



House of Representatives

General Assembly

File No. 340

January Session, 2003

House Bill No. 6424

House of Representatives, April 14, 2003

The Committee on Environment reported through REP. WIDLITZ of the 98th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING ELIGIBILITY OF CONSUMERS FOR QUALIFIED UNDERGROUND STORAGE TANK COSTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (d) of section 22a-449l of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

4 (d) Neither the Underground Storage Tank Petroleum Clean-Up
5 Account Review Board nor the Commissioner of Environmental
6 Protection shall accept applications pursuant to this section on or after
7 December 1, 2001, for the reimbursement of eligible costs for services
8 completed prior to July 1, 2001, except that, notwithstanding
9 subsection (c) of this section, prior to July 1, 2003, the board or
10 commissioner may accept applications for reimbursement from any
11 owner who demonstrates that the owner paid for eligible costs for
12 services provided to the owner prior to July 1, 2002, and that the
13 contractor failed to timely file such application for reimbursement.

This act shall take effect as follows:	
Section 1	<i>from passage</i>

ENV *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Type	FY 04 \$	FY 05 \$
Department of Environmental Protection	GF - Cost	See Below	See Below

Municipal Impact: None

Explanation

Allowing homeowners to apply for reimbursement under the Residential Underground Storage Tank Program up to July 1, 2003, under certain conditions would increase costs to the state. The exact cost is not known. There are currently 32 claims for reimbursement filed with the Review Board for which a complaint was registered by a homeowner that meet the bills criteria. The cost of these claims is approximately \$370,000. Payment of these claims would leave a balance of approximately \$35,000 of allocated but unencumbered GO bond funds. As of the March 2003 bond commission meeting, \$1.25 million in GO bond funds remain authorized, but unallocated for the program. Any expansion of the program which would result in the use of the additional GO bond funds would result in an increase in debt service costs in future years. The number of additional applications that would be filed based on the July 1, 2003 date is unknown.

OLR Bill Analysis

HB 6424

AN ACT CONCERNING ELIGIBILITY OF CONSUMERS FOR QUALIFIED UNDERGROUND STORAGE TANK COSTS**SUMMARY:**

This bill makes a homeowner eligible for reimbursement from the Underground Storage Tank Petroleum Clean-Up Account if (1) a contractor completed remediation work on his tank by July 1, 2001, (2) the contractor failed to apply for reimbursement by December 1, 2001, and (3) the homeowner paid the contractor by July 1, 2002. A homeowner must apply by July 1, 2003 to receive reimbursement.

BACKGROUND***Residential Underground Storage Tank Program***

This program reimburses responsible parties for their costs of remediating leaking residential underground storage tanks. It has two phases. Under the first phase, the Underground Storage Tank Petroleum Clean Up Account Review Board reimbursed contractors for work begun on underground tanks completed before July 1, 2001 if the contractors applied for reimbursement by December 1, 2001. The second phase allowed the board to reimburse homeowners directly for costs incurred between July 1, 2001 and December 31, 2001. The program stopped accepting applications December 31, 2001.

Under the first phase contractors were responsible for the reimbursable remediation cost above the first \$500, unless the homeowner signed a separate contract assuming liability for a greater amount. In practice, contractors often billed the homeowner for the costs of the clean up and would repay the homeowner when they received reimbursement by the board. In some instances, however, homeowners paid a contractor who failed to meet the December 1, 2001 deadline and therefore failed to receive reimbursement.

EFFECTIVE DATE: Upon passage

BACKGROUND

Related Bill

Substitute sSB 896, which the Environment Committee reported favorably on March 28, authorizes the board to reimburse owners directly for remediation costs incurred before July 1, 2001 that the owner paid the contractor if the board determines (1) it has not yet reimbursed the contractor and (2) the contractor may not reimburse the owner.

COMMITTEE ACTION

Environment Committee

Joint Favorable Report

Yea 25 Nay 0