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State of Minnesota HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH SESSION

HOUSE FILE NO. 3366

February 25, 2008

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The bill was read for the first time and referred to the Committee on Environment and Natural Resources

March 3, 2008

Committee Recommendation and Adoption of Report:

To Pass and re-referred to the Committee on Commerce and Labor

March 17, 2008

Committee Recommendation and Adoption of Report:

To Pass as Amended and re-referred to the Committee on Finance

April 7, 2008

Committee Recommendation and Adoption of Report:

To Pass as Amended and re-referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to environment; modifying Petrofund program; amending Minnesota
1.3 Statutes 2006, sections 115C.04, subdivision 3; 115C.09, subdivision 3h, by
1.4 adding a subdivision; repealing Minnesota Statutes 2006, section 115C.09,
1.5 subdivision 3j.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Minnesota Statutes 2006, section 115C.04, subdivision 3, is amended to read:

1.8 Subd. 3. Agency Cost recovery; subrogation. Reasonable and necessary expenses
1.9 incurred by the agency in taking a corrective action, including costs of investigating
1.10 a release, administrative and legal expenses, and reimbursement costs described in
1.11 subdivision 1, paragraph (b), may be recovered in a civil action in district court brought
1.12 by the attorney general board against a responsible person. The agency's certification of
1.13 expenses is prima facie evidence that the expenses are reasonable and necessary. If the
1.14 responsible person has petroleum tank leakage or spill insurance coverage that insures
1.15 against the liability provided in this section, the agency board is subrogated to the rights
1.16 of the responsible person with respect to that insurance coverage, to the extent of the
1.17 expenses incurred by the agency and described in this subdivision. The agency board
1.18 may request the attorney general to bring an action in district court against the insurer
1.19 to enforce this subrogation right. Expenses that are recovered under this section must
1.20 be deposited in the fund.

1.21 Sec. 2. Minnesota Statutes 2006, section 115C.09, subdivision 3h, is amended to read:

1.22 Subd. 3h. Reimbursement; aboveground tanks in bulk plants. (a) As used in
1.23 this subdivision, "bulk plant" means an aboveground or underground tank facility with a

2.1 storage capacity of more than 1,100 gallons but less than 1,000,000 gallons that is used to
2.2 dispense petroleum into cargo tanks for transportation and sale at another location.

2.3 ~~(b) Notwithstanding any other provision in this chapter and any rules adopted~~
2.4 ~~pursuant to this chapter, the board shall reimburse 90 percent of an applicant's cost for bulk~~
2.5 ~~plant upgrades or closures completed between June 1, 1998, and November 1, 2003, to~~
2.6 ~~comply with Minnesota Rules, chapter 7151, provided that the board determines the costs~~
2.7 ~~were incurred and reasonable. The reimbursement may not exceed \$10,000 per bulk plant.~~
2.8 ~~The board may provide reimbursement under this paragraph for work completed after~~
2.9 ~~November 1, 2003, if the work was contracted for prior to that date and was not completed~~
2.10 ~~by that date as a result of an unanticipated situation, provided that an application for~~
2.11 ~~reimbursement under this paragraph, which may be a renewal of an application previously~~
2.12 ~~denied, is submitted prior to December 31, 2005.~~

2.13 ~~(c)~~ For corrective action at a bulk plant located on what is or was railroad
2.14 right-of-way, the board shall reimburse 90 percent of total reimbursable costs on the first
2.15 \$40,000 of reimbursable costs and 100 percent of any remaining reimbursable costs when
2.16 the applicant can document that more than one bulk plant was operated on the same
2.17 section of right-of-way, as determined by the commissioner of commerce.

2.18 Sec. 3. Minnesota Statutes 2006, section 115C.09, is amended by adding a subdivision
2.19 to read:

2.20 Subd. 3k. **PVC piping at residential locations.** (a) The purpose of this subdivision
2.21 is to assist homeowners who have installed PVC fill piping as part of the heating oil
2.22 system at their residences, not knowing that heating oil has been shown to dissolve certain
2.23 types of glue used to hold PVC piping together. Replacement of the PVC piping with
2.24 metal piping is intended to avoid the catastrophic release of heating oil, as well as the
2.25 ensuing cleanup costs, that can occur at residences where the PVC piping fails.

2.26 (b) As used in this subdivision:

2.27 (1) "residential locations" means a storage tank and appurtenances for heating oil
2.28 that are used to heat a single-family residence; and

2.29 (2) "qualified person" means someone who is registered as a contractor under section
2.30 115C.11 and, as part of their trade or business, installs or repairs nonpressure piping,
2.31 heating systems, air conditioning systems, or storage tank systems.

2.32 (c) Notwithstanding any other provision of this chapter or any rules adopted
2.33 under this chapter, the board shall reimburse a qualified person 90 percent of the cost
2.34 for replacing PVC fill piping with metal piping at residential locations between May 1,
2.35 2008, and September 1, 2011, provided that the board determines the costs were incurred

3.1 and reasonable. The reimbursement may not exceed \$250 per residential location. The
3.2 maximum expenditure from the fund may not exceed \$1,500,000.

3.3 (d) A heating oil vendor is not a responsible person for a heating oil spill inside a
3.4 residential location if the spill was caused solely by the failure of a tank or appurtenance
3.5 to a tank owned by the homeowner.

3.6 Sec. 4. **REPEALER.**

3.7 Minnesota Statutes 2006, section 115C.09, subdivision 3j, is repealed.