

**TESTIMONY OF
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NORTH DAKOTA DEPARTMENT OF EMERGENCY SERVICES
BEFORE THE
HOUSE ENERGY AND NATURAL RESOURCES COMMITTEE
MARCH 14, 2025
SENATE BILL 2082**

Chairman Porter, Vice Chairman Anderson, 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 accomplish three things. First, it 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. Second, it would increase the cap a facility could pay regardless of how many chemicals they store. Finally, the bill provides the same penalty to fee exempt facilities for late reporting as industry receives. 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 interact with each other. In addition, the system is the system of record for following up on past HazMat incidents and their remediation. That system has been paid for with grants and this fund to make sure that it was free for industry, counties, fire departments, and the four state agencies to use at no cost. Changes have been implemented and paid for through this fund to improve the system and continue to make it user friendly for all users. Without future increases we may have to charge for the use of the system or face reduced functionality of the system. Additionally, the chemical storage reporting fees fund the credit card processing fees for industry. A portion of the funding also fully funds two FTE positions in the state Hazardous Chemicals Preparedness and Response Program as well as partially funding positions in the agency proportionally to their HazMat response and preparedness duties. Finally, but also importantly, NDDDES would use the newly available funding as available to support state hazardous materials priorities such as regional HazMat response teams, equipment and capability gaps, or local initiatives that provide significant value to the state or region but exceed the local funding capacity. In the past, the State Homeland Security Grant Program provided funding to establish and maintain regional HazMat response capabilities at the local level; however, those grant programs have remained stagnant for several years and had a 10% cut in the previous year.

In conclusion, I urge this committee to pass this bill to allow for the director of the Homeland Security Division to set the fees charged for chemical storage in the state of North Dakota. This will allow for adequate funding to flow to the counties and local authorities dealing with the incidents that chemicals cause as well as allow the Hazardous Chemical section to continue to provide the support and systems they do at no additional costs to agencies or industry. Finally, this bill helps to ensure reporting compliance from fee-exempt facilities so that local first responders know what chemicals are stored in their communities.

Thank you again for the opportunity to be here and for the important work you are doing. I am happy to stand for questions.