

HB

275

STATE OF ALASKA  
House of Representatives  
District 27

Representative Cliff Davidson  
Chairman  
House Resources Committee

Box V, Juneau, AK 99811  
(907) 465-2487  
Box 746, Kodiak, AK 99615  
(907) 486-8250

TO: House Resources Committee Members

FROM: Representative Cliff Davidson, Chair  
House Resources Committee

DATE: 2 May 1991

SUBJECT: House Bill 275 - Municipal Reimbursement for Cleanup of  
Oil Spill and Other Hazardous Substances Discharges

Although most spills are not as dramatic as that of the Exxon Valdez, our municipal governments are increasingly being required to respond to accidents involving oil and other hazardous substances. Municipal governments are willing and able to respond to these environmental disasters, but frequently lack the financial resources to absorb the increased costs.

Under Alaska law, responsible spillers ultimately pays the costs associated with oil and hazardous substance discharges. Until they do, those costs are borne by local (as well as the state) governments. HB 275 will allow municipal governments access to the Oil and Hazardous Substance Response Release Fund (470 Fund) to help offset the immediate and near-term increased costs of spill response.

Legislation similar to House Bill 275 was introduced in the 16th Legislature but died before a final vote could be taken on the last night. The current bill is very similar to that legislation.

This legislation was originally proposed by the communities that were impacted by the spill of the Exxon Valdez, but I believe that all municipalities will benefit from this legislation.

House Bill 275 will give municipalities the statutory tools and financial resources to respond rapidly and effectively to increased social costs associated with discharges of oil and other hazardous substances. This legislation will benefit the health and welfare of Alaskan citizens as well as the environment.

I thank you for your favorable consideration.

# STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

- P.O. BOX B  
JUNEAU, ALASKA 99811-2100  
PHONE: (907) 465-4700
- 949 E-36TH AVENUE, SUITE 400  
ANCHORAGE, ALASKA 99508-4302  
PHONE: (907) 563-1073

May 8, 1991

JOINT DEPARTMENTAL POSITION PAPER  
DEPARTMENTS OF  
COMMUNITY AND REGIONAL AFFAIRS  
AND  
ENVIRONMENTAL CONSERVATION

RE: Committee Substitute for House Bill 275

SPONSORS: Representatives Davidson and Kubina

The Departments of Community and Regional Affairs and Environmental Conservation support the passage of CS HB 275. We have worked together and with other interested parties to resolve any concerns we might have had with prior versions of this legislation. We are now comfortable the bill will accomplish its intent without further modification.

*Ed. 13274-2*

Edgar Blatchford, Commissioner  
Community & Regional Affairs

*John M. Sandor*  
John M. Sandor, Commissioner  
Environmental Conservation

STATE OF ALASKA  
House of Representatives  
District 27

Representative Cliff Davidson  
Chairman  
House Resources Committee



Box V, Juneau, AK 99811  
(907) 465-2487  
Box 746, Kodiak, AK 99615  
(907) 486-8250

TO: Representative Jerry Mackie, Chair  
House Community and Regional Affairs Committee

FROM: Representative Cliff Davidson

DATE: 17 April 1991

SUBJECT: Scheduling HB 275 - Municipal Assistance for Oil Spills

House Bill 275 was recently referred to your committee. I would like to request a hearing at your earliest convenience.

After the Exxon Valdez oil spill, the affected communities faced massive social and economic problems with limited financial resources. Legislation was introduced in the 16th Alaska Legislature to allow access to emergency funds through the "Oil Spill Response Fund," (the 470 Fund). That bill failed to advance to 3rd reading on the last night of the session in 1990.

House Bill 275 is very similar to last year's legislation. Again, I would appreciate an early hearing.

