

SPEAKER BARRETT: Senator Schmit, would you respond?

SENATOR ELMER: Senator Schmit, in the committee amendments has a change from the original bill, 3/10ths of one cent are assessed on motor fuels, just as the motor fuel tax is assessed now, while 1/10th of one cent is assessed on all refined petroleum products that are distributed in the state, do you have an estimate of how long it would take for the fund to reach the maximum of \$10 million with this type of an assessment on fuels?

SENATOR SCHMIT: This should raise between five and six million dollars per year, Senator, nearly as we could calculate.

SENATOR ELMER: Thank you, sir. It has also been a fear of individuals around the Legislature and in the Capitol that this type of a fund could turn out to be a second NDIGC fiasco, and since the way it is being funded and the various things that are in the bill, would you have any comment about that particular fear?

SENATOR SCHMIT: Yes, Senator, and I am glad you raised the point again because I am sure, although it has been mentioned earlier, I want to emphasize that this is not intended to be an insurance fund. This is titled a Release Remedial Action Act, and a fund that goes along with that same kind of designation, and we, of course, want to point out the fact that the individuals who pay the money into the fund who are charged with the cost of supplying the fund are not, in most instances, the people who will benefit from the fund. It is going to be taxed on at the jobber level and then, of course, the jobber will have to pass it on to the ultimate consumer, and if there are withdrawals from the fund, those withdrawals are made for the benefit of the tank...or the station operator. So I don't know how you could call it an insurance fund because the beneficiary is not the same individual who, in effect, pays the premium, and I don't even want to call it a premium because I don't want to give any inclination of it being an insurance fund. It is a fund which is built up by set-aside on the fuel and it is replenished in the same manner, but the beneficiaries of the fund are the tank owners and the reason, the thinking behind it has been that those of us in rural areas will probably be the beneficiaries ultimately because without this kind of ability to sustain the tanks...the stations in those areas, we may very well lose, as one person indicated here today, a large