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FISCAL IMPACT REPORT

SPONSOR Pirtle ORIGINAL DATE 2/26/15
 LAST UPDATED 3/10/15 HB _____

SHORT TITLE Crop Dusting Tanks as Above Ground Tanks SB 631/aSCONC

ANALYST Armstrong

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY15	FY16	FY17		
	(\$0.4)	(\$0.4)	Recurring	Storage Tank Fund

(Parenthesis () Indicate Revenue Decreases)

Duplicates HB 459

SOURCES OF INFORMATION

LFC Files

Responses Received From

Attorney General’s Office (AGO)

Environment Department (NMED)

New Mexico Department of Agriculture (NMDA)

SUMMARY

Synopsis of SCONC Amendment

The House Agriculture, Water and Wildlife Committee’s amendment limited the bill’s exemption of tanks used for crop-dusting or crop-spraying services from the definition of “above ground storage tank” in the Hazardous Waste Act and the Ground Water Protection Act to those tanks used solely for such services, addressing the concern raised in NMED analysis and noted below.

Synopsis of Bill

Senate Bill 631 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. However, according to NMDA, SB 631 treats agricultural aviation fuel storage tanks in a similar manner as farm and ranch fuel tanks under current law.

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.

NMED analysis noted the bill's exemption of tanks "used by" a crop-dusting or crop-spraying may be too broad if the intent is to exempt tanks used solely for such services, and suggested adding "solely" between "used" and "by" on page 2, line 23.

DUPLICATION

House Bill 459 duplicates SB 631/aHAWC.

JA/je/bb