STATE OF ALASKA  
House of Representatives  
District 27

Representative Cliff Davidson  
Chairman  
House Resources Committee



Box V, Juneau, AK 99811  
(907) 465-2487  
Box 746, Kodiak, AK 99615  
(907) 486-8250

TO: Representative Jerry Mackie, Chair  
House Community & Regional Affairs Committee

FROM: Representative Cliff Davidson

DATE: 24 April 1991

SUBJECT: House Bill 275 - Municipal Reimbursement for Cleanup of  
Oil Spill and Other Hazardous Substances Discharges

Although most spills are not as dramatic as that of the Exxon Valdez, our municipal governments are increasingly being required to respond to accidents involving oil and other hazardous substances. Municipal governments are willing and able to respond to these environmental disasters, but frequently lack the financial resources to absorb the increased costs.

Under Alaska law, the spiller ultimately pays the costs associated with oil and hazardous substance discharges. Until they do, those costs are borne by local (as well as the state) governments. HB 275 will allow municipal governments access to the Oil and Hazardous Substance Response Release Fund (470 Fund) to help offset the immediate and increased costs of spill response.

Legislation similar to House Bill 275 was introduced in the 16th Legislature but died before a final vote could be taken. The current bill is very similar to that legislation.

This legislation was originally proposed by the communities that were impacted by the spill of the Exxon Valdez, but I believe that all municipalities will benefit from this legislation.

House Bill 275 will give municipalities the statutory tools and financial resources to respond rapidly and effectively to discharges of oil and other hazardous substances. This legislation will benefit the health and welfare of Alaskan citizens as well as the environment.

I thank you for your favorable consideration.

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. HB 275

Revision Date: \_\_\_\_\_ Department Affected: DEC  
 Title: Recovery of damages... state BRU: Environmental Quality  
assistance..for prevention & abatement of environmental degradation  
 Sponsor: Representative Davidson Component: EQ Projects  
 Requestor: \_\_\_\_\_

COMPONENT SERIAL NO. 

1	1	0	1	1	6
---	---	---	---	---	---

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME						
TEMPORARY						

Estimate of current year impact: NONE

ANALYSIS: (Attach a separate page if necessary.)  
 Under normal operating situations, DEC should need no additional resources to implement the legislation.  
 However, should a significant oil spill occur, approximately 2 additional positions may be necessary.

Prepared by: Janice Adair  
 Division: Commissioner's Office

Phone: 465-2600  
 Date: 4/15/91

Approved by Commissioner: *David Becher*  
 Agency: Department of Environmental Conservation

Date: 4/16/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).



217 Second Street, Suite 200 • Juneau, Alaska 99801 • Tel (907) 586-1325, Fax (907) 463-5480

## In Support of HB 275

The Alaska Municipal League seeks passage of legislation to establish a program to reimburse municipalities for cleanup of oil spills and discharges of other hazardous substances.

The *Exxon Valdez* oil spill, discharges of chemicals from railroad cars, trucks, and cruise ships, and a variety of other recent incidents involving the release of hazardous substances have emphasized the need for a quick response to cut down on the risk of extensive environmental damage. Municipalities near the release site often have the best chance to respond quickly and thus minimize the spread of the spill, the environmental damage done by it, and the ultimate cost to the state. However, local governments usually are not responsible or liable for such cleanups, nor do they have the budgets or resources to pay for them.

During the 1990 session, legislators considered and nearly passed SB 359, which would have given municipalities authority to undertake cleanups of hazardous substance spills within and near their jurisdictions and established a fund to reimburse them for the cost of such cleanups. The need for legislation that would guarantee full reimbursement for costs of municipal responses to oil and other hazardous materials spills and to authorize the state to advance money to a municipality to carry out an emergency first response has not lessened, and the Alaska Municipal League seeks passage of such a bill during 1991.

A number of changes in the statutes relating to oil spills and other hazardous substance discharges and to municipal powers will be required to reach the League's objective. These changes would:

- extend the authority of municipalities to exercise containment and cleanup of spilled oil and other hazardous substances if the spill occurs outside municipal boundaries. Unified, home rule, and first class boroughs already have such power, but all municipalities need it.
- establish a fund that could be readily accessible by municipalities and villages in the event of a hazardous spill. Grants could be made to meet extraordinary expenditures that are beyond the reasonable capability of the municipality or village to meet given their current revenue sources.