

## **Superfund Enhancement Act of 2018 authored by Rep. Nydia M. Velázquez (NY-7)**

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### **Need for Legislation**

From 1980-1995, the federal government imposed taxes on oil and chemical companies for the cleanup trust fund, which reached its peak of \$3.8 billion in 1996. Congress did not renew the taxes after they expired in 1995, and the fund ran out of money by the end of fiscal year 2003. Since then, the federal government has appropriated public dollars each year to pay for “orphaned sites” (those without responsible parties to pay for cleanup) which account for 606 of the 1,279 Superfund sites across the nation. This has slowed many cleanups: according to EPA, the program completed 19 sites in 2010, compared with 89 in 1999.

Congresswoman Velazquez’ legislation, the *Superfund Enhancement Act of 2018*, would reinstate the “Superfund Tax” and replenish the fund up to \$3.5 billion. This massive increase in funding for the program will expedite the cleanup process on orphaned sites.

Additionally, the legislation would assist small businesses forced to relocate from a Superfund site with a tax deduction of up to \$10,000 for moving expenses and costs, and make them eligible for SBA Disaster and Economic Injury loans.

### **Bill Section by Section**

#### **Section 1. Short Title: Superfund Enhancement Act of 2017**

#### **Section 2. RENEWAL OF SUPERFUND FINANCING RATE**

Under this section, the so called “Superfund Tax” that was repealed in 1995 will be reinstated. The federal government financed cleanups of “orphaned sites” with this tax on the chemical and oil industries. (This tax expired in 1995 due to pressure from the chemical and oil lobbies.)

#### **Section 3. DEDUCTION FOR EXPENSES IN CONNECTION WITH MOVING FROM A SITE LISTED ON NATIONAL PRIORITIES LIST**

Under this section, a small business may be able to deduct “Expenses in Connection with Moving from a Superfund Site Listed on the National Priorities List” on their taxes. This deduction is a maximum of \$10,000 and the definition of a “small business” is as defined in the *Small Business Act*.

#### **Section 4. DISASTER LOANS TO SMALL BUSINESS CONCERNS FOR RELOCATION FROM A SUPERFUND SITE**

Under this section, the Administrator of the Small Business Administration (SBA) will carry out a pilot program, appropriating \$10,000,000 for fiscal years 2019 through 2023, that will provide direct loans to eligible small businesses that have been forced to move due to their location on a Superfund site.

#### **Section 5. ELIGIBILITY FOR ECONOMIC INJURY LOANS**

Under this section, eligibility is outlined for this loan program to institutions at or near a designated Superfund site.

## Help Small Business Owners and Co-Sponsor the *Superfund Enhancement Act of 2018*

Dear Colleague,

Please join me and support legislation that provides relief for tenants and small business owners who have been displaced due to their location on, or adjacent to, an Environmental Protection Agency (EPA) designated Superfund site.

A Superfund site is any land in the United States that has been contaminated by hazardous waste and identified by the EPA as a candidate for cleanup because of its risk to human health and the environment. These sites are placed on the National Priorities List (NPL) - the NPL is the list of the known releases or threatened releases of hazardous substances, pollutants, or contaminants throughout the United States and its territories.

In the event that a clean-up project is required by the EPA, businesses located on or adjacent to a Superfund site may be required to move. Whether the move is temporary or permanent, the displaced business owners can face several undue hardships; federal aid related to moving a small business can fall short of full reimbursement, and fails to account for intangible “expenses” to the business, such as loss of a local, loyal customer base.

Restoration of Superfund sites are covered under the [\*Comprehensive Environmental Response, Compensation and Liability Act of 1980\*](#); this legislation empowered the EPA to force polluters to clean up toxic sites they had created. It also addressed the problem of "orphaned sites," which make up approximately half of the almost 1,300 toxic locations across the United States. Additionally, the federal government financed cleanups of orphaned sites with a tax on the chemical and oil industries- this tax expired in 1995 due to pressure from the chemical and oil lobbies.

My legislation, the *Superfund Enhancement Act of 2018*, would reinstate the aforementioned tax and create a loan through the Small Business Administration (SBA) Disaster Loan Program specifically for relocation from a Superfund, or other environmentally unsafe site. This legislation would also create a tax deduction for those forced to relocate their business when it lies on or directly adjacent to a Superfund site.

The issue of small business displacement is especially important in urban areas like New York City, whose small institutions are the lifeblood of the local economy and are built on neighborhood identity- which means that moving across town can essentially mean becoming a new business altogether. I believe it is imperative that we ensure an equitable relocation solution for any small business forced to move due to their unfortunate location.

This common sense legislation creates additional coverage for business owners who are displaced through no fault of their own. These hardworking individuals should not be made to suffer the consequences of mistakes made by those who occupied their property long before them. Please join me in financially assisting small business owners by ensuring they are protected from displacement.

If you have any questions or would like to co-sponsor this important legislation, please contact Jacob Hochberg on my staff at [Jacob.Hochberg@mail.house.gov](mailto:Jacob.Hochberg@mail.house.gov). Thank you for your consideration.

Sincerely,

Nydia M. Velázquez  
Member of Congress

# **H.R. \_\_\_\_\_, Superfund Enhancement Act of 2017**

**Authored by Rep. Nydia M. Velázquez (NY-7)**

**Staff Point of Contact**

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