



TERRY E. BRANSTAD
GOVERNOR

OFFICE OF THE GOVERNOR

KIM REYNOLDS
LT. GOVERNOR

July 2, 2015

The Honorable Paul D. Pate
Secretary of State of Iowa
State Capitol
Des Moines, Iowa 50319

Dear Mr. Secretary:

I hereby transmit House File 652, an Act relating to underground storage tanks, including by establishing an underground storage tank cost share grant program and fund and making an appropriation.

House File 652 is hereby disapproved on this date.

I am unable to approve House File 652 for the following reasons:

The Iowa legislature created the Underground Storage Tank (UST) Fund in 1989. The UST Fund currently receives \$14 million annually from the Statutory Allocation Fund (SAF). I support ending the one cent Environmental Projection Charge consumers pay at the fuel pump which sunsets on June 30, 2016. The Road Use Tax fund will incur a \$17 million annual reduction until the SAF is amended. Now that the UST Fund has been operating for over twenty-six years, the State of Iowa and the UST Fund Board should complete action on remaining liabilities in the UST Fund. I look forward to working with the legislature next year to increase investment in renewable fuels infrastructure.

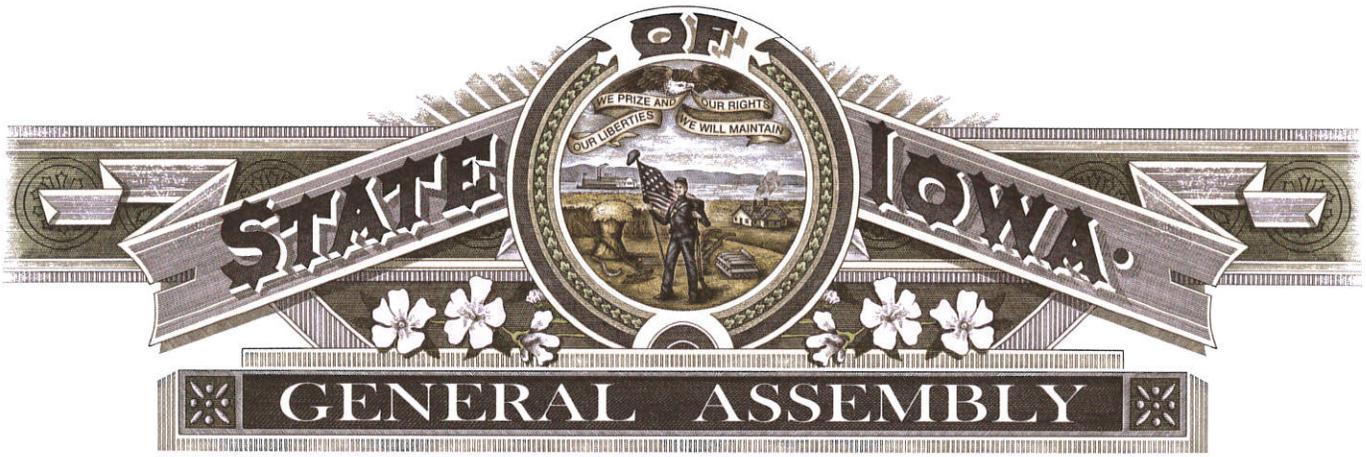
For the above reasons, I respectfully disapprove House File 652, in its entirety, in accordance with Article III, Section 16, of the Constitution of the State of Iowa.

Sincerely,

A handwritten signature in black ink that reads "Terry E. Branstad".

TERRY E. BRANSTAD

Governor



House File 652

AN ACT
RELATING TO UNDERGROUND STORAGE TANKS, INCLUDING BY
ESTABLISHING AN UNDERGROUND STORAGE TANK COST SHARE GRANT
PROGRAM AND FUND AND MAKING AN APPROPRIATION.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 321.145, subsection 2, paragraph a, subparagraph (1), Code 2015, is amended to read as follows:

(1) First, ~~three~~ one million five hundred seven hundred fifty thousand dollars per quarter shall be deposited into and credited to the Iowa comprehensive petroleum underground storage tank fund created in section 455G.3, and the moneys so deposited are a continuing appropriation for expenditure under chapter 455G, and moneys so appropriated shall not be used for other purposes.

