

HB 2257 -- PETROLEUM STORAGE TANK INSURANCE FUND

SPONSOR: Redmon

This bill makes changes to the administration of the Petroleum Storage Tank Insurance Fund and the requirements for certain members of the Board of Trustees.

To mitigate claims against the fund, the board may purchase third-party properties or engage contractors to repair or remediate properties. The board may also place liens on properties and assign fund benefits.

Currently, the fund expires on December 31, 2020. The bill extends the expiration date to December 31, 2030.

Currently, refinery sites, petroleum pipeline terminals and marine terminals are not eligible to participate in the fund. Owners and operators of airport hydrant systems are added to the list of sites not eligible to participate.

The board may provide defense in claims of third-party damage caused by leaking storage tanks covered by the fund beyond the limits currently specified in law and must specify the limits of the legal defense in its coverage documents and rules.

For claims of contamination released from either underground or aboveground storage tanks before December 31, 2007, the board will only provide money for costs incurred by December 31, 2020. For claims made after December 31, 2007, the board will only provide money for costs incurred on or before the tenth year from when the release was reported to the board.

The bill requires that if some or all of the money generated by the surcharge on each transport load of petroleum is used for purposes other than those allowed by law, all the moneys shall be fully repaid to the fund within one year plus interest at a specified rate.

Currently, the board does not charge a new registration fee for a tank covered by the fund when a change of ownership occurs. The bill would allow the board to charge a new registration fee after a change of ownership and would also require all new applicants to conduct a site assessment before participating in the fund, regardless of if the owner of the tank previously held insurance or other financial responsibility for the tank.