

House Research Act Summary

CHAPTER: 203

SESSION: 1999 Regular Session

TOPIC: Modification of Petroleum Clean-up and Redevelopment Account Grant Requirements

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Overview

This act modifies requirements for the following:

the contamination cleanup grant program administered by the Department of Trade and Economic Development (DTED);

the redevelopment grant program administered by DTED;

the petroleum tank release cleanup program;

closure and upgrade of underground storage tanks located on farms; and

above-ground storage tanks and parking by above-ground storage tanks.

The specific changes are set forth below.

Section

- 1 Permitted expenditures.** Eliminates the requirement that petroleum cleanup grants be used only for cleanup costs attributable to petroleum contamination. Instead, the act permits the use of the grants for all project costs if a portion of the costs are for cleanup attributable to petroleum contamination. Also, this act permits use of the grants for contamination investigation if there is a reasonable basis to suspect the contamination is attributable to petroleum. Provides that the annual appropriation to the program does not cancel.
- 2 Reimbursement reductions for state rule violations.** Provides that the petroleum tank release cleanup fund board may reduce the amount of reimbursement for failure to comply with specific

state rules regarding leak detection, corrosion protection, spill and overflow protection, and operation of a tank without a containment structure. Currently, the law provides that a violation of a state or federal rule relating to operation or the condition of the tank that causes or fails to mitigate a release can be the basis of a reduction in reimbursement. Requires the Board to consider, among other things, documentation of noncompliance submitted by the PCA when considering a reduction.

- 3 Aboveground storage tanks.** Defines "bulk plant" as an aboveground or underground petroleum storage facility with a capacity between 1,100 and 1 million gallons. Allows reimbursements of 90 percent of reasonable costs actually incurred for upgrade or closure of bulk plants after June 1, 1998, and before November 1, 2003 to comply with Minnesota Rules, chapter 7151, subject to a maximum reimbursement of \$10,000 per plant.
- 4 Response action plan exemption.** Provides that a response action plan is not a requirement for receiving a brownfield cleanup grant where the grant is used to fill a redevelopment site in certain areas.
- 5 Redevelopment costs.** Includes stabilizing unstable soils when infill is required as part of redevelopment costs for purposes of DTED redevelopment grant program.
- 6 Sale of land after redevelopment.** Allows sale of land for which redevelopment grants were provided at less than fair market value if the commissioner determines that such a sale does not result in a subsidy to a private business or developer. Provides that sale and repayment provisions do not apply to lands which remain publicly owned whether funded with bond or nonbond funds. Provides that costs paid with a redevelopment grant are subtracted when calculating "net sales proceeds."
- 7 Petroleum storage tank marking.** Requires operators of retail and bulk petroleum storage facility tanks to affix a metal identification tag on the fill pipe of each storage tank at the retail or bulk storage facility. Provides specific requirements for construction and installation of the tag, as well as requirements with regard to product identification.
- 8 Aboveground tank rules and parking by aboveground tanks.** Provides that any rule of the public safety department adopting portions of the Uniform Fire Code relating to aboveground tanks is superceded by certain PCA aboveground tank rules. Authorizes a vehicle used to transport fuel from a bulk oil tank to be parked within 500 feet of a residence if it is parked at a bulk oil facility.
- 9 Underground storage tanks on farms.** Prohibits the imposition of penalties under state law for violations by owners and operators of underground storage tanks on farms before December 22, 2000 of the state rules regarding closure and upgrade of underground storage tanks.
- 10 Effective date.** Provides that sections 1 to 6 and 9 are effective the day following final enactment. Provides that section 7 is effective June 1, 2000.