

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND EIGHTEENTH LEGISLATURE

SECOND REGULAR SESSION
January 7, 1998 to March 31, 1998

SECOND SPECIAL SESSION
April 1, 1998 to April 9, 1998

THE GENERAL EFFECTIVE DATE FOR
SECOND REGULAR SESSION
NON-EMERGENCY LAWS IS
JUNE 30, 1998

SECOND SPECIAL SESSION
NON-EMERGENCY LAWS IS
JULY 9, 1998

PUBLISHED BY THE REVISOR OF STATUTES
IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 163-A, SUBSECTION 4.

J.S. McCarthy Company
Augusta, Maine
1997

Emergency clause. In view of the emergency cited in the preamble, this Act takes effect when approved.

Effective March 23, 1998.

CHAPTER 613

S.P. 778 - L.D. 2105

An Act to Reduce Groundwater Contamination from Leaking Oil Storage Tanks

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, leaks and spills from aboveground oil storage facilities are reported to the Department of Environmental Protection at a rate of one per day; and

Whereas, these leaks and spills often adversely affect public health by contaminating drinking water supplies and polluting indoor air; and

Whereas, clean-up costs for these leaks and spills average \$19,000 per incident; and

Whereas, these clean-up costs are paid from the Ground Water Oil Clean-up Fund and the number of claims against the fund for cleanup from home heating oil tanks has doubled since 1993; and

Whereas, fund expenditures for oil cleanup could be reduced by using the fund to pay for tank improvements that prevent leaks and spills; and

Whereas, statutory authorization is needed to disburse money from the fund for such pollution prevention measures; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 10 MRSA §1023-D, sub-§3, as repealed and replaced by PL 1993, c. 601, §2, is amended to read:

3. Application of fund. Money in the fund may be applied to carry out any power of the authority under this section or under or in connection with section 1026-F, including, but not limited to, to pledge or transfer and deposit money in the fund as security

for and to apply money in the fund in payment of principal, interest and other amounts due on insured loans. Money in the fund may be used for direct loans or grants for all or part of underground oil storage facility replacement projects, underground oil storage tank replacement projects, aboveground oil storage tank or facility construction or replacement projects or gasoline service station vapor control or petroleum liquids transfer vapor recovery projects as described in paragraph A when the authority determines that:

A. One or more of the following circumstances exists:

(1) The underground oil storage facility or tank is leaking or has been identified by the Department of Environmental Protection as posing an environmental threat, or removal is required by applicable law;

(2) The applicant is required to install equipment related to the improvement of air quality pursuant to requirements for gasoline service station vapor control and petroleum liquids transfer vapor recovery; or

(3) The applicant is constructing, replacing or renovating a tank or facility used for the aboveground storage of oil and the work is supervised by a state-registered professional engineer with training and experience in aboveground oil storage facility installation;

B. The applicant, if the applicant is not a unit of local government, demonstrates financial need for the assistance; and

C. If the assistance includes a loan, there is a reasonable likelihood that the applicant will be able to repay the loan.

Applicants demonstrating the requirement to install equipment related to the improvement of air quality pursuant to section 1026-F and who own fewer than 15 service stations, and who are not able to repay a loan, are eligible to receive no more than \$35,000 per service station in grants for the payment of expenses relating to the installation of this equipment.

The authority, pursuant to Title 5, chapter 375, subchapter II, shall adopt rules for determining eligibility, feasibility, terms, conditions and security for the loans and grants. In the case of loans, the authority may charge an interest rate that may be as low as 0% and may be greater, depending on the financial ability of the applicant to pay as determined by the authority, up to a maximum of the prime rate of interest charged by major ~~Boston~~ New York banks. The maximum the authority may loan or grant to any

one borrower, including related entities as determined by the authority, is \$600,000. Loans or grants for the purposes listed in paragraph A, subparagraph (3) may not exceed \$1,000,000 in a 12-month period. Money in the fund not needed currently to meet the obligations of the authority as provided in this section may be invested as permitted by law.

Sec. 2. 38 MRSA §569-A, sub-§8, ¶¶K and L, as enacted by PL 1993, c. 363, §14 and affected by §21, are amended to read:

K. All costs associated with the Fund Insurance Review Board; ~~and~~

L. Costs incurred by the Office of the State Fire Marshal to implement the duties assigned to the State Fire Marshal in this chapter; ~~;~~

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
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Provides an additional allocation for the Ground Water Oil Clean-up Fund to cover the additional costs of retrofitting, repairing or replacing certain aboveground oil storage tanks and facilities.

Emergency clause. In view of the emergency cited in the preamble, this Act takes effect when approved.

Effective March 23, 1998.
