

HCS HB 2257 -- PETROLEUM STORAGE INSURANCE FUND

SPONSOR: Redmon

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Conservation and Natural Resources by a vote of 9 to 0. Voted "Do Pass" by the Rules- Administrative Oversight Committee by a vote of 12 to 0.

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.

From fiscal years 2020 through 2029, \$1.6 million from the Petroleum Storage Tank Insurance Fund will be deposited into the Underground Storage Tank Regulation Program Fund each year. If any of the funds are not spent in that fiscal year, the remaining money will be returned to the Petroleum Storage Tank Insurance Fund.

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.

PROPONENTS: Supporters say that the Petroleum Storage Tank Insurance Fund is one of the most successful and least known environmental programs in the state. The program helps clean up sites contaminated by faulty storage tanks and allows the properties to be used again. This bill would extend the sunset on the program in order for the fund to continue operating.

Testifying for the bill were Representative Redmon; Missouri Petroleum Marketers & Convenience Store Association; James Greer; Thomas G. Kolb; and the Missouri Petroleum Council.

OPPONENTS: Those who oppose the bill say that this bill would stop claims from being filed on properties that have not been cleaned up in a certain time frame. These properties would most likely be left vacant and contaminated rather than being used for a productive purpose. The bill would also exempt underground storage tanks from the One Call System, which may put grant funds at risk.

Testifying against the bill were Missouri One Call System; Daryl Bowles; and Missouri Common Ground Alliance.

OTHERS: Others testifying on the bill say that it is important to have an adequate insurance program that meets the federal requirements, but the number of claims filed each year is declining. More than half of the open claims are over 10 years old and most of the older claims are only monitoring the cleanup to ensure that the risk has not returned.

Testifying on the bill were Carol Eighmey, PSTIF Board of Trustees and Missouri Department of Natural Resources.