboveground tanks (terminals) under s.101.143 (4)(dm) 2. a. -- change the deductible to \$15,000 plus 15% of eligible costs in excess of \$200,000.

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: Frantzen, Jean
Sent: Monday, January 25, 1999 4:02 PM
To: Wong, Manyee
Cc: Schmiedicke, David; LaBelle, Vicky; Hubli, Scott; Haugen, Caroline
Subject: LRB Draft: 99-1388/4

Following is the PDF version of draft 99-1388/4.



99-1388/4



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-1388/5

RCT:jlj:jf

redraft
run

SOON

DOA:.....Wong - PECFA change deductibles

FOR 1999-01 BUDGET -- NOT READY FOR INTRODUCTION

do not gen

1 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. Under current law, the owner or operator of a petroleum product storage tank may receive a PECFA award for the amount by which the cost of the cleanup exceeds a deductible amount, up to a specified maximum. The deductible for underground tanks is generally \$2,500 plus 5% of eligible costs, but not more than \$7,500, except that the deductible for heating oil tanks owned by school districts and technical college districts is 25% of eligible costs.

This bill changes the PECFA deductible amount for certain underground petroleum product storage tanks. Under this bill, the deductible for an underground petroleum product storage tank that is located at a facility at which petroleum is stored for resale or an underground petroleum product storage tank that handles an annual average of more than 10,000 gallons of petroleum per month is \$10,000, plus ~~\$2,500~~ ~~\$5,000~~ if the eligible costs exceed \$50,000, plus \$10,000 for each whole \$100,000 by which of eligible costs exceed \$150,000.

✓ Analysis
inset →

plus \$2,500 if eligible costs exceed \$50,000,

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 (4) (d) 2. (intro.) of the statutes is amended to read:

2 101.143 (4) (d) 2. (intro.) The department shall issue the award under this
3 paragraph without regard to fault in an amount equal to the amount of the eligible
4 costs that exceeds a ~~the~~ deductible amount of \$2,500 plus 5% of the eligible costs, but
5 ~~not more than \$7,500 per occurrence, except that the deductible amount for a~~
6 ~~petroleum product storage system that is owned by a school district or a technical~~
7 ~~college district and that is used for storing heating oil for consumptive use on the~~
8 ~~premises is 25% of eligible costs under par. (dg).~~ An award issued under this
9 paragraph may not exceed the following for each occurrence:

10 **SECTION 2.** 101.143 (4) (dg) of the statutes is created to read:

11 101.143 (4) (dg) *Deductible; underground systems.* The amount of the
12 deductible for an award under par. (d) is as follows for each occurrence:

13 1. For an owner or operator of an underground petroleum product storage tank
14 system that is located at a facility at which petroleum is stored for resale or an owner
15 or operator of an underground petroleum product storage tank system that handles
16 an annual average of more than 10,000 gallons of petroleum per month, \$10,000, plus
17 ~~\$5,000~~ ^{\$2,500} if the eligible costs exceed \$50,000, ^{plus \$2,500 if the eligible costs exceed \$80,000,} plus \$10,000 for each whole \$100,000 by
18 which eligible costs exceed \$150,000.

19 2. For a school district or a technical college district with respect to a discharge
20 from an underground petroleum product storage tank system that is used for storing
21 heating oil for consumptive use on the premises, 25% of eligible costs.

Analysis insert

This bill also changes the PECFA deductible amount for aboveground storage tanks located at terminals^s from \$15,000 plus 5% of the amount by which eligible costs exceed \$200,000 to \$15,000 plus 15% of the amount by which eligible costs^s exceed \$200,000. A terminal is a facility that is connected to a petroleum pipeline.

Inset 3-2

-1388/5

Section #. 101.143 (4) (dm) 2. a. ^X of the statutes is amended to read:

101.143 (4) (dm) 2. a. For the owner or operator of a terminal, \$15,000 plus $\frac{15\%}{15\%}$ of the amount by which eligible costs exceed \$200,000.

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.

Tradewell, Becky

From: Schmiedicke, David
Sent: Friday, January 29, 1999 10:20 AM
To: Tradewell, Becky
Subject: PECFA Deductibles -- LRB 1388

Becky: Please add a provision to the draft that would authorize Commerce to promulgate rules to define a class of owners of underground tanks that can continue to pay the current law deductible (\$2,500 plus 5% up to \$7,500). Let me know if you wish to discuss further.

