

## Sponsor Statement for CS SB 153(FIN)

# Underground Storage Tank Loan Fund

**“An Act replacing the storage tank assistance fund with the underground storage tank revolving loan fund and relating to that revolving loan fund; repealing the tank cleanup program and the tank upgrading and closure program; and providing for an effective date.”**

Owners of underground storage tanks had until December 22, 1998 to either upgrade or close their underground storage tanks in response to nationwide concern over possible contamination of drinking water from leaking underground storage tanks.

The Alaska Legislature responded to this federal mandate by offering grants and loans to owners of underground storage tanks to help offset the costs of the new requirements. To date, \$38.9 million has been appropriated for upgrade, closure and cleanup grants and loans for underground storage tanks.

All applications for grant assistance under the Upgrade, Closure and Cleanup programs are in. There can be no new applicants. The Department and the Board of Storage Tank Assistance have ranked the applicants according to the changes made by [SB 128](#) (ch 70 SLA 99).

CS [SB 153](#) (FIN) ends the upgrade and closure grant program by June 30, 2002 and the tank cleanup grant program by June 30, 2004 after almost \$49.0 million in assistance to underground storage tank owners. It retains the cleanup loan program and changes it to a revolving loan program. The revolving loan program retains the current means test of self-insurance which guarantees assistance to the “Mom & Pop” companies the grants and loans were intended to assist, rather than larger companies.

The balance in the storage tank assistance fund on the effective date of SB 153 is transferred to the revolving loan fund. This capitalization with all repayments of principal and interest on loans, income earned on money in the fund and money appropriated to the fund will support the revolving loan fund.