

SENATE CS FOR CS FOR HOUSE BILL NO. 432(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 4/20/00

Referred: Rules

Sponsor(s): HOUSE RESOURCES COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act extending the termination date of the Board of Storage Tank Assistance;
2 expanding the authority of the board to issue recommendations concerning cleanup
3 decisions; relating to the eligibility of certain nonprofit entities for financial
4 assistance under the tank cleanup grant program and the tank upgrading and
5 closure program; and providing for an effective date."

6 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

7 * **Section 1.** AS 44.66.010(a)(18) is amended to read:

8 (18) Board of Storage Tank Assistance (AS 46.03.360) -- June 30, **2001**
9 [1999];

10 * **Sec. 2.** AS 46.03.420(c) is amended to read:

11 (c) An owner or operator of an underground petroleum storage tank system is
12 not eligible for a grant or loan under this section for activities related to a release
13 unless the release occurs before December 22, 1993, and the owner or operator

1 (1) establishes the following to the department's reasonable satisfaction:

2 (A) the owner or operator reported the release to the department
3 in compliance with state and federal law before July 1, 1994, for a release that
4 the owner or operator establishes first occurred on or after September 5, 1990,
5 and before December 22, 1993;

6 (B) the owner or operator promptly reported the release to the
7 department in compliance with applicable regulations;

8 (C) the tank or tank system from which the release occurred
9 was installed before December 22, 1988;

10 (D) the owner and operator have, within six months after
11 September 5, 1990, been in compliance with all state and federal laws
12 applicable to underground petroleum storage tank systems and releases from
13 them, including notification and registration laws, but excluding financial
14 responsibility requirements;

15 (E) the release was not a result of the owner's or operator's
16 gross negligence, recklessness, or intentional conduct;

17 (2) agrees to

18 (A) upgrade all underground petroleum storage tanks located at
19 the facility from which the release occurred to the standards set by state and
20 federal regulations according to a time line established by the department;
21 notwithstanding (g) of this section and AS 46.03.365(c), the department may
22 require upgrading under this subparagraph that is required earlier than that
23 required under federal law; or

24 (B) remove and properly dispose of all liquids and sludges from
25 the underground petroleum storage tanks located at the facility from which the
26 release occurred, conduct a site assessment, and either fill the tanks with inert
27 solid material or properly dismantle, remove, and dispose of the tanks in
28 accordance with applicable state and federal regulations;

29 (3) agrees to submit a plan for risk assessment, containment, corrective
30 action, and cleanup to the department for its review and approval; if the department
31 and the owner or operator cannot reach agreement on a plan, [OR] on later changes

1 in the plan, **or on a cleanup decision**, the owner or operator may apply to the board
 2 to review the dispute; the board may issue a recommendation to the department in a
 3 dispute brought to it under this paragraph; **the recommendation may include a**
 4 **suggested time limit for completing appropriate cleanup activities or reaching a**
 5 **cleanup decision**; and

6 (4) certifies under oath and subject to penalty for perjury, on a form
 7 required by the department, that the tangible net worth of the operator is \$1,000,000
 8 or less as of July 1, 1999, and, unless the tank is owned by the state, [OR] a
 9 municipality, **or an entity that has qualified for nonprofit status under**
 10 **Sec. 501(c)(3) of the Internal Revenue Code (26 U.S.C. 501(c)(3))**, that the net worth
 11 of the owner is \$1,000,000 or less as of July 1, 1999.

12 * **Sec. 3.** AS 46.03.422(a) is amended to read:

13 (a) The commissioner may make a loan from the storage tank assistance fund
 14 to an owner or operator of an underground petroleum storage tank system for the costs
 15 of risk assessment, containment, corrective action, and cleanup resulting from a release
 16 of petroleum from or associated with an underground petroleum storage tank system
 17 if the owner or operator submitted a timely application for a grant under AS 46.03.420
 18 and agrees

19 (1) to accept a loan in the same or lesser amount instead of a grant for
 20 the same project;

21 (2) to provide additional security or collateral for the loan if requested
 22 by the department;

23 (3) either to

24 (A) upgrade all underground petroleum storage tanks located at
 25 the facility from which the release occurred to the standards set by state and
 26 federal regulations according to a time line established by the department; or

27 (B) remove and properly dispose of all liquids and sludges from
 28 the underground petroleum storage tanks located at the facility from which the
 29 release occurred, conduct a site assessment, and either fill the tanks with inert
 30 solid material or properly dismantle, remove, and dispose of the tanks in
 31 accordance with applicable state and federal regulations; and

(4) to submit a plan for risk assessment, containment, corrective action, and cleanup to the department for its review and approval; if the department and the owner or operator cannot reach agreement on a plan, [OR] on later changes in the plan, or on a cleanup decision, the owner or operator may apply to the board to review the dispute; the board may issue a recommendation to the department in a dispute brought to it under this paragraph; the recommendation may include a suggested time limit for completing appropriate cleanup activities or reaching a cleanup decision.

* **Sec. 4.** AS 46.03.430(c) is amended to read:

(c) A grant may not be awarded under this section

(1) for upgrading or closure activities that do not meet the requirements of state and federal law;

(2) unless the owner or operator certifies under oath and subject to penalty for perjury, on a form required by the department, that the tangible net worth of the operator is \$250,000 or less as of July 1, 1999 and, unless the tank is owned by the state, [OR] a municipality, or an entity that has qualified for nonprofit status under Sec. 501(c)(3) of the Internal Revenue Code (26 U.S.C. 501(c)(3)), that the net worth of the owner is \$250,000 or less as of July 1, 1999;

(3) if the grant, when combined with a grant to the same owner or operator under AS 46.03.420, exceeds \$250,000; or

(4) if the grant, when combined with grants and loans to the same owner or operator under AS 46.03.420 and 46.03.422, exceeds \$500,000.

* **Sec. 5.** This Act takes effect immediately under AS 01.10.070(c).