

HOUSE RESEARCH

Bill Summary

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Overview

This bill modifies requirements for three separate programs:

First, the contamination clean-up grant program, administered by the department of trade and economic development ("DTED") and funded by the petroleum tank release cleanup fee, is currently available only for cleanup costs attributable to petroleum contamination. This bill would make those grants available for all project costs at a qualifying site if a portion of the costs are attributable to petroleum contamination and for the costs of contamination investigation, if there is a reasonable basis to suspect the contamination is attributable to petroleum.

Second, in the petroleum tank release cleanup program, administered by the petroleum tank release cleanup board, this bill specifies that a violation of certain state rules governing tanks can be a basis for a reduction in reimbursement. Also in this program, the bill adds closure and upgrading of bulk aboveground and underground storage tanks to comply with Minnesota Rules, chapter 7151, as reimbursable expenses.

Third, the bill makes several modifications in the law governing the redevelopment grant program which was established in 1998 and is administered by DTED.

The bill also prohibits penalties under state law for failure to close or upgrade an underground storage tank located on a farm before December 22, 2000 and appropriates funds for the cleanup of the Maxson Steel site in St. Paul.

1 Permitted expenditures. Eliminates the requirement that petroleum cleanup grants be used only for cleanup costs attributable to petroleum contamination. Instead, the bill permits the use of the grants for all project costs if a portion of the costs are for cleanup attributable to petroleum contamination. Also

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 Redevelopment costs.** Includes stabilizing unstable soils when infill is required as part of redevelopment costs for purposes of DTED redevelopment grant program.
- 5 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."
- 6 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.
- 7 Underground storage tanks on farms.** Prohibits the imposition of penalties under state law for violations before December 22, 2000 by owners and operators of underground storage tanks on farms of the state rules regarding closure and upgrade of underground storage tanks.
- 8 Appropriation.** Appropriates \$4.5 million from the general fund in fiscal year 2000 to the commissioner of finance for a grant to the Port Authority of the City of St. Paul for site acquisition and cleanup of the Maxson Steel site in St. Paul, and for other related purposes. Provides that the appropriation is contingent upon the City of St. Paul committing at least \$1 million for the redevelopment of housing on property adjacent to the Maxson Steel site.
- 9 Effective date.** Provides that sections 1 to 7 are effective the day following final enactment.