

Fund Source Report

1079 Tank RLF Underground Storage Tank Revolving Loan Fund

Year Authorized 1990	Year Repealed 2006	Active? No	Mental Health? No	Duplicated? No	Fund Group Designated General
--------------------------------	------------------------------	----------------------	-----------------------------	--------------------------	---

No Appropriations during last 10 years

Legal Authority

AS 46.03.410

Source of Revenue

Consists of money appropriated to it by the legislature (typically from the Oil and Hazardous Waste Fund) repayments of principal and interest on loans made, and fees collected under AS 46.03.385 - .450. Encumbrances and amounts equal to long-term loans are reserved. The remaining balance of the fund is reported as unreserved/designated.

Restrictions on Use

The fund is intended to make loans and grants for risk assessment, containment, corrective action and cleanup costs associated with underground petroleum storage tanks. Money may be spent to administer the Fund.

Description and History

Congress passed the Hazardous and Solid Waste Amendments of 1984 that required the US Environmental Protection Agency (EPA) to regulate UST's containing petroleum and hazardous substances. Congress also mandated that all UST owners, except state and federally owned or operated tanks, be able to demonstrate specific levels of financial responsibility for corrective action and cleanup associated with releases from their UST's.

It was recognized that it would be virtually impossible for an owner or operator of an UST to show financial responsibility if they had a leaking tank or if the tanks needed to be upgraded. Legislation was passed to ensure that owners and operators receive educational, technical, and financial assistance, and be provided with incentives for compliance with federal and state requirements rather than relying solely on an enforcement program after problems develop. The main source of funding for the Storage Tank Assistance Fund has been from the Oil and Hazardous Substance Release and Prevention Fund.

Ch 96, SLA 1990 established the Storage Tank Assistance Fund for 1) the establishment of technical and financial assistance mechanisms to assist the owners and operators of underground storage tank systems (UST's) to comply with federal and state law; and 2) the cleanup of existing leaks and the prevention of future leaks associated with UST's in order to protect the public from contamination of drinking water and to protect the environment.

Effective July 1, 1999, Senate Bill 128 established a new cleanup loan program that set owner/operator net worth ceilings for grant eligibility. Loans when combined with grants to the same owner /operator may not exceed \$500,000. When combined with tank cleanup or upgrade/closure grants and loans to the same operator/owner, payments cannot exceed \$500,000. This bill established a loan program for owners/operators who could not meet the net worth test eligibility requirement for the UST program and shifted much of the UST financial assistance from grants to loans.

Fund Source Report

Ch 41 , SLA 2002 renamed the fund to the Underground Storage Tank Revolving Loan Fund to emphasize the shift from grants to loans and mandated that the Department of Environmental Conservation could no longer make grants for UST's. The grant program was closed and no loan requests were received. The fund code has not been used since FY05.

October 2010

The Budget Clarification Project changed this fund code classification from "Other" to "Designated General Funds." Ch 102, SLA 2006 repealed the language that created this fund. All Underground Storage Tank permit fees are now deposited in the general fund.