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HOUSE COMMITTEE REPORT

(5)

Date Referred: April 13, 1989

FURTHER REFERRALS: FINANCE

Date of Committee Action: 4/18/89

The COMMUNITY & REGIONAL AFFAIRS Committee considers: CSSB 256(C&RA)

CS FOR SENATE BILL NO. 256 (C&RA)

[REIMBURSEMENT FOR COSTS/HAZARDOUS SUB.]

"An Act relating to reimbursement for costs incurred and recovery of money expended as a result of a released hazardous substance; and providing for an effective date."

RECOMMENDATIONS:

- [] be replaced with _____ [] the same title
- [] have attached amendment(s) [] a new title
- [] do pass
- [] do not pass
- [] no recommendation
- [] individual recommendations
- [] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s):
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- [] fiscal impact _____
- [] zero fiscal note _____
- [] zero with analysis _____

- [] fiscal note(s) _____
- [] zero fiscal note(s) Environmental Conservation
- [] zero fn/analysis _____

SIGNING DO PASS:

Eileen P. McLean

SIGNING:

(Check approp. column)

Do Not Pass No Rec Amend

	Do Not Pass	No Rec	Amend
<u>Richard J. Gage</u>		X	
<u>Cheri Davis</u>		X	

Eileen P. McLean
Chairman's Signature



Alaska State Legislature

House of Representatives
Community & Regional Affairs

TABLE OF CONTENTS

SENATE BILL 256

- ITEM 1: Sponsor Memo
- ITEM 2: 0 Fiscal Note - Department of Environmental Conservation
- ITEM 3: Position Paper - Department of Environmental Conservation
- ITEM 4: SB 256



Alaska State Legislature

Senator Mike Szymanski

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Juneau, Alaska 99811
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MEMORANDUM

TO: Representative Eileen Maclean, Chairperson
House Community and Regional Affairs Committee

FROM: *Mike Szymanski* Senator Mike Szymanski

RE: *Mike Szymanski* Senate Bill 256

The purpose of this legislation is to clarify the authority given the Commissioner of the Department of Environmental Conservation to enter into agreements with municipalities. This clarification is necessary in order to allow the DEC to provide reimbursements from the oil and hazardous substance fund to municipalities for expenses related to oil containment and cleanup activities.

Under current law (AS 46.08.070[c]), the DEC Commissioner must first enter into an agreement with a municipality before any payments can be made from the oil and hazardous substance fund. SB 256 will amend current statute by allowing the Commissioner to reimburse communities for expenses dating from March 24, 1989.

Senate District E

Mat-Su • So. Anchorage • Bird/Indian • Cirdwood • Whittier • Nikiski • Cooper Landing • Hope • Seward • Cordova • Valdez

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Environmental Conservation
 Title: An Act relating to reimbursement to persons and municipalities for costs incurred as a result of a released hazardous substance BRU: 10
 Sponsor: Senator Szymanski sub: _____ Components: _____
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS: None

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Mark Thorson File #: 765-2621
 Division: Administrative Services Date: 4/5/89
 Approved by Commission: Mark O. Thorson for 2004 Date: 4/5/89
 Agency: Environmental Conservation /

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPT. OF ENVIRONMENTAL CONSERVATION

OFFICE OF THE COMMISSIONER
PO BOX O, JUNEAU, ALASKA 99811-1800

(907) 465-2600

April 4, 1989

Senator Mike Szymanski
Alaska State Senate
PO Box V
Juneau, AK 99811

Dear Senator Szymanski:

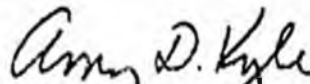
I am writing to state our support for the intent of SB 256. This bill would allow the Department to reimburse the City of Seward for legitimate expenditures for response to the oil spill in Prince William Sound.

At present, the oil and hazardous substance fund may be used for reimbursement to a municipality only if the Department has signed an agreement with the municipality before the expenditure is made. In this case, the City of Seward made expenditures to prepare to keep product away from sensitive areas before an agreement could be signed with the Department.

The Department believes that the City should not be precluded from reimbursement for these expenses simply because an agreement had not been signed. The expenditures will be reviewed by the Department according to procedures established for all municipalities participating in this response. Expenditures will be submitted for payment by EXXON before state funds are used.

Please let me know if there are any additional questions.

Sincerely,



Amy D. Kyle
Deputy Commissioner



Alaska Environmental Lobby, Inc.

P.O. Box 22151 Juneau, Alaska 99802

907-586-2345

AEL ISSUE PAPER-SB 256: REIMBURSEMENT FOR COSTS INCURRED AS A RESULT OF OIL/HAZARDOUS SUBSTANCE RELEASE

The Alaska Environmental Lobby supports the Senate Community And Regional Affairs CS for SB 256. It is absolutely necessary that the money spent on the Prince William Sound cleanup by the Department of Environmental Conservation, municipalities, and other entities be recovered from the responsible parties.

The Exxon Valdez oil spill disaster has had tragic consequences for the environment and the communities of Prince William Sound, and beyond. This crisis required an immediate, emergency response. **Substantial costs have been incurred both by DEC and the communities of Prince William Sound in this large-scale cleanup and containment effort.** It is essential that this money be recovered from those responsible for this grave environmental, social, and economic catastrophe.

The Alaska Environmental Lobby commends the Senate in this effort to create a framework for containment and clean up expenditure reimbursement. With this assurance of reimbursement, local entities and municipalities will be more likely to participate in future oil and hazardous substance release prevention and cleanup.

Karen Brewster
April 11, 1989

ALASKA CENTER FOR THE ENVIRONMENT • ALASKA CHAPTER SIERRA CLUB • JUNEAU GROUP SIERRA CLUB • SITKA GROUP SIERRA CLUB
KNIK GROUP SIERRA CLUB • DENALI GROUP SIERRA CLUB • ANCHORAGE AUDUBON SOCIETY • ARCTIC AUDUBON SOCIETY
DENALI CITIZENS' COUNCIL • ALASKA FRIENDS OF THE EARTH • JUNEAU AUDUBON SOCIETY • KACHEMAK BAY CONSERVATION SOCIETY
KENAI PENINSULA AUDUBON SOCIETY • KODIAK AUDUBON SOCIETY • LYNN CANAL CONSERVATION • ALASKA WILDLIFE ALLIANCE
SITKA CONSERVATION SOCIETY • NORTHERN ALASKA ENVIRONMENTAL CENTER • SOUTHEAST ALASKA CONSERVATION COUNCIL
KNIK KANOERS AND KAYAKERS