

SENATE BILL REPORT

SB 6139

As of January 13, 2004

Title: An act relating to underground petroleum storage tanks.

Brief Description: Concerning underground petroleum storage tanks.

Sponsors: Senator Morton.

Brief History:

Committee Activity: Natural Resources, Energy & Water: 1/15/04.

SENATE COMMITTEE ON NATURAL RESOURCES, ENERGY & WATER

Staff: Genevieve Pisarski (786-7488)

Background: In recent years, a significant increase in the number of claims filed under the state's heating oil tank insurance program has been reported by the Pollution Liability Insurance Agency (PLIA). The amount of claim payments significantly exceeds the amount contributed to the Heating Oil Insurance Trust Account from the existing fee of six tenths of one cent (.006 cents) per gallon of heating oil purchased within the state. As provided by law, the difference is being paid out of the state's Pollution Liability Insurance Trust Account, which is funded mainly by the Petroleum Products Tax of fifty one-hundredths of one percent (.5 percent) on the wholesale value of petroleum, when first introduced into the state, and which was initially created to provide pollution liability insurance for regulated petroleum underground storage tanks. As a result, PLIA and representatives of the commercial petroleum and home heating oil industries are engaged in efforts to address funding and management of the state's pollution liability insurance programs for petroleum underground storage tanks and home heating oil tanks.

Summary of Bill: The pollution liability insurance fee for heating oil is set as an amount up to one and two-tenths cents (.012 cents) per gallon. Coverage of \$60,000 per occurrence for heating oil tanks is specified as being up to that amount of coverage.

An advisory committee of stakeholders must be created by the director of the Pollution Liability Insurance Agency to advise on all aspects of program operations and fees. Responsible financial stewardship must be assured, and appropriate user fees, if necessary to supplement program funding, must be adopted.

The word "temporary" is removed from the statements of legislative intent regarding the pollution liability insurance program for petroleum underground storage tanks and home heating oil tanks. Specific requirements for the one-time underground storage tank community assistance program for remote and rural locations are removed.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.