

MAINE STATE LEGISLATURE

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R. S.

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NATURAL RESOURCES

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STATE OF MAINE
SENATE
119TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 927, L.D. 2377, Bill, "An Act to Prevent Contamination from Home Heating Oil Tanks"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

Sec. 1. 38 MRSA §569-A, sub-§8, ¶M, as enacted by PL 1997, c. 613, §3, is amended to read:

M. Sums up to \$250,000 annually in fiscal years 1998-99 and 1999-2000 only and up to \$500,000 annually thereafter, 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 available under this paragraph may be disbursed by the department to pay reasonable costs actually incurred by municipalities in assisting the department in taking actions under this paragraph. Money available under this paragraph may also be used by the department to fund educational efforts that encourage the retrofit, repair or replacement of aboveground oil storage tanks or facilities. 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, Money may not be disbursed from the fund under this paragraph:

COMMITTEE AMENDMENT

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(1) After fiscal year 1999-2000 until the department has adopted a written policy establishing:

(a) Criteria for determining those instances when funds should be disbursed under this paragraph, including criteria for determining what constitutes a sensitive geologic area;

(b) Guidelines that ensure that money disbursed from the fund under this paragraph will be used in the most cost-effective manner, considering the likelihood of actual contamination of water supplies absent action taken pursuant to this paragraph, the costs of remediation of such contamination and the possibility that the owner of an aboveground oil storage tank or facility would retrofit, repair or replace the tank at the owner's own expense; and

(c) Guidelines for payments to municipalities for reasonable administrative costs actually incurred by municipalities in assisting the department in taking actions under this paragraph; and

(2) After February 2, 2003 until the department has adopted a written policy that:

(a) Establishes a means test for eligibility for disbursements from the fund;

(b) Establishes a deductible that is adjusted according to the financial means of the person receiving a disbursement; and

(c) Limits eligibility to residents of this State.

Prior to adopting any written policy pursuant to subparagraph (1) or (2), the department shall present for comment a draft policy to the Fund Insurance Review Board. The Fund Insurance Review Board shall provide to the department written comments on the draft policy; and

Sec. 2. 38 MRSA §569-A, sub-§8, ¶N, as amended by PL 1999, c. 278, §3, is further amended to read:

N. Sums up to \$1,250,000 annually during the 2-year period commencing July 1, 1998 and ending June 30, 2000 and up to \$2,000,000 annually thereafter to distribute to community action agencies as defined in Title 22, section 5321 for loans and grants to retrofit, repair or replace aboveground

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2 and underground oil storage tanks and associated piping at
3 single-family residences. Money may not be disbursed from
4 the fund for the purposes of this paragraph until the
5 department has presented a plan for such disbursements to
6 the Fund Insurance Review Board. A community action agency
7 shall administer the funds in accordance with program
8 operating standards, including the allocation formula
9 established by the Maine State Housing Authority for its
10 weatherization program. Sums available under this paragraph
11 may be disbursed by the department to pay reasonable costs
12 actually incurred by a community action agency in providing
13 services pursuant to this paragraph. Money may not be
14 disbursed from the fund under this paragraph after June 30,
15 2000 until the department has adopted a written policy
16 establishing guidelines for payments to community action
17 agencies for reasonable administrative costs actually
18 incurred by community action agencies in providing services
19 pursuant to this paragraph. Prior to adopting any written
20 policy pursuant to this paragraph, the department shall
21 present for comment a draft policy to the Fund Insurance
22 Review Board. The Fund Insurance Review Board shall provide
23 to the department written comments on the draft policy.

24 **Sec. 3. Report.** The Department of Environmental Protection
25 shall report to the joint standing committee of the Legislature
26 having jurisdiction over natural resources matters by January 1,
27 2002 on the following:

28 1. Educational efforts undertaken pursuant to the Maine
29 Revised Statutes, Title 38, section 569-A, subsection 8,
30 paragraph M;

31 2. The department's evaluation of the appropriateness of
32 Title 38, section 569-A, subsection 8, paragraph M, subparagraph
33 (2) and how the use of a means test may impact the overall cost
34 effectiveness of retrofitting, repairing or replacing aboveground
35 oil storage tanks or facilities pursuant to paragraph M; and

36 3. The department's evaluation of the cost effectiveness of
37 establishing a loan or loan guarantee program to assist persons
38 in retrofitting, repairing or replacing home oil storage tanks
39 and associated piping.'

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

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48 **FISCAL NOTE**

49 Beginning in fiscal year 2000-01, this bill allows up to
50 \$2,500,000 to be disbursed annually from the Ground Water Oil
51 Clean-up Fund within the Department of Environmental Protection

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2 to pay for the replacement of certain substandard home heating
tanks and related costs. Allowing the fund to continue to be
4 used for this purpose may result in a net savings to the fund
from the avoidance of more costly clean-up efforts from
substandard tanks. The amounts of any future savings can not be
6 determined at this time.

8 The Department of Environmental Protection may incur some
minor additional costs to provide an accounting of the
10 expenditures of the Ground Water Oil Clean-up Fund, to develop a
written reimbursement policy and to submit a required report to
12 the Legislature. These costs can be absorbed within the
department's existing budgeted resources.

14 The additional costs associated with reviewing and
16 commenting on any written policy drafted by the Department of
Environmental Protection associated with substandard home heating
18 tanks can be absorbed by the Fund Insurance Review Board
utilizing existing budgeted resources.'

22 **SUMMARY**

24 This amendment replaces the bill. This amendment:

26 1. Extends the oil storage tank repair and replacement
program funded from the Ground Water Oil Clean-up Fund;

28 2. Increases funding to \$500,000 annually to retrofit,
30 repair or replace tanks in order to abate an imminent threat to a
groundwater restoration project, a public water supply or a
32 sensitive geologic area, including coastal islands and peninsulas
and provides that:

34 A. No money may be spent after fiscal year 1999-2000 until
36 a written policy is adopted establishing criteria for
disbursements of funds, guidelines that ensure the money
38 will be used in the most cost-effective manner and
guidelines for reimbursing cooperating municipalities for
40 administrative costs; and

42 B. No money may be spent after February 2, 2003 until a
written policy is adopted that establishes a means test for
44 eligibility for disbursements and a deductible and that
limits eligibility to Maine residents;

46 3. Increases funding to \$2,000,000 annually for grants to
48 retrofit, repair or replace aboveground and underground oil
storage tanks and associated piping at single-family residences
50 provided that no money may be disbursed after June 30, 2000 until

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2 a written policy is adopted establishing guidelines for payments
to community action agencies for their administrative costs in
administering the funds; and

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6 4. Requires the Department of Environmental Protection to
report by January 1, 2002 to the joint standing committee of the
Legislature having jurisdiction over natural resources matters on
8 various aspects of the programs.