

## MINNESOTA DEPARTMENT OF COMMERCE

November 29, 2000

Governor Jesse Ventura  
130 State Capitol  
St. Paul, MN 55155

Senator Bob Lessard, Chair  
Environment & Natural Resources Committee  
111 State Capitol  
St. Paul, MN 55155

Senator Jane Krentz, Chair  
Environment & Agriculture Budget Division  
235 State Capitol  
St. Paul, MN 55155

Paul Marinac  
Minnesota Office of the Revisor of Statutes  
700 State Office Building  
St. Paul, MN 55115

Representative Steve Sviggum  
Legislative Coordinating Commission  
463 State Office Building  
St. Paul, MN 55155

Representative Dennis Ozment, Chair  
Environment & Natural Resources Policy Committee  
479 State Office Building  
St. Paul, MN 55155

Representative Mark Holsten, Chair  
Environment & Natural Resources Finance Committee  
381 State Office Building  
St. Paul, MN 55155

RE: Annual Report on Obsolete, Unnecessary, or Duplicative Rules, as Required by  
Minnesota Statutes Section 14.05 Subdivision 5.

RECEIVED  
NOV 30 2000  
REVISOR OF STATUTES

Dear Governor Ventura, Members of the Legislature, and Mr. Marinac:

As you know, Minnesota Statutes, section 14.05, subdivision 5, states:

“By December 1 of each year, an agency must submit to the governor, the legislative coordinating commission, the policy and funding committees and divisions with jurisdiction over the agency, and the revisor of statutes, a list of any rules or portion of the rule that are obsolete, unnecessary, or duplicative of other state or federal statutes or rules. The list must also include an explanation of why the rule or portion of the rule is obsolete, unnecessary, or duplicative of other state or federal statutes or rules. By December 1, the agency must either report a timetable for repeal of the rule or portion of the rule, or must develop a bill for submission to the appropriate policy committee to repeal the obsolete, unnecessary, or duplicative rule. Such a bill must include proposed authorization to use the expedited procedures of section 14.389 to repeal or amend the obsolete, unnecessary, or duplicative rule. A report submitted under this subdivision must be signed by the person in the agency who is responsible for identifying and initiating repeal of obsolete rules. The report also must identify the status of any rules identified in the prior year’s report as obsolete, unnecessary, or duplicative. If none of an agency’s rules are obsolete, unnecessary, or duplicative, an agency’s December 1 report must state that conclusion.

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I have reviewed the rules that govern the Petrofund reimbursement process (Minn. Rules Chapter 2890) and have found them to be relevant and necessary. The need for cost containment rules was first identified by the Legislative Auditor in 1993, and it has not changed in the subsequent seven years.

On the other hand, the environment in which the Petrofund reimbursement program operates has changed since the current rules were enacted five years ago. As a result, the Petroleum Tank Release Compensation Board (Petro Board) recently determined that it would be in the best interests of the citizens of Minnesota and the regulated entities to amend its administrative rules. The Petro Board's rulemaking authority is outlined in Minn. Stat. §115C.07, subd. 3.

Although the current rules include a great deal of flexibility, the reimbursement process could become more user-friendly if rule amendments were enacted. Rule amendments would assist the Petrofund in keeping pace with the changes that have been made by the agency that regulates petroleum storage tank clean-ups, the Minnesota Pollution Control Agency (MPCA), and with the changes that have taken place in the petroleum tank investigation and clean-up market after the passage of the Environmental Protection Agency's (EPA) December 22, 1998 deadline for removing or closing underground storage tanks.

The Commissioner of Commerce, who provides staff to the Petro Board, has appointed an advisory committee to advise the Petro Board on drafting the rule amendments, and a "Request for Comment" was published in the state register on October 30, 2000. By early 2001, Petrofund staff hopes to have a draft of the rule amendments completed and available for further comment. Ultimately, it is the Petro Board's intention to have the proposed amendments adopted in rule by the fall of 2001.

If amendments to Minn. Rules Chapter 2890 are not adopted, the current reimbursement rules will be necessary to govern the program in the remaining years prior to the Petrofund sunset date of June 30, 2005.

If you have any questions regarding this report, please contact

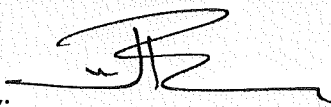
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Sincerely,

Gregory Cattoor, Chair  
Petroleum Tank Release Compensation Board

A handwritten signature in black ink, appearing to be 'JP', with a long horizontal flourish extending to the right.

By:  
James Pearson, Executive Director  
Petroleum Tank Release Compensation Fund  
651-296-2843