

SB

115

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: March 15, 2002

FURTHER REFERRALS:

Date of Committee Action: 5/1/02

The FINANCE Committee considered:

SB 115

SENATE BILL NO. 115

EXTEND BD. OF STORAGE TANK ASSISTANCE

"An Act extending the termination date of the Board of Storage Tank Assistance."

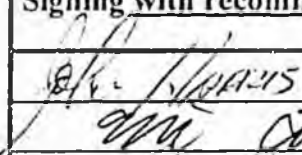
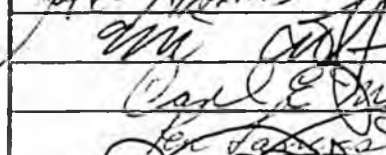
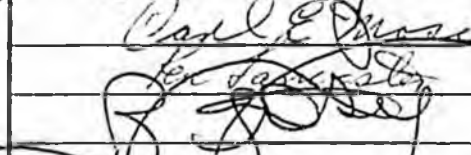
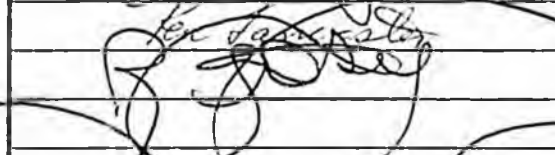
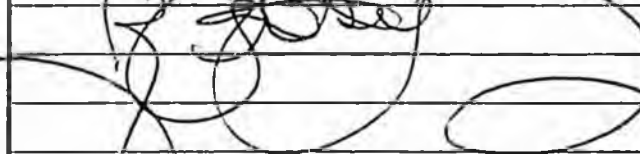
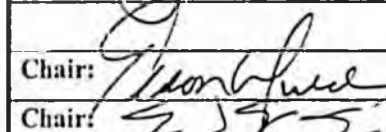
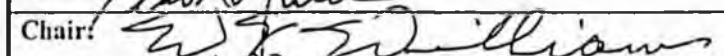
Recommends it be replaced with CS () [] Same Title [] New Title
 For Senate Bills with new title: [] Technical Title [] New Title: HCR _____

- [] attach amendments
- [] add new referral to _____ Committee
- [] Letter of Intent _____ Committee

List of Abbrev. for Depts.:
 ADM
 CED
 COR
 CRT
 EED
 DEC
 DFG
 GOV
 HISS
 LAA
 LAW
 LWF
 MVA
 DNR
 DPS
 REV
 DOT
 UA

<u>NEW FISCAL NOTES</u>				
*For Chief Clerk's Office Use Only				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
DEC	#2	✓		

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	HARRIS	✓			
	CROFT	✓			
	MOSES	✓			
	Lancaster	✓			
	FOSTER	X			
Chair: 	Mulder	✓			
Chair: 	Williams	✓			

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SB 115
(S) Publish Date: 2/6/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Environmental Conservation
Title An Act extending the Termination date BRU Spill Prevention and Response
of the Board of Storage Tank Assistance Component Contaminated Sites
Sponsor Senate Rules Committee
Requester Senate Finance Committee Component No. 2386

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel	11.2	11.2				
Contractual	40.2	40.2				
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	51.4	51.4	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1052 OHSRPR Prevention Account	51.4	51.4				
TOTAL	51.4	51.4	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Board Travel and Contractual Administrative Costs - Funding is provided through FY 02 for Board administrative costs. These costs have been continued into FY 03 and FY 04 as a result of the Board extension and wind down year.

Prepared by: Larry Dietrick Phone 465-5250
Division Spill Prevention and Response Date/Time 1/30/02 1:26 PM
Approved by: Kurt Fredriksson Date 1/30/02
Agency Department of Environmental Conservation

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Board of Storage Tank Assistance

clo Capitol Resolve
P.O. Box 240651, Douglas, AK 99824
(907) 364-2514 (Support Office)
(907) 364-2518 (Facsimile)
cresolve@gci.net

February 27, 2001

Honorable Gene Therriault
Chair, Legislative Budget and Audit Committee
State Capitol, Room 121
Juneau, Alaska 99801-1182

Subject: Support Letter for Senate Bill 115 "An Act extending the termination date of the Board of Storage Tank Assistance."

Dear Senator Therriault,

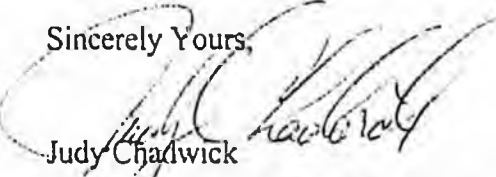
On behalf of the Board of Storage Tank Assistance, I would like to thank you and your fellow members of the Legislative Budget and Audit Committee for introducing Senate Bill 115 and allowing us to submit this letter of support.

The Board concurs with the findings and recommendations made by the Division of Legislative Audit in their Sunset Review of the Board of Storage Tank Assistance completed September 27, 2000 and fully supports extending the Board sunset date until June 30, 2003.

The changes resulting from the passage of SB 128 in 1999 have just recently been implemented and it is imperative that the Board be available to "fine-tune" the new regulations and most especially the new cleanup loan program. Our initial cleanup loans should be issued during this upcoming 2001 construction season with more loans expected during 2002 and 2003. The loans are not one-time loans to complete all necessary work, but are in fact phased loans issued over several years to underground storage tank owners and operators based on cleanup progress and remediation successes. We expect a number of misunderstandings and disputes to arise once the loans are issued. It will be important to tank owners and operators that the Board be available to assist in mediating those disputes over the next 3 years.

