



The State of New Hampshire
DEPARTMENT OF ENVIRONMENTAL SERVICES



Thomas S. Burack, Commissioner

Rep. D.L. Chris Christensen, Chairman

Oil Fund Disbursement Board

February 9, 2010

The Honorable Susan W. Almy, Chairman
House Ways and Means Committee
Room 202
Legislative Office Building
Concord, New Hampshire 03301

SUBJECT: HB 1293-FN, As Amended, Relative to the (Motor) Oil Discharge Cleanup Fund

Dear Chairman Almy:

Thank you for the opportunity to testify in support of House Bill 1293-FN, which repeals various provisions of Chapter Law that would discontinue the Motor Oil Discharge Cleanup (MOD) Fund. The MOD Fund was established in 1995 under RSA 146-F by Chapter 282, which provided for the prospective repeal of the fund on December 31, 1999. A copy of Chapter 282 is attached. The Legislature extended the repeal date to January 1, 2003, and extended it again to the present date of July 1, 2010. In recognition that there is a continuing need for the MOD Fund into the foreseeable future, House Bill 1293-FN would remove the repeal provisions.

The MOD Fund provides cleanup cost reimbursement for motor oil and waste oil storage facility owners, including the State and political subdivisions, and is one of four cleanup funds administered by the Oil Fund Disbursement Board (Board), with program support provided by the Department of Environmental Services (DES). At present, the MOD Fund supports 20 active motor oil/waste oil cleanup projects throughout New Hampshire. The fund also provides cleanup financial responsibility for the owners of 27 underground storage tank facilities as required under DES regulations, and is available to fund cleanups for the owners of 295 above ground storage facilities. Businesses benefiting from the fund include auto dealers, auto salvage yards, motor oil distributors, trucking companies, motor fuel retailers and various commercial entities that store motor oil. Local government entities benefiting from the fund include schools, public works departments, and numerous municipal waste oil collection centers. The MOD Fund also supports DES motor oil and waste oil storage facility compliance inspection and cleanup project management programs, and associated Department of Justice legal services.

MOD Fund revenues are derived from a \$0.04 per gallon import fee on motor oil paid by licensed distributors and collected by the Department of Safety. Fiscal Year 2009 revenues were \$262,000, expenses were \$159,000, and the FY 2009 balance was \$387,000. The balance provides contingency funds for motor oil storage facility owner financial responsibility and large cleanup projects. However, to prevent over-collection of import fees, if the fund balance reaches \$1,000,000, collections cease until the balance declines to \$600,000.

DES Web Site: www.des.nh.gov

P.O. Box 95, 29 Hazen Drive, Concord, New Hampshire 03302-0095

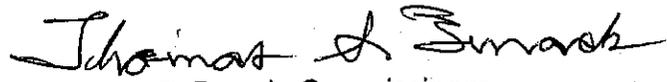
Telephone: (603) 271-2900 Fax: (603) 271-2456 TDD Access: Relay NH 1-800-735-2964

The Resources, Recreation and Development Committee amended the bill to include additional related Chapter Law provisions identified by Committee researchers that should also be repealed. The amendment did not change the purpose and intent of the bill, nor did it change the fiscal impact. However, the reference to 2008, 249:6 and 249:7 in the amended bill is not correct, because these provisions do not relate to the MOD Fund. Attached, is another proposed amendment from Committee researchers to change Chapter Law so it is technically correct.

Thank you for your careful consideration of this important bill. If you have questions, please contact Michael J. Wimsatt, P.G., Director of the Waste Management Division at (603) 271-2905 Michael.Wimsatt@des.nh.gov, or Timothy R. Denison at (603) 271-2570 Timothy.Denison@des.nh.gov. A detailed Board reimbursement fund program operating report is available.

Sincerely,

Rep. D.L. Chris Christensen, Chairman
Oil Fund Disbursement Board


Thomas S. Burack, Commissioner
Department of Environmental Services

Attachment

cc: Members of the Ways and Means Committee
Sen. Bette Lasky
Rep. Leigh Webb
Oil Fund Disbursement Board