

**TESTIMONY OF  
DARIN T. HANSON  
HOMELAND SECURITY DIVISION DIRECTOR  
NORTH DAKOTA DEPARTMENT OF EMERGENCY SERVICES  
BEFORE THE  
ENERGY AND NATURAL RESOURCES COMMITTEE  
JANUARY 17, 2025  
SENATE BILL 2082**

Chairman Patten, Vice Chairman Kessel, and members of the committee; thank you for the opportunity to speak on this important matter today. My name is Darin Hanson, and I am the Homeland Security Division Director at the Department of Emergency Services. I am here today to ask that you support SB2082 which would allow the director of the Homeland Security Division at the Department of Emergency Services to set the fee charged for chemical storage in the state of North Dakota. This bill is important because it ensures that a sustainable funding model remains intact for local and state hazardous materials (HazMat) preparedness and response efforts.

ND Century Code 37-17.1-07.1 subsection 2c currently sets the fee for chemicals stored above federally designated thresholds at \$25 per chemical, capped at \$475. Those rates were set in 1991 and have not changed since. Due to inflation, changes in technology, and a significant increase of hazardous materials incidents; we believe the funding is now short of the original intent of the law. Adjusting for inflation alone from July 1, 1991, to July 1, 2024 would equate to a fee of \$57.73. Senate Bill 2082 aims to allow the adjustment of the fees up or down, in a structured manner, without necessitating a legislative intervention and by replicating the process used to set the State Radio fee for counties.

The intent of the bill is to give the authority of the Director to change the fee. A ceiling is still in place as well as a year of notice to make sure that input from industry and responders can be heard and weighed in the decision. We have changed this section of law sparingly in the past with the last change implementing late fees for late reporting and payment. In addition, this bill provides the authority for the director to assess a late fee to facilities that are otherwise exempt from paying the fee but not exempt from reporting. This is necessary to ensure compliance with reporting, as there is currently no repercussion for fee exempt facilities who fail to report.

Funding raised from fees is split between counties and the state. Half of this funding goes directly to the counties to help them prepare and respond to hazardous materials incidents within their jurisdictions. At the local level, spending priorities for the funds are determined by the Local Emergency Planning Committees (LEPC) and are not dictated by the state, so long as they are related to HazMat incident preparedness and response. By not increasing the fee to match inflation we have not kept up with the cost of equipment and training for these jurisdictions which increases the risk of a hazardous materials incident to communities. By increasing the fee, we will be able to better support our counties through increasing the amount of funding they get to prepare for and respond to hazardous materials.

At the state level, funds are used to operate and maintain a unified system for reporting chemical storage as well as HazMat releases. The unified system was a Governor's initiative in the Burgum administration to create a single location for industry and four state agencies to