If you should require additional information, please do not hesitate to contact me at (907) 276-5617, or the Board's Executive Director, John Barnett, at (907) 364-2514.

Sincerely Yours,


Judy Chadwick
Chair, Board of Storage Tank Assistance



Board of Storage Tank Assistance

About the Board

- The Board is a seven-member board comprised of one Commissioner's designee and six citizens from the private sector.
- Board members serve without compensation and have one contracted employee.
- The Board is an appeal board that resolves disputes between the regulated community and the Department of Environmental Conservation thereby saving the state thousands of dollars in potential legal costs.
- The Board mediates disputes regarding eligibility for financial assistance, eligible costs, priority ranking positions and cleanup plans for sites with contamination resulting from leaking underground petroleum storage tanks.
- The Board also mediates cleanup decisions ("no further action" letters). Owners or operator may apply to the board to review cleanup decision disputes and the board may issue recommendations to the department, which may include suggested time limits for completing appropriate cleanup activities or reaching a cleanup decision.
- The Board provides technical and educational assistance to petroleum storage tank owners and operators throughout Alaska
- Limited annual funding requires applications for financial assistance grants and loans to be priority ranked annually using a Board scoring system that emphasizes imminent threats to public health. Additional criteria include proximity to alternate fuel, rural or urban location and other factors determined relevant by the Board.
- Only those owners and operators that have relatively small operations are eligible for financial assistance grants. Cleanup loans are currently available to all size operations.



Board of Storage Tank Assistance

c/o Capitol Resolve
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April 5, 2002

Representative Bill Williams
Co-Chair, House Finance Committee
State Capitol
Juneau, AK 99801

Subject: SB 115 and SB 153

Dear Representative Williams,

The Board of Storage Tank Assistance would like to request that SB 115 and SB 153 be scheduled for a hearing in House Finance as soon possible. The Board fully supports both SB 115 and SB 153 and urges their passage as soon as possible this session.

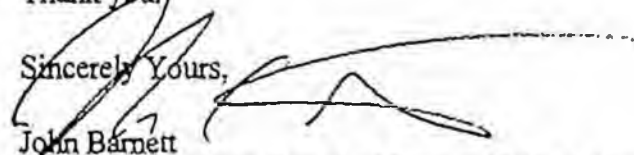
SB 153 converts the existing tank loan program to a revolving loan fund to hopefully ensure a self-sustaining fund in the future. Both the Board and the Alaska Underground Tank Owners and Operators Association support this bill.

SB115 extends the Board of Storage Tank Assistance 2 more years. The Board is currently in its sunset year and the Alaska Underground Tank Owners and Operators Association, the regulated underground storage tank community, and the Board members themselves are deeply concerned that the Board remains in place to act as a necessary buffer between the regulated community and the Department of Environmental Conservation. As an example, just a few months ago, a regulation was proposed by DEC that was clearly more stringent than the Federal Law that was entirely unacceptable to Alaska's tank owners. The Board, acting in it's role of providing regulatory oversight to DEC tank underground regulations, refused to approve the regulation, forcing DEC to change the language to be consistent with existing State Law, specifically the requirement that State underground tank regulations be no more stringent than Federal Law. Without the Board, DEC would have pluced an onerous burden on Alaska's underground storage tank owners and operators.

Your consideration of this matter would be greatly appreciated.

Thank you,

Sincerely Yours,


John Barnett

Executive Director, Board of Storage Tank Assistance

Alaska State Legislature

SENATOR
GENE THERRIAULT
Chair



SESSION ADDRESS
State Capitol
Juneau, Alaska 99801-1182
(907) 465-4797
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Legislative Budget and Audit Committee

Senate Bill 115 "An Act extending the termination date of the Board of Storage Tank Assistance."

Sponsor: Senate Rules Committee at the Request of the Legislative Budget and Audit Committee

Sponsor Statement

Under AS 46.03 360 the State Board of Storage Tank Assistance plays an integral role in promoting compliance throughout the State of Alaska with state and federal regulations related to installation and operation specifications for underground storage tanks as well as during the cleanup process when leaks and spills occur. By doing so, the Board is instrumental in safeguarding underground drinking water supplies from pollution and therefore protecting the public's health.

The Board membership is prescribed by statute and seats seven members. This particular board is charged with: (1) adopting regulations used by the Department of Environmental Conservation in determining which costs are eligible for financial assistance, (2) adopting regulations to be used by the Department to prioritize applications for financial assistance, (3) approving regulations specifying allowable technologies for testing, containment and cleanup, or corrective action prior to being adopted by the department, and (4) reviewing regulations proposed by the department that set a standard for the level of containment that is allowed to remain in soil or groundwater after cleanup of a release from or associated with an underground storage tank. The board has authority to settle disputes for financial assistance and may issue decisions that are binding on the owner, operator, and Department of Environmental Conservation. The board is also tasked with mediating disputes between owners, operators and the Department in regard to cleanup plans. In addition, the board may also hear disputes and grievances relating to delays or requirements associated with cleanup decisions (no further action letters) issued by the Department of Environmental Conservation.

The State Board of Storage Tank Assistance is set to expire June 30, 2001 under AS 44.66.010(18), Legislative Oversight. If the Legislature does not act to extend the Board, it would have one year, until June 30, 2002 to administratively conclude its affairs. Senate Bill 115 will extend the Board for two years to June 30, 2003.

INTERIM ADDRESS

119 N. Cushman Suite 101, Fairbanks, Alaska 99701 • (907) 488-0857 • Fax: (907) 488-4271