

MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

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Director AMY CARLSON

DATE: March 13, 2024

TO: Senator Janet Ellis

FROM: Robert Miller, Legislative Fiscal Analyst

RE: Petroleum Storage Tank Cleanup Information Request

Senator Ellis

Here's the information you requested regarding the Petroleum Tank Cleanup State Special Revenue Account and data on current and previous cleanup efforts for our March 13 interim budget committee meeting.

The Petroleum Storage Tank Cleanup account serves to reimburse owners and operators for eligible expenses resulting from a release from a petroleum storage tank. Revenue primarily stems from taxes levied on the sale of gasoline, aviation fuels, heating oil, and other special fuels, set at a rate of 0.75 cents per gallon.

The primary function of the account is to settle claims arising from leaking storage tanks. Additionally, funds are allocated for personal services and operational costs to facilitate the administration of the fund by the board and the agency. Notably, during the 2017 special session of the legislature, \$1.0 million was transferred to the general fund in FY 2018.

The department and the board have provided the first two tables outlining details on current and previous petroleum tank cleanup projects. The final table, supplied by LFD, delineates revenues, expenditures, and ending fund balances within the Petroleum Tank Cleanup Fund State Special Revenue Account.

Number of Leaking Petroleum Tank Cleanup Sites by Fiscal Year

NOTE: Fiscal year information is from July 1 to June 30 (EXAMPLE: FY 2023 is from July 1, 2022 to June 30, 2023)

TREND INFORMATION

		FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
S	Number of open (unresolved) release sites (all categories)	857	874	890	916	948	966
PTC	Number of new release sites reported during Fiscal Year	31	30	37	32	28	29
l a	Number of open release sites resolved (closed) during Fiscal Year	38	47	53	58	60	47
DE	Number of Legacy Releases (1987-1999)	574	595	616	635	664	682
	Number of open release sites that applied to PTRCF for eligibility	15	18	14	20	13	14
	Number of open release sites determined to be eligible by PTRCF	9	10	13	19	11	9
	Number of open release sites determined to be ineligible by PTRCF*	1	4	1	0	0	0
۱.,	Number of open release sites with eligibility determination pending by						
RCF	PTRCF on last day of Fiscal Year	3	3	0	1	1	3
	Number of open release sites that did NOT apply to PTRCF for eligibility	211	210	220	227	241	269

^{*}Includes ineligible, withdrawn and suspended applications

Report as of: March 8, 2024

Current Open (Unresolved) Petroleum-Ta						CURF	RENT Eligibility	Status for P	С	CURRENT Funding from PTRCF					
Risk Priority		Brief Summary	Confirmed 1987-1999 & Unresolved	Confirmed 2000-2023 & Unresolved	Total Unresolved 3/8/2024	OPEN Releases determined Eligible for PTRCF	OPEN Releases determined Ineligible for PTRCF	Eligibility pending/ suspended/ withdrawn	OPEN Release with No Information on Eligibility*	Allocated funds for OPEN projects	Number of releases covered by allocated funds	Encumbered funds for OPEN projects	covered by		
Medium Priority High Priority	OPEN High-Priority Emergency Response 1.1	These releases are emergency responses and/or they pose an immediate or significant threat to human health or the environment. These releases are typically uncontrolled, not fully characterized, and often newly discovered.	0	1	1	1				51,388	1	25,419	1		
	OPEN High-Priority Remediation (Migrating LNAPL) 1.2	These releases must be fully investigated and all unknowns must be resolved before being placed in a remediation category. Releases in this category will have some known impact or immediate threat to a sensitive receptor, and have a migrating LNAPL plume.	3	0	3	3				-	•	-	-		
	OPEN High-Priority Remediation 1.3	These releases must be fully investigated. Releases in this category will have some known impact or immediate threat to a sensitive receptor, and have a migrating dissolved-phase petroleum plume.	8	3	11	11				411,203	4	260,969	4		
	OPEN High-Priority Characterization 1.4	These are typically new releases where risks to human health and the environment are unknown and nearby sensitive receptors are known but are not likely threatened. Releases in this category require characterization.	56	60	116	47	8	9	52	1,174,970	11	557,409	11		
	OPEN Medium- Priority Characterization 2.0	These releases have not been completely investigated but all sensitive receptors have been identified and are not contaminated or threatened. The release may have petroleum-contaminated soil or groundwater but there is no threat to sensitive receptors.	145	86	231	136	25	7	63	1,706,096	24	736,031	24		
	OPEN Medium- Priority Remediation 3.0	These releases have been investigated to the extent necessary to determine that there are no threats to sensitive receptors or that limited unknowns remain. Remediation may be active or additional work is needed.	122	51	173	141	23	1	8	5,085,201	50	2,430,150	50		
	Medium-Priority Remediation 3.3	Deferred Cleanup due to current lack of access to petroleum-contaminated media.	37	23	60	38	5		17	260,262	4	9,341	4		
Low Priority	OPEN Monitoring	These releases have been fully investigated and are undergoing long-term compliance monitoring following active remediation; or they meet the criteria for ground water management and are being remediated by monitored natural attenuation (MNA).	152	54	206	171	19	3	13	1,440,463	41	385,160	41		
	OPEN Pending Closure 5.0	These releases meet the criteria for closure as set forth in MT DEQ Petroleum Release Closure Guidance.	27	24	51	25	2	2	22	330,673	9	132,949	9		
	Sub-Totals for Re	leases Regulated by Petroleum Tank Cleanup Section (PTCS)	550	302	852	573	82	22	175	10,460,256	144	4,537,427	144		
ţ.	CPRS	DEQ's Cleanup, Protection, and Redevelopment Section (CPRS)	10	6	16		1		15						
Other: not PTCS	EPA	US Environmental Protection Agency	9	3	12	2	2		8						
<u>გ</u>	SSU	DEQ's State Superfund Section (SSU)	22	3	25	2	1		22						
		TOTAL Unresolved (open) Releases	591	314	905	577	86	22	220						
	RESOLVED PTRCF Eligibilty Status for Petroleum Tank Releases Resolved (closed) Releases confirmed 2000 - 2023					Eligible for PTRCF	Ineligible for PTRCF	Eligibility pending/ suspended/ withdrawn	No Eligibility Information	Allocated funds for resolved projects	Number of resolved releases using allocated funds	Encumbered funds for resolved projects	Number of resolved releases using encumbered funds		
						335	34	16	405						
		Resolved (closed) Releases confir	3,157	1,039	198	18	1,902								
		TOTAL Resolved (clo	3,947	1,374	232	34	2,307								
		TOTA	4,852	1,951	318	56	2,527								

