



Fact Sheet

Payments Reduced from Underground Storage Tank Cleanup Fund

Lower Funding Expected in 2012

Notification was recently sent by the State Water Resources Control Board (State Water Board) to parties receiving reimbursements from the State Water Board's Underground Storage Tank Cleanup Fund (USTCF). These parties are typically businesses and individuals that are cleaning up, or have cleaned up sites where there are leaking petroleum underground storage tanks (UST). The notification informs these parties who have submitted budgets that funds for these cleanups will be reduced from past amounts beginning in July 2011.

A fee on petroleum that is stored in underground tanks provides funding to assist eligible businesses with the cleanup costs of leaking underground storage tanks in California. In January 2012, the 2 cents per gallon fee on petroleum stored in underground storage tanks will drop to 1.4 cents per gallon, making less money available for reimbursements. The reason for the decline in funding is that a 0.6 cent temporary fee increase that took effect in 2009 expires effective January 2012. In addition, increased fuel prices may contribute to a decrease in fuel purchases, thus reducing the volume of sales subject to the fee.

Background on USTCF

The UST Maintenance Fee is collected from tank owners by the State Board of Equalization. The USTCF was designed to assist UST owners and operators by providing reimbursement for the cleanup of soil and groundwater contamination associated with unauthorized releases. *(The fund was not designed to pay the total cost of the cleanup. That is the responsibility of the land owner and/or tank operator.)*

The USTCF also provides money to the nine Regional Water Quality Control Boards (Regional Water Boards) and to local regulatory agencies to oversee cleanups conducted by responsible parties, to abate emergency situations associated with leaking underground tanks and to undertake corrective action at some abandoned sites.

Impacts of Funding Decreases

The State Water Board anticipates that it will have a total of \$193 million in revenues in Fiscal Year (FY) 2011-12 from the fund to pay for cleanup reimbursement. Of that amount, approximately \$107 million will be available for claims going into 2012. As of July 2011 there are 3,727 active claims.



Legislation introduced in the current session would continue the 0.6 cents per gallon fee for an additional two years, raising an additional \$180 million.

How Will Payment Be Determined?

Distribution of available funds will be done, according to ranking established in state law.

What If Work Stops on a Cleanup Project?

A lack of public funding does NOT affect owners' responsibility to clean up gasoline or other pollution from tank leaks. The USTCF fund is designed to partially reimburse some (but not all) tank owners for pollution costs.

Fast Facts on the Underground Storage Tank Fund

- More than \$2.9 Billion has been reimbursed on site cleanups since the first reimbursement was issued in 1992.
- In FY 2010-2011 the USTCF provided approximately \$255 million for UST cleanups in California.
- From the inception of the program in 1989, approximately 6,500 sites have been cleaned up and closed using funding provided by the USTCF.

For additional information on the Underground Storage Tank Cleanup Fund, please visit the following web resource:

http://www.waterboards.ca.gov/water_issues/programs/ustcf/index.shtml