

HF4190 - 0 - Petroleum Tank Release Cleanup

Chief Author: **Rick Hansen**
 Committee: **Environment And Natural Resources Finance And Policy**
 Date Completed: **3/17/2022 8:37:02 PM**
 Lead Agency: **Pollution Control Agency**
 Other Agencies:
 Commerce Dept

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
Commerce Dept						
Petroleum Tank Release Cleanup	-	-	20	-	-	-
Pollution Control Agency						
General Fund	-	-	30	-	-	-
Remediation Fund	-	-	-	-	-	-
State Total						
Petroleum Tank Release Cleanup	-	-	20	-	-	-
General Fund	-	-	30	-	-	-
Remediation Fund	-	-	-	-	-	-
	Total	-	-	50	-	-
	Biennial Total			50		-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Commerce Dept					
Petroleum Tank Release Cleanup	-	-	.13	-	-
Pollution Control Agency					
General Fund	-	-	-	-	-
Remediation Fund	-	-	1	-	-
	Total	-	-	1.13	-

Lead LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Jim Carlson **Date:** 3/17/2022 8:37:02 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2	Biennium			Biennium	
Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
Commerce Dept					
Petroleum Tank Release Cleanup	-	-	20	-	-
Pollution Control Agency					
General Fund	-	-	30	-	-
Remediation Fund	-	-	-	-	-
Total	-	-	50	-	-
Biennial Total			50		-
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Commerce Dept					
Petroleum Tank Release Cleanup	-	-	20	-	-
Pollution Control Agency					
General Fund	-	-	30	-	-
Remediation Fund					
Expenditures	-	-	133	-	-
Absorbed Costs	-	-	(133)	-	-
Total	-	-	50	-	-
Biennial Total			50		-
2 - Revenues, Transfers In*					
Commerce Dept					
Petroleum Tank Release Cleanup	-	-	-	-	-
Pollution Control Agency					
General Fund	-	-	-	-	-
Remediation Fund	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-

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 Agency: **Pollution Control Agency**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings) Dollars in Thousands	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	-	30	-	-
Remediation Fund	-	-	-	-	-
Total	-	-	30	-	-
Biennial Total			30		-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	-	-	-	-
Remediation Fund	-	-	1	-	-
Total	-	-	1	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Jim Carlson **Date:** 3/17/2022 8:36:22 PM
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State Cost (Savings) Calculation Details

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*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024	FY2025
General Fund		-	-	30	-	-
Remediation Fund		-	-	-	-	-
Total		-	-	30	-	-
Biennial Total				30		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund		-	-	30	-	-
Remediation Fund						
Expenditures		-	-	133	-	-
Absorbed Costs		-	-	(133)	-	-
Total		-	-	30	-	-
Biennial Total				30		-
2 - Revenues, Transfers In*						
General Fund		-	-	-	-	-
Remediation Fund		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

The bill requires the development of a petroleum tank release cleanup report to the legislature by January 15th, 2023. The report is specific to the cleanup program governed by Minnesota Statutes 115C and must be reported to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over environment policy and finance.

The report must include any recommendations for legislation and include the requirements in clauses (1) through (5):

- (1) Explicitly define the conditions present to classify a site as posing a low potential risk to public health and the environment, and ensure that all agency staff use the definition. The determination of conditions that indicate low risk must consider the biodegradable nature of the petroleum contaminants found at the site and the conditions at the site, including but not limited to groundwater flow, soil type, and proximity of features at or near the site that could become contaminated
- (2) Develop guidelines to incorporate consideration of future uses of a contaminated property into all agency staff decisions regarding site remediation
- (3) Develop measureable objectives that allow the quality of the agency’s performance in remediation petroleum-contaminated properties to be evaluated and conduct such evaluations periodically
- (4) In collaboration with the Petroleum Tank release Compensation Board, examine whether and how to establish technical qualifications for consultants to be hired to remediate petroleum-contaminated properties as a strategy to improve the quality of remediation work; and
- (5) In collaboration with the commissioner of commerce, make consultants who remediate petroleum-contaminated sites more accountable for the quality of their work by developing a formal system of measures and procedures to evaluate the work and sharing the evaluations with the commissioner of commerce and with responsible parties.