^{*} Not applied for eligibility status or undetermined for other reasons

Acronyms used in this report (not appearing elsewhere):									
DEQ Montana Department of Environmental Quality									
LNAPL	Light non-aqueous phase liquids (LNAPLs) are organic liquids such as gasoline, diesel, and other petroleum hydrocarbon products that are that don't mix with water and are less dense								
MNA	Monitored natural attenuation (MNA) relies on naturally occurring and demonstrable processes in soil and groundwater which reduce the mass and concentration of contaminants.								
PTRCF	Petroleum Tank Release Compensation Fund								

Information compiled by: DEQ: *J. Shearer, PTCS* PTRCF:

Petroleum Tank Release Compensation Fund Income and Expenses														
Beginning fund Balance	!	\$4,743,918		\$3,802,732		\$4,130,402		\$4,084,374		\$2,836,782		\$4,007,480		\$2,071,513
INCOME		FY 2023		FY 2022		FY 2021		FY 2020		FY 2019		FY 2018		FY 2017
PTRCF														
Fees (petroleum products)	;	\$7,655,856		\$7,859,585		\$7,549,398		\$7,289,594		\$7,426,819		\$7,322,055		\$7,853,266
Board of Investment Income		211,244		4,684		8,171		75,862		85,499		51,496		28,953
Other		5,200	_	42,971	_	11,000	_	6,550						150,000
TOTAL INCOME	\$	7,872,300	\$	7,907,240	\$	7,568,569	\$	7,372,006	\$	7,512,318	\$	7,373,551	\$	8,032,219
EXPENSES		FY 2023		FY 2022		FY 2021		FY 2020		FY 2019		FY 2018		FY 2017
Personal Services														
DEQ (Waste Management & Remediation Div.)	\$	1,227,671	\$	1,165,717	\$	1,185,958	\$	1,173,931	\$	1,094,401	\$	1,109,336	\$	1,016,441
PTRCF		502,277		451,797	_	449,126	_	410,896	_	390,279		373,902	_	367,258
SUBTOTAL	\$	1,729,948	\$	1,617,514	\$	1,635,084	\$	1,584,827	\$	1,484,680	\$	1,483,238	\$	1,383,699
Operating Expenses														
DEQ	\$	410,578	\$	458,967	\$	909,590	\$	922,771	\$	369,215	\$	389,125	\$	380,721
PTRCF		168,277		169,102		173,663		170,262		197,042		130,479		139,971
Other		57,500		-		-		=		-		-		-
SUBTOTAL	\$	636,355	\$	628,069	\$	1,083,253	\$	1,093,033	\$	566,257	\$	519,604	\$	520,692
Benefits and Claims														
DEQ	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
PTRCF	_	4,476,755	_	4,672,191		5,171,061		4,547,666		4,178,274	_	5,519,705		4,160,807
SUBTOTAL	\$	4,476,755	\$	4,672,191	\$				\$	4,178,274	\$	5,519,705	\$	4,160,807
Transfer to General Fund		-		-		-		-		-		1,000,000		-
Transfer-out		-		-		-		-		-		-		-
DEQ		-		-		3,011		3,025		3,016		3,168		3,136
PTRCF		68,399		11,423		3,830		97,427		32,499		18,534		27,918
SUBTOTAL	\$	68,399	\$	11,423	\$	6,841	\$	100,452	\$	35,515	\$	1,021,702	\$	
Other														
DEQ	\$	-	\$	-	\$	-	\$	=	\$	-	\$	-	\$	-
PTRCF		19,571		36,857		-		-		-		-		-
SUBTOTAL	\$	19,571	\$		\$	-	\$	-	\$	=	\$	_	\$	=
TOTAL EXPENSES	\$	6,931,028	\$	6,966,054	\$	7,896,239	\$	7,325,978	\$	6,264,726	\$	8,544,249	\$	6,096,252
TOTAL REVENUE MINUS EXPENSES*	\$	941,272	\$	941,186	\$	(327,670)	\$	46,028	\$	1,247,592	\$1	(1,170,698)	\$	1,935,967
*NOTE: the closer to \$0, means the Income is clo						-								
End of FY PTRCF Balance	\$	5,685,190	\$	4,743,918	\$	3,802,732	\$	4,130,402	\$	4,084,374	\$	2,836,782	\$	4,007,480