

MAINE STATE LEGISLATURE

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L.D. 2105

DATE: *March 5, 1998*

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NATURAL RESOURCES

Reported by:

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**STATE OF MAINE
SENATE
118TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 778, L.D. 2105, Bill, "An Act to Reduce Groundwater Contamination from Leaking Oil Storage Tanks"

Amend the bill in section 2 in paragraph L in the last line (page 3, line 9 in L.D.) by striking out the following: "r; and" and inserting in its place the following: 'r;'

Further amend the bill by striking out everything after section 2 and before the emergency clause and inserting in its place the following:

Sec. 3. 38 MRSA §569-A, sub-§8, ¶¶M and N are enacted to read:

M. Sums up to \$250,000 annually in fiscal years 1998-99 and 1999-2000 only, to retrofit, repair or replace aboveground oil storage tanks or facilities when the commissioner determines that action necessary to abate an imminent threat to a groundwater restoration project, a public water supply or a sensitive geologic area, including coastal islands and peninsulas. Money may not be disbursed from the fund for the purposes of this paragraph until the department has presented a plan for such disbursements to the Fund Insurance Review Board; and

N. Sums up to \$750,000 annually in fiscal years 1998-99 and 1999-2000 only, to distribute to community action agencies as defined in Title 22, section 5321 to be used for loans and grants to retrofit, repair or replace aboveground oil storage tanks and associated piping at single-family residences. Money may not be disbursed from the fund for the purposes of this paragraph until the department has presented a plan for such disbursements to the Fund

Insurance Review Board. A community action agency shall administer the funds in accordance with program operating standards, including the allocation formula established by the Maine State Housing Authority for its weatherization program.

Sec. 4. Transfer of funds; Maine State Housing Authority. On or before October 1, 1998, the Maine State Housing Authority shall transfer to the Department of Environmental Protection for deposit in the Ground Water Oil Clean-up Fund the undistributed balance of any funds previously transferred to the Maine State Housing Authority under the Maine Revised Statutes, Title 38, former section 569 and section 569-A.

Sec. 5. Report. On or before January 15, 2000, the Fund Insurance Review Board shall report to the joint standing committee of the Legislature having jurisdiction over natural resources matters on the disbursement of funds from the Ground Water Oil Clean-up Fund pursuant to the Maine Revised Statutes, Title 38, section 569-A, subsection 8, paragraphs M and N. In preparing the report, the Fund Insurance Review Board shall consult with the Department of Environmental Protection, the Office of the State Fire Marshal, the Oil and Solid Fuel Board, community action agencies and other interested parties. The report must include the following:

1. Information on the general condition of aboveground oil storage tanks and facilities in Maine;
2. The amount of money disbursed from the Ground Water Oil Clean-up Fund to retrofit, repair or replace aboveground oil storage tanks, and the number and location of those tanks; and
3. A recommendation as to whether the law should be amended to allow further disbursements from the Ground Water Oil Clean-up Fund for retrofitting, repairing or replacing aboveground oil storage tanks and facilities.

Sec. 6. Allocation. The following funds are allocated from Other Special Revenue funds to carry out the purposes of this Act.

1998-99

**ENVIRONMENTAL PROTECTION, DEPARTMENT OF
Remediation and Waste Management**

All Other \$1,000,000

Provides an additional allocation for the Ground Water Oil Clean-up Fund to cover the

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additional costs of retrofitting, repairing
or replacing certain aboveground oil storage
tanks and facilities.'

Further amend the bill by inserting at the end before the
summary the following:

FISCAL NOTE

1998-99

APPROPRIATIONS/ALLOCATIONS

Other Funds \$1,000,000

REVENUES

Other Funds \$2,000,000

This bill authorizes additional expenditures of up to
\$1,000,000 annually in fiscal years 1998-99 and 1999-2000 from
the Ground Water Oil Clean-up Fund which is administered by the
Department of Environmental Protection. An additional Other
Special Revenue allocation of \$1,000,000 is included to authorize
expenditures in fiscal year 1998-99 for the additional costs of
retrofitting, repairing or replacing certain aboveground oil
storage tanks and facilities.

The transfer of certain non-state administered funds from
the Maine State Housing Authority to the Ground Water Oil
Clean-up Fund will result in a one-time increase of approximately
\$2,000,000 in dedicated revenues to the fund in fiscal year
1998-99 to provide funding for the fiscal year 1998-99 and fiscal
year 1999-2000 expenditures authorized by this bill.

The additional costs associated with reporting to the
Legislature can be absorbed by the Fund Insurance Review Board
utilizing existing budgeted resources.'

SUMMARY

This amendment authorizes the disbursement of \$250,000 from
the Ground Water Oil Clean-up Fund during fiscal years 1998-99
and 1999-2000 for retrofitting, repairing or replacing
aboveground oil storage tanks and facilities and \$750,000 during
fiscal years 1998-99 and 1999-2000 for distribution to community
action agencies for grants and loans to retrofit, repair or
replace aboveground oil storage tanks at single-family

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residences. The amendment eliminates from the bill the requirement that the Commissioner of Environmental Protection seek reimbursement for such expenditures from the fund.

The amendment also requires the Maine State Housing Authority to transfer to the Department of Environmental Protection, by October 1, 1998, the undistributed balance of funds previously transferred to the authority from the Ground Water Oil Clean-up Fund.

The amendment also requires the Fund Insurance Review Board to report to the joint standing committee of the Legislature having jurisdiction over natural resources matters by January 15, 2000 on the disbursement of funds from the Ground Water Oil Clean-up Fund for the purpose of retrofitting, repairing or replacing aboveground oil storage tanks and facilities, and to recommend whether the law should be amended to allow further disbursements for those purposes.

The amendment also adds an allocation section and a fiscal note to the bill.