Assumptions

The agency assumed 2 staff working on the report/evaluations full-time will be needed for 6 months to complete this report. This equates to 1 FTE in the fiscal year.

The cost for any staff time at other agencies, such as the Department of Commerce are not included.

The timeline does not allow sufficient time to hire staff to complete the work. As a result, the agency assumes they will need to redirect existing staff to complete the work. This will result in site reviews not meeting the timeliness statutory requirement and/or special projects to be put on hold for the 6 month duration.

The agency assumes the use of a contractor to acquire information from other states' programs to help provide information for addressing the issues outlined in the report requirements.

Given the complexity and number of some of the tasks, the short turnaround may limit the ability to thoroughly address the issues and impact the quality of the recommendations.

Expenditure and/or Revenue Formula

Two staff, full time, for 6 months (2 x 0.5 FTE x 133,000) = \$133,000

An outside consultant would be hired to do data collection and background work of what other states are doing for a cost of approximately \$30,000.

*The annual cost of 1.0 FTE is \$133,000 in FY2021-2025. Annual costs for 1.0 FTE include salary, fringe, and non-specialized employee support costs (work space, computer and office supplies, office equipment, local travel, etc.)

Long-Term Fiscal Considerations

Implementation of items recommended in the resulting report are not included and may have additional cost.

Local Fiscal Impact

N/A

References/Sources

Staff familiar with this program area were consulted in the development of this fiscal note.

Agency Contact: Jamie Wallerstedt 651-757-2094

Agency Fiscal Note Coordinator Signature: John Allen

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Chief Author: **Rick Hansen**
 Committee: **Environment And Natural Resources Finance And Policy**
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 Agency: **Commerce Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

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State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
Petroleum Tank Release Cleanup	-	-	20	-	-	-
Total	-	-	20	-	-	-
Biennial Total			20			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Petroleum Tank Release Cleanup	-	-	.13	-	-
Total	-	-	.13	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Darren Sheets **Date:** 3/16/2022 3:44:55 PM
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State Cost (Savings) Calculation Details

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State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024	FY2025
Petroleum Tank Release Cleanup		-	-	20	-	-
Total		-	-	20	-	-
Biennial Total				20		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Petroleum Tank Release Cleanup		-	-	20	-	-
Total		-	-	20	-	-
Biennial Total				20		-
2 - Revenues, Transfers In*						
Petroleum Tank Release Cleanup		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

HF4190 requires the Minnesota Pollution Control Agency (MPCA) to perform five specific duties and submit a report of their findings to the Legislature by January 23, 2022. Two of the duties include collaborating with the Petrofund Board and Minnesota Department of Commerce (Commerce) on related items: determining whether and how to establish technical qualifications for environmental consultants hired to clean up petroleum-contaminated properties; and developing a formal system of measures and procedures for evaluating and reporting on the quality of environmental consultants' work that could be shared with contaminated property owners.

Assumptions

It is estimated that a total of .25 FTE of Petrofund staff engineer time, spread over six months, will be necessary to work with MPCA staff in evaluating the need for technical qualifications for environmental consultants and developing a system of evaluating and reporting on the quality of environmental consultants' work.

Expenditure and/or Revenue Formula

.25 FTE Petrofund staff engineer over six months

		FY23	FY24	FY25
Salary		12,061	0	0
Fringe		3,618	0	0
Other Personnel Related Costs		4,404	0	0
		20,083	0	0

Long-Term Fiscal Considerations

Implementation of items recommended in the resulting report are not included and may result in additional costs.

Local Fiscal Impact

References/Sources

Agency Contact:

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