

Harmful Substance Compensation Program

Property Damage Claims

This fact sheet is an overview of the Harmful Substance Compensation Program (HSCP). It explains how the HSCP can help homeowners get financial aid for property damage caused by harmful chemical substances. For a complete description of the rights and procedures that govern the HSCP, please see State Statutes [Minn. Stat. ch. 115B](#) and State Rules [Minn. R. ch. 7190](#).

What kind of property damage are you talking about?

Eligible property damage includes contaminated drinking water, soil or indoor air, caused by improperly disposed of or discharged chemical substances. The majority of claims are related to contaminated drinking water.

What costs can be reimbursed?

Costs up to a maximum of \$25,000.00 can be reimbursed.

- For contaminated drinking water claims:
 - If a water line is available on your street, you should connect your home to a municipal water supply. Then, after your home is connected, your well must be sealed. The HSCP will reimburse you for your costs associated with home connection and well sealing.
 - If a water line is not available on your street, you should install a whole-house water treatment system. Costs associated with this installation are reimbursable.
- For soil vapor intrusion claims:
 - Costs associated with installation of a vapor mitigation system are reimbursable.

What are the requirements?

- The claim must be for the homeowner's principal residence. Second homes, multi-tenant residential properties and other commercial properties are not eligible.
- The source of the contamination cannot be located at the person's property.
- Before incurring expenses, the homeowner must have received a well advisory issued by the Minnesota Department of Health, or a letter from the MPCA recommending alternate drinking water or installation of a vapor mitigation system.
- The claim must be filed within two years after total reimbursable costs are determined.
- All costs must be included on one claim.

Are other types of property damage eligible for reimbursement?

Yes, but they only apply to homeowners in specific hardship situations and special circumstances, such as:

- The sale of a home at less than the appraised market value. Compensation is limited to 75% of the difference in the appraised market value and the selling price.

- The increased cost of maintaining two residences, when a property cannot be sold due to contamination.

What else should I know?

- A claim cannot be filed by a person who has received compensation for property damage from the party responsible for the release of the harmful substance.
- A person cannot file a claim and bring an action in court for the same damage at the same time.
- If a person files a claim and is reimbursed, they cannot bring an action in court for the same damage.
- If a person has received a favorable court judgment, the person cannot file a claim unless the judgment was not paid.

For more information

Please call 651-296-6300 or 800-657-3864 and ask for the Harmful Substance Compensation Program staff.

Applications for Compensation for Property Damage are available on the MPCA's website at:

<https://www.pca.state.mn.us/air-water-land-climate/remediation-and-redevelopment>.