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FISCAL IMPACT REPORT

SPONSOR Pirtle/Townsend ORIGINAL DATE 2/12/17
 LAST UPDATED _____ HB _____

SHORT TITLE Crop Dusting Tanks as Above Ground Storage SB 230

ANALYST Armstrong

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY17	FY18	FY19		
	(\$1.6)	(\$1.6)	Recurring	Corrective Action Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

NM Department of Agriculture (NMDA)

NM Environment Department (NMED)

SUMMARY

Synopsis of Bill

Senate Bill 230 amends the Hazardous Waste Act and the Ground Water Protection Act to exclude tanks used by crop-dusting or crop-spraying services from the acts' definitions of "above ground storage tanks."

FISCAL IMPLICATIONS

The bill would reduce annual tank registration fees deposited in the storage tank fund by \$400 as the annual fee for above ground storage tanks is \$100 and NMED reports there are four known facilities that store fuel for aerial application in above ground tanks.

SIGNIFICANT ISSUES

According to NMED, tank systems that contain petroleum products for the purpose of fueling aircraft involved in commercial activities related to agriculture are no different from tanks used by any other industrial commercial petroleum storage tank owners, such as gasoline service stations, municipal vehicle fleets, government agencies, construction companies. Moreover,

above ground storage tanks used for crop-dusting or crop-spraying services are not regulated pursuant to federal petroleum tank laws.

If owners of above ground storage tanks used for crop-dusting or crop-spraying services are exempted from registration requirements, they will also be prevented from drawing from the corrective action fund to address any spills or leaks from these tanks.

NMDA analysis notes SB230 amends existing statute to treat agricultural aviation fuel storage tanks in a similar manner as farm and ranch fuel tanks. The agency also stated:

Crop spraying services are an integral component of the agricultural industry. Currently, fuel storage tanks for agricultural aviation must conform to the same requirements as retail fuel dispensing businesses. Texas categorizes agricultural aviation fuel tanks similar to farm and ranch fuel tanks placing New Mexico crop spraying services at a competitive business disadvantage in adjacent counties on the state line.

TECHNICAL ISSUES

NMED suggested amendments to specify that the exemptions should apply only to tanks used by a crop dusting or crop spraying service “solely for the purpose of crop dusting or crop spraying.”

JA/al/jle