

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT Arkansas Department of Environmental Quality

DIVISION Regulated Storage Tank Division

PERSON COMPLETING

THIS STATEMENT Lynda Perry

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To comply with Act 1104 of 1995, please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE Regulation No. 12: Storage Tanks

1. Does this proposed, amended, or repealed rule or regulation have a financial impact?
 Yes X No _____

2. If you believe that the development of a financial impact statement is so speculative as to be cost prohibitive, please explain.

3. If the purpose of this rule or regulation is to implement a federal rule or regulation, please give the incremental cost for implementing the regulation. Please indicate if the cost provided is the cost of the program.

Current Fiscal Year

Next Fiscal Year

General Revenue _____

General Revenue _____

Federal Funds \$105,000

Federal Funds \$296,000

Cash Funds _____

Cash Funds _____

Special Revenue _____

Special Revenue _____

Other (Identify) _____

Other (Identify) _____

Total \$105,000 (program)

Total \$296,000 (program)

4. What is the total estimated cost by fiscal year to any party subject to the proposed, amended, or repealed rule or regulation? Identify the party subject to the proposed regulation, and explain how they are affected.

Current Fiscal Year

Next Fiscal Year

\$ Approx. up to \$17,000 per new tank installation;
 approx. up to \$3,400 per partial system replacement

 Same

Owners/operators of underground storage tanks (USTs) are required by the federal Energy Policy Act of 2005 and Arkansas Act 264 of 2007 to provide secondary containment on all new or replaced UST systems within 1,000 feet of an existing community water system or potable drinking water well. Owners or operators who do not install or replace UST systems should not see a fiscal impact from the proposed amendments.

5. What is the total estimated cost by fiscal year to the agency to implement this regulation?

Current Fiscal Year

Next Fiscal Year

\$ \$26,250

\$ \$74,000

Additional costs to the agency will consist primarily of the 25% match for the increased federal funding.