Sec. 2. Section 321.145, subsection 2, paragraph a, Code 2015, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (3) Third, one million seven hundred fifty thousand dollars per quarter shall be deposited into and credited to the underground storage tank cost share grant program fund created in section 455G.6A. The moneys so deposited are a continuing appropriation for expenditure under that section and shall not be used for other purposes.

Sec. 3. NEW SECTION. 455G.6A Underground storage tank cost share grant program and fund.

1. For purposes of this section, "*grant program fund*" means the underground storage tank cost share grant program fund established by this section.

2. An underground storage tank cost share grant program fund is created as a separate fund in the state treasury under the control of the board. The grant program fund is separate from

the general fund of the state.

3. *a.* The grant program fund is composed of moneys deposited in the fund pursuant to section 321.145, subsection 2, paragraph "a", subparagraph (3), other moneys appropriated by the general assembly for deposit in the grant program fund, and moneys available to and obtained or accepted by the board from the United States government or private sources for placement in the grant program fund.

b. The recapture of awards or penalties, or other repayments of moneys originating from the grant program fund, shall be deposited into the grant program fund.

c. Notwithstanding section 12C.7, interest or earnings on moneys in the grant program fund shall be credited to the grant program fund.

d. Notwithstanding section 8.33, unencumbered and unobligated moneys remaining in the grant program fund at the close of each fiscal year shall not revert but shall remain available in the grant program fund for the purposes of this section.

e. Any owner or operator of a location where petroleum is marketed in this state is eligible to apply for and receive funding from the grant program.

4. The grant program fund shall be administered by the board.

5. Moneys in the grant program fund are appropriated to and shall be used by the board as provided in this subsection.

a. Up to fifty thousand dollars shall be allocated each fiscal year to the board to support the administration of the grant program. Otherwise the moneys shall not be transferred, used, obligated, appropriated, or otherwise encumbered except to allocate as grants by the board in accordance with this subsection.

b. The board shall establish a grant program to award grants from moneys in the grant program fund to eligible applicants to replace underground storage tank infrastructure, including but not limited to tanks, lines, pipes, hoses, connections, seals, and pumps.

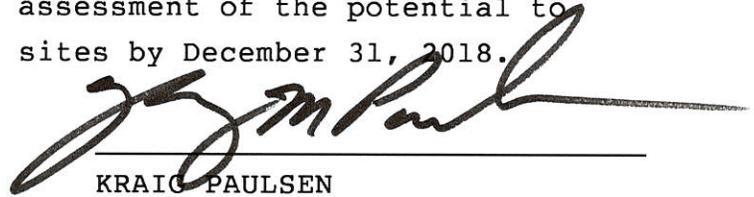
(1) The board shall adopt rules pursuant to chapter 17A for implementation and administration of the grant program and grant program fund.

(2) At a minimum, replacement infrastructure must be listed by an independent testing laboratory as compatible for use with ethanol blended gasoline classified as E-85.

(3) An eligible applicant may be awarded a grant worth up to fifty percent of the cost to replace infrastructure, with a maximum grant of one hundred thousand dollars. If an applicant has previously been awarded a grant under this section, the applicant may be awarded subsequent grants worth up to fifty percent of the cost to replace infrastructure, with a maximum grant of fifty thousand dollars. The total grants awarded to an eligible applicant shall not exceed one million dollars per calendar year.

Sec. 4. UNDERGROUND STORAGE TANK STUDY. The Iowa comprehensive petroleum underground storage tank fund board shall, by December 15, 2015, conduct a study concerning, and make recommendations to the general assembly regarding potential resolutions of, all of the following:

1. The number of underground storage tanks originally installed prior to 1990 which need to be replaced.
2. Obstacles and impediments to cleanup and redevelopment of leaking underground storage tank sites, including but not limited to restrictions on land use, abandoned properties, landowner participation, economic feasibility, and regulatory rulemaking.
3. Progress on the cleanup of current leaking underground storage tank sites and an assessment of the potential to complete cleanup of these sites by December 31, 2018.



KRAIG PAULSEN

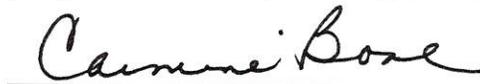
Speaker of the House



PAM JOCHEM

President of the Senate

I hereby certify that this bill originated in the House and is known as House File 652, Eighty-sixth General Assembly.



CARMINE BOAL

Chief Clerk of the House

Disapproved

Approved July 2, 2015



TERRY E. BRANSTAD

Governor