



MEMORANDUM

TO: Jonathan Maneval, Petroleum Underground Storage Tank Release Compensation Board

FROM: Paula Steele, Regulatory Policy Advocate

DATE: January 9, 2014

RE: **CSI Review – Annual Financial Assurance Fund Fee Change** (OAC 3737-1-04)

On behalf of Lt. Governor Mary Taylor, and pursuant to the authority granted to the Common Sense Initiative (CSI) Office under Ohio Revised Code (ORC) section 107.54, the CSI Office has reviewed the abovementioned administrative rule package and associated Business Impact Analysis (BIA). This memo represents the CSI Office's comments to the Agency as provided for in ORC 107.54.

Analysis

This Petroleum Underground Storage Tank Release Compensation Board (Board) rule package consists of one amended rule. The draft rule and BIA were submitted to the CSI Office on December 16, 2013, and the comment period for the rule closed on January 8, 2014. No public comments were submitted during the comment period.

The Board's primary responsibility is to administer the Petroleum Financial Assurance Fund. "The Fund is a source of money derived from mandatory per-tank fees and is available to eligible underground storage tank owners to reimburse petroleum release clean-up costs."¹ Tank owners obtain annual financial assurance fund coverage by paying a fee, demonstrating financial responsibility and certifying compliance. The proposed rule articulates the process and procedures for administering the requirements to obtain fund coverage, and outlines the basis for which coverage can be denied or revoked. The proposed rule also describes how the Board annually determines tank fee assessment amounts as required by ORC 3737.91. The amended portion of

¹ <http://www.petroboard.com>

this rule reduces the annual fee from \$600 to \$500 per tank. Because this rule is being amended and is not subject to a five-year review, the proposed rule evaluation focuses on the impact of amended portion of the rule only. According to the BIA, the fee reduction was decided upon through a survey sent out to stakeholders and the amount was recommended by the Board's Finance Committee based on analysis of current year budgets, estimates of future revenues and expenses, and an estimate of the Financial Assurance Fund's unpaid reimbursement liability.

After reviewing the proposed rules and BIA, the CSI Office has determined that the rule package satisfactorily meets the standards espoused by the CSI Office, and the purpose of the rules justifies the adverse impact identified in the BIA.

Recommendations

For the reasons described above, the CSI Office has no recommendations regarding this rule package.

Conclusion

Based on the above comments, the CSI Office concludes that the Board should proceed with the formal filing of this rule package with the Joint Committee on Agency Rule Review.

cc: Mark Hamlin, Lt. Governor's Office