

UST Program Fee Increase: HB 2268



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Department of
Environmental
Quality

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Introduction

House Bill 2268 allows DEQ to continue its work to implement the Underground Storage Tank program by increasing the UST permit fee. The fee increase supports protecting the environment by:

- Preventing and minimizing leaks impacting air, water and land from USTs; and
- Verifying each facility has insurance to clean up contamination, and stay in business if a leak occurs.

Increasing the tank fee will maintain existing positions in the UST program and allow for the addition of a policy position. The 2007 legislature last increased the per tank fee from \$85 to \$135.

HB 2268 proposes a fee model based on the total capacity of all underground storage tanks at a site. DEQ and stakeholders are proposing an amendment to HB 2268 which continues to use the per tank fee model and increases DEQ's per tank fee from \$135 to \$325 over 4 years beginning January 2018.

Year	Proposed Fee
2018	\$195/tank
2019	\$245/tank
2020	\$295/tank
2021	\$325/tank

What's the environmental concern?

Federal and state laws regulate USTs used to store petroleum and other hazardous substances. Compliance with these regulations prevents leaks that can contaminate air, groundwater and soil. Over the last 10 years, Oregon has spent over \$5 million cleaning up releases from leaking USTs with special project grants and additional cost recovery funds.

The program's primary purpose is to ensure that leaks do not occur. We do this by verifying proper operation of leak prevention equipment, such as corrosion protection equipment, spill and overflow protection, and leak detection systems. Historical data shows tank sites without functioning leak prevention equipment have an increased likelihood of releases resulting in contaminated groundwater.

As of September 2000, almost 532,000 UST releases had been confirmed in the U.S. Once in the soil, these releases can move rapidly and threaten drinking water supplies. The U.S. Environmental Protection Agency estimates that about half of UST releases reported reach ground water. Business owners operating without pollution liability insurance create a barrier to pay for the cleanup of releases.

DEQ inspections and technical assistance help ensure the proper functioning of UST systems and that owners have the required financial coverage.

Why is a fee increase needed?

The U.S. Congress and Oregon passed laws in the late 1980s requiring owners to upgrade and maintain their USTs in response to the problem of petroleum leaks contaminating groundwater. The Oregon law also required a "per tank" fee to pay for DEQ to implement the law. DEQ uses no general funds for this work.

In March 2016, DEQ fell behind on the federal requirement to inspect each facility once every 3 years due to a lack of revenue from fees and Federal grants to fill two vacant positions. EPA has increased its number of inspections for federal fiscal year 2016 to compensate for DEQ staff reductions, but Oregon is still unable to meet the federal requirement.

DEQ will not have the ability to carry out the UST program and conduct an adequate number of inspections that verify whether USTs are properly equipped, operated and maintained so they will not pose a threat to human health and the environment. Without adequate funding for Oregon's program, EPA could hire inspection contractors to perform the work instead of DEQ.

Additionally, EPA passed final UST rules in 2016 and DEQ must be in compliance with those revised rules by September 2018. Without a fee increase, DEQ is unable to fully implement the revised federal rules. Oregon could lose part of the Leaking Underground Storage Tank and Leaking UST Prevention grant funding (\$1.317 million in federal FY 2017) for cleanups and inspections.

What happens if the bill does not pass?

Without this fee increase, Oregonians and tank owners would experience:

- An increase in the number of inspections performed by EPA or its contractors, potentially carrying higher penalties;
- Reduced technical assistance; and
- A decrease in compliance oversight resulting in a higher potential for releases to occur for existing and new USTs.

For more information

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Alternative formats

Documents can be provided upon request in an alternate format for individuals with disabilities or in a language other than English for people with limited English skills. To request a document in another format or language, call DEQ in Portland at 503-229-5696, or toll-free in Oregon at 1-800-452-4011 or email deqinfo@deq.state.or.us.