



Maryland

Department of the Environment

Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor

Ben Grumbles, Secretary
Horacio Tablada, Deputy Secretary

February 16, 2018

The Honorable Mike V. Miller, Jr., President
Senate of Maryland
State House, H-107
Annapolis MD 21401-1991

The Honorable Michael E. Busch, Speaker
House of Delegates
State House, H-101
Annapolis MD 21401-1991

The Honorable Joan Carter Conway, Chair
Senate Education, Health and
Environmental Affairs Committee
Miller Senate Office Building
2 West Wing
11 Bladen Street
Annapolis MD 21401-1991

The Honorable Kumar P. Barve, Chair
Environment and Transportation Committee
House of Delegates
House Office Building, Room 251
6 Bladen Street
Annapolis MD 21401-1991

Dear President Miller, Speaker Busch, Chairs Conway and Barve:

As required in Section 4-708(b) of the Environment Article, Annotated Code of Maryland, I am enclosing a copy of the 2015 report on the Oil Contaminated Site Environmental Cleanup Fund.

If the Department can provide you with any additional information, please contact me or Ms. Hilary Miller, Director of the Land and Materials Administration, at 410-537-3304 or via email at hilary.miller@maryland.gov.

Sincerely,

Ben Grumbles
Secretary

Enclosures

cc: Sarah Albert, Department of Legislative Services, Mandated Report Specialist
Hilary Miller, Director, Land and Materials Administration



MARYLAND

Department of the Environment

**REPORT ON THE STATUS OF THE OIL
CONTAMINATED SITE ENVIRONMENTAL
CLEANUP FUND**

22ND ANNUAL REPORT

FISCAL YEAR 2015

Prepared for:

The Maryland General Assembly

Thomas V. Mike Miller, Jr., Senate President
Maryland General Assembly

Michael E. Busch, House Speaker
Maryland General Assembly

January 1, 2016



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I. INTRODUCTION

Section 4-708(b) of the Environment Article, Annotated Code of Maryland, requires the Maryland Department of the Environment (the Department) to provide to the Maryland General Assembly an annual report on the status of the Oil Contaminated Site Environmental Cleanup Fund (Reimbursement Fund).

The Department's Land Management Administration (LMA) is the agency responsible for regulating oil pollution control activities within Maryland. The Technical Services and Operations and Oil Control Programs, within LMA, coordinate those activities on a daily basis, including the implementation of this fund.

II. HISTORY

Oil Contaminated Site Environmental Cleanup Fund

The Maryland General Assembly, recognizing the need for the cleanup of sites contaminated by oil from leaking underground storage tanks (USTs), enacted the Reimbursement Fund, effective July 1, 1993 (Chapter 465, Acts 1993). The Reimbursement Fund was used until July 2000 to reimburse only owners or operators of USTs storing commercial motor fuels, used oil, or fuel for operating emergency generators for site remediation and cleanup costs incurred on or after October 1, 1993.

During the 1996 legislature, the Reimbursement Fund was amended and enacted as Chapter 532, Acts 1996. The statute provided a limit of \$125,000 per occurrence subject to deductibles that range from \$7,500 to \$20,000.

At the end of Fiscal Year 1999, a funding shortfall of approximately \$3,000,000 existed for applicants to the Reimbursement Fund. Chapter 604, Acts 2000 addressed the shortfall by providing additional resources for the Reimbursement Fund until July 1, 2005. Effective July 1, 2000, a fee of 1 cent per barrel was applied to oil at the first point of transfer in the State. The Department was authorized to use up to 8 percent of the revenue in the Reimbursement Fund during the fiscal year for the administration of the Reimbursement Fund.

Chapter 604, Acts 2000, also expanded the eligibility of the Reimbursement Fund to include owners of commercial USTs storing heating oil and owners of residential heating oil tanks. Owners of residential heating oil tanks were eligible for reimbursement of up to \$10,000, less a \$1,000 deductible, for certain site rehabilitation costs incurred after October 1, 2000. A minimum of 25 percent of the revenues collected from the per barrel fee was used for reimbursement of residential heating oil tank site rehabilitation costs.

III. PROGRAM ACTIVITIES

Legislation passed during the 2014 session of the General Assembly (Chapter 325, Acts of 2014) allowed the Department to begin accepting Residential Heating Oil Tank Site Cleanup Reimbursement Program applications beginning July 1, 2014 (FY 2015). Since the inception of the program in 1993 through June 2015, the Department approved 1,219 applications.

Applications Received, FY 2015	
Commercial	0
Residential	231
Total	231
Total Applications Received, inception through FY 2015	
Commercial	269
Residential	1,239
Total	1,508
Applications Approved, FY 2015	
	94
Applications Approved, inception through FY 2015	
	1,219

After a site has been approved, the applicant must keep track of the applicable deductible and submit all invoices and proof of payment to the Department once the deductible has been met. The Department subsequently reviews the invoices and authorizes the amount that should be reimbursed for the quarterly period, up to \$20,000, less a \$500 deductible.

IV. FINANCIAL STATEMENT

In FY 2015, the Department made reimbursements to 94 residential applicants in the amount of \$738,263.79.

In summary, the Department has reimbursed \$16,885,683.28 for commercial sites and \$7,135,164.09 for residential sites for a total of \$24,020,847.37 since the inception of the program in 1993 through June 30, 2015.

TABLE 1**Fund Financial Statement****FY 2015, July 1, 2014 – June 30, 2015**

Beginning Balance		\$630,572.31
FY 2015 Revenues		
Fee Revenue	\$173,940.42	
Legislative Budget	\$530,581.97	
Total		\$704,522.39
FY 2015 Expenditures		
Administrative Costs	\$59,145.10	
Reimbursements	\$738,263.79	
Other	\$1,050.00	
Total		-\$798,458.89
Open Applications Pending Reimbursement	\$525,318.88	
Total Open Allocations		-\$525,318.88
Available Balance		\$11,316.93

