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TESTIMONY FOR AB 485 To the COMMITTEE ON NATURAL RESOURCES, AGRICULTURE and MINING BY THE NEVADA DIVISIN OF ENVIORNMENTAL PROTECTION

AB 485 - REVISING RELIEF FROM LIABILITY FOR CERTAIN PERSONS REGARDING CERTAIN REAL PROPERTY

April 7, 2003

Mr. Chairman, members of the committee, for the record, I am Allen Biaggi,
Administrator of the Division of Environmental Protection. With me is Doug
Zimmerman, Chief of the Division's Waste Management Bureau.

The Division is in support of AB 485.

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This bill is modeled after recent federal Brownfields legislation that was signed into law by the President on January 11, 2002. AB 485 will enhance the State's existing program for voluntary cleanup of hazardous substances and relief from liability program which was championed by Senator Titus and passed during the 1999 legislative session. For background, Brownfields are vacant or abandoned properties that are vacant or underutilized due to perceived or real contamination from past use. Examples of these types of properties included former automotive, railroad or light industrial sites. The main aspect of this bill is to provide incentives, in the form of liability protection, to Bona Fide Prospective Purchasers of these types of properties. The provisions would reduce the potential state and federal liability to these purchasers but would not change the liability for clean up placed on the polluter. By providing these incentives, we hope to encourage the clean up and reuse of these properties and reduce urban sprawl.

There are public health and environmental benefits since the purchasers must exercise appropriate care with respect to any contamination found at a site. AB 485 adds two new categories of landowners to our existing law. These are innocent purchasers and contiguous landowners. The bill provides liability protection for these individuals provided they did not cause or contribute to the contamination. The bill also provides for recovery by the State of a portion of cleanup costs if the State funded a cleanup effort at the property and that cleanup increased the value of the property.

We believe that this proposed legislation is consistent with current federal requirements, enhances the existing voluntary clean up program and provides additional regulatory tools to encourage the clean up of environmentally contaminated lands.

I also want to reference AB 74 that this committee heard earlier in the session and established a Brownfields revolving loan program. Both bills modify the same statute and are complimentary to one another.

If you have questions, Mr. Zimmerman and I will be happy to answer them.