

TESTIMONY OF

Duane Sandvick, Program Manager of the Petroleum Tank Release Compensation Fund

Good afternoon, Chairman Porter and members of the House Energy and Natural Resources Committee. My name is Duane Sandvick. I am the Program Manager of the Petroleum Tank Release Compensation Fund. The Fund is a program administered by the Department of Environmental Quality. I am here to testify in support of Senate Bill 2075.

The Department of Environmental Quality supports amending subsection 13 of section 23.1-12-02 and amending subdivision "a" of subsection 1 of section 23.1-12-18 of the North Dakota Century Code.

The amendment to subsection 13 of section 23.1-12-02 adds ethanol or biodiesel to the definition of "Tank" for an accumulation of products to be covered by the Fund. The wording in "o" was added to subsection 13 for terms that are not included in the meaning of "Tank". Line "o" states: A tank used to store ethanol or biodiesel for wholesale purposes with a capacity of greater than twenty thousand gallons [75708.24 liters].

The Department of Environmental Quality (department) supports amending subsection 1 of section 23.1-12-18 of the North Dakota Century Code, relating to corrective action reimbursement for petroleum releases. The current language gives the Petroleum Tank Release Compensation Fund little flexibility when considering claim reimbursement for petroleum releases at registered sites. Under the current state statute, the reimbursement claim filed by the site's owner must be denied if the site is not compliant with state and federal rules. The Petroleum Tank Release Compensation Fund would be required to deny a site's reimbursement claim even if the compliance issue was unrelated to the petroleum release.

The proposed amendment to subdivision "a" of subsection 1 of section 23.1-12-18 provides language stating the tank was in substantial compliance with all applicable rules of the United States environmental protection agency, the state fire marshal, and the department. Substantial compliance is determined by the department using three criteria considering: (1) the purposes of chapter 23.1-12, (2) the adverse effect that the violation of the rules may have had on the tank, thereby causing or contributing to the release, and (3) the extent of the remedial action required. The proposed amended subsection 1 would allow the Petroleum Tank Release Compensation Fund more latitude when accepting or denying the reimbursement claim filed by the site's owner.

Mr. Chairman and committee members, this concludes my testimony. I ask your support for Senate Bill 2075. I would be happy to answer any questions.