

## **IPM&CSA / Idaho Report for WPMA magazine / October 31 2015**

### **2016 Legislative Issues – DEQ Proposes UST Inspection Fees for Industry; Looks to Adopt New EPA UST Rules**

#### **NEW: DEQ Proposes UST Inspection Fees:**

Industry supported Idaho's DEQ when the State took over the UST inspection program from EPA, because we believed that regulation, compliance and enforcement would be better delivered closer to home. Evidence shows that DEQ has largely made good on their commitment to be more "user friendly" to the UST tank owner/operators, by focusing first on compliance, while imposing penalties only as a last resort. As the new EPA UST rules are implemented, DEQ's role will take on additional requirements now imposed by the federal rule. This new workload in combination with a steady decline in LUST (Leaking Underground Storage Tank) funds from the EPA, has lead DEQ to propose a new inspection fee of \$135/tank in the 2016 legislature. The new fee would require a legislative change. Orville Green, director of DEQ's Waste Management Program, estimates that the UST program costs the agency \$700,000 per year, and an additional \$300,000 is needed annually to keep the program at the state level. The UST inspection program could revert to the EPA if the state is unable to provide adequate funds. DEQ proposes that tank fees make up the difference to fully fund the UST program.

The question for tank owners is this: Do we want to continue to work with DEQ and pay annual tank fees, or do we want to turn the program back to EPA, knowing that the federal agency is less accessible, and likely less accommodating than DEQ? We encourage tank owners to consider the merits of state vs. federal management of the UST program, and whether the fee proposed is reasonable for Idaho to retain control, or "primacy". Please contact me at [sbs@sbsidaho.com](mailto:sbs@sbsidaho.com) or 208-850-3065 with your thoughts and recommendations prior to the 2016 legislative session.

#### **EPA UST Rules To Be Adopted in Idaho / Industry Urges Idaho to Maintain State Flexibility:**

DEQ made the rounds in September and October, presenting a series of informational meetings on the new EPA UST rules to tank owners across the state. The objective of the meetings, as described by Kristi Lowder, UST Program Manager, was to "learn more and help them figure out how to make these new federal regulations work in Idaho." The meetings, held in Coeur d'Alene, Lewiston, Idaho Falls, Pocatello, Twin Falls and Boise, were well attended and prompted a discussion about how much flexibility we had at the state level over implementing the federal requirements. PMAA's regulatory specialist, Mark Morgan, has identified several instances where Idaho can be more flexible. IPM&CSA will urge DEQ to incorporate any flexibility that is provided for under the federal rules and avoid adopting the federal rule "by reference" at the legislature.

Some examples of flexibility allowed in the federal rule include:

Check Lists for walk through inspections

Sump Testing

Dispenser Containment

Thanks to our legal specialists at PMAA for their efforts to advocate on behalf of industry and to pursue more common sense regulations as these rules were developed. PMAA estimates that their intervention with EPA during rule development has saved every tank owner several thousand dollars per site in the final rule. EPA's original rule

more than \$4500 per site. Thank you PMAA for your efforts to save tank owners money! This clearly shows the value of your dues to PMAA.

**Motor Fuel Taxes:** In 2015, legislators raised the fuel tax by seven cents per gallon, bringing Idaho's fuel tax to 32 cents per gallon. IPM&CSA sponsored, and the Legislature approved, a bill to require LNG and CNG fueled vehicles to pay the fuel tax energy equivalent rate, which levels the playing field for alternative fuel vehicles. In 2016, we can expect transportation funding to remain a lively discussion as advocates seek additional revenues to build roads and bridges. It is critical that marketers be engaged early in any discussions about motor fuel taxes. Distributors play a vital role in collecting the state's fuel tax, which came to \$245 million in FY 2014, and amounted to 6.9% of gross tax collections. (Source: 2014 Annual Report Idaho Tax Commission)

**Transportation Issues:** Even with an increase in motor fuel tax rates, and additional revenues diverted to transportation in the form of a "surplus eliminator" (amounting to more than \$90 million), advocates will continue to look for money to fund transportation infrastructure. Motor fuel taxes are always on the table when these discussions occur. IPM&CSA will remain closely engaged in the legislative process and will be prepared to weigh in on any proposals that impact our industry through motor fuel taxes, transfer fee, sales tax on fuel, registration, sales tax on other items, and any other related concepts.

**IPM&CSA PAC Supports Our Allies at the Statehouse:** IPM&CSA commits time and resources to legislative and statewide races and supports elected officials who share our philosophy of government policy and regulations. As in previous election cycles, Idaho marketers continue to build relationships with key legislators and government officials to ensure that our industry is represented in the development of Idaho laws and regulations. IPM&CSA contributed to 58 candidates in the 2014 election cycle. In 2015 and 2016, we need to rebuild our PAC account for Primary and General Elections in 2016. Thanks to members and vendors and friends who support the 2015 IPM&CSA PAC golf tournaments to fund our state PAC efforts!

Clear Springs Country Club PAC Golf Outing, July 14, 2014 – Thanks to Rob and Janet Franklin, United Oil, for hosting  
Attach photo and caption

Boise Ranch PAC Golf Outing, October 7, 2015 – Thanks To Terry Spackman, Alpha Transport for hosting  
Attach photo and caption

### **Check This Out -Idaho Website Has Photos, Registration, and News!**

Check out the new Idaho section of the WPMA Website. We have updated the look and content of WPMA and state pages. Register for events, find critical industry information and see your favorite photos from IPM&CSA events. Visit the updated Idaho page and let us know what you think!

[www.wpma.com](http://www.wpma.com)

<http://www.wpma.com/idaho>

### **Mark Your Calendar & Get Your Room Reserved: August 3-5, 2016 IPM&CSA Convention and Trade Show, Coeur d'Alene Resort, Coeur d'Alene, Idaho**

Hold the date for a family vacation in beautiful Coeur d'Alene Idaho for the 2016 IPM&CSA Convention and Trade Show, August 3-5, 2016. You will want to bring friends and family and stay awhile. This is the high season in CdA. The room block always sells out early, so get your reservations now! Call Coeur

## NACS 2014 State Report for Idaho Offers C-Store Industry Snapshot:

NACS provides interesting statistics for Idaho C-Stores which illustrate just how important we are to the Idaho economy! Here's how the numbers lay out based on the NACS State of the Industry Report of 2014; Nielsen TDLinX Store Count (December 31, 2014)

	Average Per Store	Idaho
Total Stores:	1	898
Total Employees:	17	14,907
Transactions per Day:	1,338	1,201,524
Total Sales:	\$4,578,460	\$4,111,457,080
Merchandise Sales:	\$ 908,366	\$ 815,712,668
Food Service Sales:	\$ 211,525	\$ 189,949,450
Total Motor Fuel Sales:	\$3,458,569	\$3,105,794,962
Total Motor Fuel Gallons:	1,038,609	932,670,882
Total Credit Card Expense:	\$ 74,981	\$ 67,332,938
Total Utilities Expense:	\$ 41,436	\$ 37,209,528
Total Labor Expense:	\$ 255,408	\$ 229,356,384
Pre-Tax Profit:	\$ 68,404	\$ 61,426,792