

FISCAL IMPACT STATEMENT ON BILL NO. **H. 4501**

(Doc. No. 11291ac14.docx)

TO: The Honorable Nelson L. Harwick, Chairperson, House Agriculture, Natural Resources and Environmental Affairs Committee

FROM: State Budget Division, Budget and Control Board

ANALYSTS: R.J. Stein

DATE: March 31, 2014 SBD: 2014180

AUTHOR: Representative Hiott PRIMARY CODE CITE: 44-2-40

SUBJECT: SUPERB Fund Site Rehabilitation Reimbursement Rates

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

A Cost to the General Fund (See Below)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

A Cost of Federal and/or Other Funds (See Below)

BILL SUMMARY:

House Bill 4501 amends Section 44-2-40(A) of the Code of Laws of South Carolina, 1976, relating to the SUPERB Account and SUPERB Financial Responsibility Fund. The Bill prohibits the Department of Health & Environmental Control (DHEC) from reducing the amounts paid to reimburse underground storage tank owners for their expenditures related to site rehabilitation after a petroleum release below the reimbursement rate schedule in effect on July 1, 2011.

EXPLANATION OF IMPACT:

Department of Health & Environmental Control

The Department reports that this Bill imposes a higher rate of reimbursement to underground storage tank owners for site rehabilitation costs than is currently paid. Reimbursement rates were reduced in 2013 by DHEC taking advantage of free market competition through a bidding process among site rehab contractors. Based on actual costs paid in 2012 and 2013, the Department estimates that the SUPERB fund would be required to pay an additional \$2.5 million annually for rehabilitation expenses. Alternatively, fewer sites could be rehabilitated each year.

LOCAL GOVERNMENT IMPACT:

None.

SPECIAL NOTES:

None.

Approved by:



Brenda Hart
Assistant Director, State Budget Division