Legal Title
Underground Storage Tank Cleanup Fund

Legal Citation/Authority
Chapter 1442, Statutes of 1989
Government Code section 15399.10; Health and Safety Code sections 25299.50-25299.52; and Revenue and Taxation Code section 50157

Fund Classification
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Purpose
The primary purpose of this fund is to provide financial assistance to the owners and operators of Underground Storage Tanks (UST) containing petroleum to remediate conditions caused by leaking underground storage tanks; reimburse for third party damage and liability; and assist in meeting financial responsibility requirements under federal law. Money from the fund can also be used for the Local Oversight Program; cleanup of emergency, abandoned and recalcitrant UST sites; and program administration.

Administering Agency/Organization Code
State Water Resources Control Board/ Org 3940

Major Revenue Source
Petroleum Underground Storage Tank Fees

Disposition of Fund (upon abolishment)
Pursuant to Government Code section 16346, absent language that identifies a successor fund, any balance remaining in this fund upon abolishment, shall be transferred to the General Fund

Appropriation Authority
Pursuant to Health and Safety Code section 25299.50, these funds are available upon appropriation.

State Appropriations Limit
Excluded - Revenues in this fund are not proceeds of taxes, however, when transferred, may become proceeds of taxes. These revenues are used to regulate the activities engaged in by the payers.

Comments/ Historical Information
Pursuant to Government Code section 15399.10 et seq., four million dollars is allocated each year to the Department of Trade and Commerce for a loan program. This money is used to assist small business owners of petroleum underground storage tanks with the cost of upgrading, removing or replacing tanks to meet state and federal requirements.

Chapter 1191, Statutes of 1994 (SB 1764), increased the Underground Storage Tank Cleanup Fund revenues by imposing a per-gallon mill fee increase on tank owners. The per-gallon mill fee increase is to be phased in over a three-year period (one additional mill January 1, 1995, two additional mills January 1, 1996, and three additional mills January 1, 1997, thereby increasing the mill fee to an ongoing level of 12 mills in 1997).
Chapter 815, Statutes of 1995 provided for a one-time increase in 1995-96 ($6.5 million) in the transfer from the Underground Storage Tank Cleanup Fund to the Petroleum Underground Storage Tank Financing Account (Fund 8026) administered by the Department of Trade and Commerce. Chapter 815, Statutes of 1995, also increased the maximum amount of the loan that can be made by Trade and Commerce (from $350,000 to $750,000).

Chapter 229, Statutes of 2003 (AB 1757)/Government Code section 15710: Upon the effective date of the repeal of Chapter 8.5 (commencing with Section 15399.10), all money remaining in the Petroleum Underground Storage Tank Financing Account (Fund 0440) and all subsequent loan repayments will revert to the Underground Storage Tank Cleanup Fund (Fund 0439), except that the interest earnings specified in former Government Code section 15399.20, as that section read on the date that it was repealed, that are necessary to support the administrative costs associated with the collection of outstanding loan amounts, shall remain with the Petroleum Underground Storage Tank Financing Account (Fund 8026) and may be expended by the State Water Resources Control Board for those costs.

Chapter 69, Statutes of 2009 (AB 96), section 1 amended the Health and Safety Code section 25299.81 changing the repeal date from January 1, 2011 to January 1, 2016.

Chapter 569, Statutes of 2011 (AB 291) provided an extension to the existing law for an increase in the fee at a rate of $0.006 per gallon of petroleum between January 1, 2010 until January 1, 2014 according with Health and Safety Code section 25299.43(f).