Thanks very much.

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

A class of the owners who would otherwise pay the higher deductible



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-1388#6

RCT:jlg:jf

scw

redraft
run

DOA:.....Wong - PECFA change deductibles

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

do not gen

1 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. Under current law, the owner or operator of a petroleum product storage tank may receive a PECFA award for the amount by which the cost of the cleanup exceeds a deductible amount, up to a specified maximum. The deductible for underground tanks is generally \$2,500 plus 5% of eligible costs, but not more than \$7,500, except that the deductible for heating oil tanks owned by school districts and technical college districts is 25% of eligible costs.

This bill changes the PECFA deductible amount for certain underground petroleum product storage tanks. Under this bill, the deductible for an underground petroleum product storage tank that is located at a facility at which petroleum is stored for resale or an underground petroleum product storage tank that handles an annual average of more than 10,000 gallons of petroleum per month is \$10,000, plus \$2,500 if the eligible costs exceed \$50,000, plus \$2,500 if eligible costs exceed \$80,000, plus \$10,000 for each whole \$100,000 by which of eligible costs exceed \$150,000, *except that the department of commerce may, by rule, exempt a class*

This bill also changes the PECFA deductible amount for aboveground storage tanks located at terminals from \$15,000 plus 5% of the amount by which eligible costs

of owners and operators from this higher deductible

exceed \$200,000 to \$15,000 plus 15% of the amount by which eligible costs exceed \$200,000. A terminal is a facility that is connected to a petroleum pipeline.

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 (4) (d) 2. (intro.) of the statutes is amended to read:

2 101.143 (4) (d) 2. (intro.) The department shall issue the award under this
3 paragraph without regard to fault in an amount equal to the amount of the eligible
4 costs that exceeds a the deductible amount of \$2,500 plus 5% of the eligible costs, but
5 ~~not more than \$7,500 per occurrence, except that the deductible amount for a~~
6 ~~petroleum product storage system that is owned by a school district or a technical~~
7 ~~college district and that is used for storing heating oil for consumptive use on the~~
8 ~~premises is 25% of eligible costs~~ under par. (dg). An award issued under this
9 paragraph may not exceed the following for each occurrence:

10 **SECTION 2.** 101.143 (4) (dg) of the statutes is created to read:

11 101.143 (4) (dg) *Deductible; underground systems.* The amount of the
12 deductible for an award under par. (d) is as follows for each occurrence:

13 1. ~~For~~ For an owner or operator of an underground petroleum product storage tank
14 system that is located at a facility at which petroleum is stored for resale or an owner
15 or operator of an underground petroleum product storage tank system that handles
16 an annual average of more than 10,000 gallons of petroleum per month, \$10,000, plus
17 \$2,500 if the eligible costs exceed \$50,000, plus \$2,500 if the eligible costs exceed
18 \$80,000, plus \$10,000 for each whole \$100,000 by which eligible costs exceed
19 \$150,000.

Except as provided
under
par. (d)

1 2. For a school district or a technical college district with respect to a discharge
2 from an underground petroleum product storage tank system that is used for storing
3 heating oil for consumptive use on the premises, 25% of eligible costs.

4 3. For an owner or operator other than an owner or operator described in subd.
5 1. or 2., \$2,500, plus 5% of eligible costs, but not more than \$7,500.

6 *Insert* → SECTION 3. 101.143 (4) (dm) 2. a. of the statutes is amended to read:

7 101.143 (4) (dm) 2. a. For the owner or operator of a terminal, \$15,000 plus 5%
8 15% of the amount by which eligible costs exceed \$200,000.

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

10 (1) PETROLEUM STORAGE REMEDIAL ACTION PROGRAM DEDUCTIBLES. The treatment
11 of section 101.143 (4) (d) 2. (intro.) and (dg) and (dm) 2. a. of the statutes first applies
12 to owners and operators who begin activities under section 101.143 (3) (c) 3. or (g) of
13 the statutes on the effective date of this subsection.

