

- SUBJECT:** Extending and reducing petroleum product delivery fees
- COMMITTEE:** Energy Resources — committee substitute recommended
- VOTE:** 6 ayes — Hardcastle, Farabee, Crownover, Chisum, Crabb, Gonzalez
Tourelles
- 0 nays
- 1 absent — Corte
- WITNESSES:** For — (*Registered, but did not testify:* Ben Sebree, Texas Oil & Gas Association)
- Against — None
- On — (*Registered, but did not testify:* Glenn Shankle, Texas Commission on Environmental Quality)
- BACKGROUND:** Water Code, ch. 26 establishes the Petroleum Storage Tank (PST) Remediation Account, which funds the PST Reimbursement Program and the PST State Lead Program.
- The PST Reimbursement Program reimburses tank owners or operators who perform cleanup of sites contaminated by petroleum product releases from underground and aboveground storage tanks.
- The PST State Lead Program hires contractors to clean up leaking PST sites where the responsible parties are unwilling, unable, cannot be found, or other more expeditious corrective action is necessary.
- Fees assessed on the delivery of a petroleum product on withdrawal from bulk are the primary source of funds to the Petroleum Storage Tank (PST) Remediation Account. Until the end of fiscal 2007, the fees are assessed as follows:
- \$10 for each delivery into a cargo tank with a capacity of less than 2,500 gallons;
 - \$20 for each delivery into a cargo tank having a capacity of 2,500 gallons or more but less than 5,000 gallons;

- \$30 for each delivery into a cargo tank having a capacity of 5,000 gallons or more but less than 8,000 gallons;
- \$40 for each delivery into a cargo tank having a capacity of 8,000 gallons or more but less than 10,000 gallons; and
- \$20 for each increment of 5,000 gallons or any part thereof delivered into a cargo tank having a capacity of 10,000 gallons or more.

DIGEST:

CSHB 3739 would amend Water Code, sec. 26.3574(b) to extend the Petroleum Products Delivery fee beyond August 31, 2007, and reduce the fees currently assessed on the delivery of a petroleum product on withdrawal from bulk. The new fees would be assessed as follows:

- \$3.75 for each delivery into a cargo tank with a capacity of less than 2,500 gallons;
- \$7.50 for each delivery into a cargo tank having a capacity of 2,500 gallons or more but less than 5,000 gallons;
- \$11.75 for each delivery into a cargo tank having a capacity of 5,000 gallons or more but less than 8,000 gallons;
- \$15 for each delivery into a cargo tank having a capacity of 8,000 gallons or more but less than 10,000 gallons; and
- \$7.50 for each increment of 5,000 gallons or any part thereof delivered into a cargo tank having a capacity of 10,000 gallons or more.

This bill would take effect September 1, 2007.

NOTES:

The Legislative Budget Board estimates that there would be a positive impact of \$1.2 million in general revenue during fiscal 2008-09 because this funding source originally was intended to expire on August 31, 2007.