14 (END)

Insert

Section # CR; 101.143 (4) (d.i) ✓

①
For underground systems

② ~~un~~ ① Rules concerning deductibles. The

department may promulgate rules describing a class of owners and operators of underground petroleum product storage tanks, ^{otherwise} subject to par. (dg) 1. ✓

For whom the deductible is the amount under par. (dg) 3. ✓
rather than the amount under par. ^{dg} (dg) 1. ✓



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-1388/6
RCT:jlg:jf

DOA:.....Wong - PECFA change deductibles

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

1 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. Under current law, the owner or operator of a petroleum product storage tank may receive a PECFA award for the amount by which the cost of the cleanup exceeds a deductible amount, up to a specified maximum. The deductible for underground tanks is generally \$2,500 plus 5% of eligible costs, but not more than \$7,500, except that the deductible for heating oil tanks owned by school districts and technical college districts is 25% of eligible costs.

This bill changes the PECFA deductible amount for certain underground petroleum product storage tanks. Under this bill, the deductible for an underground petroleum product storage tank that is located at a facility at which petroleum is stored for resale or an underground petroleum product storage tank that handles an annual average of more than 10,000 gallons of petroleum per month is \$10,000, plus \$2,500 if the eligible costs exceed \$50,000, plus \$2,500 if eligible costs exceed \$80,000, plus \$10,000 for each whole \$100,000 by which of eligible costs exceed \$150,000, except that the department of commerce may, by rule, exempt a class of owners and operators from this higher deductible.

This bill also changes the PECFA deductible amount for aboveground storage tanks located at terminals from \$15,000 plus 5% of the amount by which eligible costs exceed \$200,000 to \$15,000 plus 15% of the amount by which eligible costs exceed \$200,000. A terminal is a facility that is connected to a petroleum pipeline.

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 (4) (d) 2. (intro.) of the statutes is amended to read:

2 101.143 (4) (d) 2. (intro.) The department shall issue the award under this
3 paragraph without regard to fault in an amount equal to the amount of the eligible
4 costs that exceeds a the deductible amount of \$2,500 plus 5% of the eligible costs, but
5 not more than \$7,500 per occurrence, except that the deductible amount for a
6 petroleum product storage system that is owned by a school district or a technical
7 college district and that is used for storing heating oil for consumptive use on the
8 premises is 25% of eligible costs under par. (dg). An award issued under this
9 paragraph may not exceed the following for each occurrence:

10 **SECTION 2.** 101.143 (4) (dg) of the statutes is created to read:

11 101.143 (4) (dg) *Deductible; underground systems.* The amount of the
12 deductible for an award under par. (d) is as follows for each occurrence:

13 1. Except as provided under par. (di), for an owner or operator of an
14 underground petroleum product storage tank system that is located at a facility at
15 which petroleum is stored for resale or an owner or operator of an underground
16 petroleum product storage tank system that handles an annual average of more than
17 10,000 gallons of petroleum per month, \$10,000, plus \$2,500 if the eligible costs
18 exceed \$50,000, plus \$2,500 if the eligible costs exceed \$80,000, plus \$10,000 for each
19 whole \$100,000 by which eligible costs exceed \$150,000.

1 2. For a school district or a technical college district with respect to a discharge
2 from an underground petroleum product storage tank system that is used for storing
3 heating oil for consumptive use on the premises, 25% of eligible costs.

4 3. For an owner or operator other than an owner or operator described in subd.
5 1. or 2., \$2,500, plus 5% of eligible costs, but not more than \$7,500.

6 **SECTION 3.** 101.143 (4) (di) of the statutes is created to read:

7 101.143 (4) (di) *Rules concerning deductible for underground systems.* The
8 department may promulgate rules describing a class of owners and operators of
9 underground petroleum product storage tanks otherwise subject to par. (dg) 1. for
10 whom the deductible is the amount under par. (dg) 3. rather than the amount under
11 par. (dg) 1.

12 **SECTION 4.** 101.143 (4) (dm) 2. a. of the statutes is amended to read:

13 101.143 (4) (dm) 2. a. For the owner or operator of a terminal, \$15,000 plus 5%
14 15% of the amount by which eligible costs exceed \$200,000.

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

16 (1) **PETROLEUM STORAGE REMEDIAL ACTION PROGRAM DEDUCTIBLES.** The treatment
17 of section 101.143 (4) (d) 2. (intro.) and (dg) and (dm) 2. a. of the statutes first applies
18 to owners and operators who begin activities under section 101.143 (3) (c) 3. or (g) of
19 the statutes on the effective date of this subsection.

20

(END)