1	STORAGE TANKS AMENDMENTS
2	2021 GENERAL SESSION
3	STATE OF UTAH
4	Chief Sponsor: David P. Hinkins
5	House Sponsor: Keven J. Stratton
6 7	LONG TITLE
8	General Description:
9	This bill addresses regulation of storage tanks.
10	Highlighted Provisions:
11	This bill:
12	<ul><li>defines terms;</li></ul>
13	<ul><li>addresses fees;</li></ul>
14	<ul> <li>requires owners or operators of certain aboveground petroleum storage tanks to</li> </ul>
15	notify the director of the Division of Environmental Response and Remediation and
16	establish financial assurance;
17	<ul><li>provides for rulemaking;</li></ul>
18	<ul><li>requires notifying the division in certain circumstances;</li></ul>
19	<ul> <li>addresses the Environmental Assurance Program and participation in the Petroleum</li> </ul>
20	Storage Tank Trust Fund;
21	<ul><li>repeals outdated language;</li></ul>
22	<ul><li>addresses state owned or leased tanks;</li></ul>
23	<ul><li>imposes restrictions on delivery of petroleum;</li></ul>
24	<ul><li>addresses civil penalties; and</li></ul>
25	<ul><li>makes technical changes.</li></ul>



26	Money Appropriated in this Bill:
27	None
28	Other Special Clauses:
29	None
30	<b>Utah Code Sections Affected:</b>
31	AMENDS:
32	19-6-105, as last amended by Laws of Utah 2020, Chapter 256
33	19-6-402, as last amended by Laws of Utah 2018, Chapter 281
34	19-6-403, as last amended by Laws of Utah 2012, Chapters 310 and 360
35	19-6-407, as last amended by Laws of Utah 2012, Chapter 360
36	19-6-408, as last amended by Laws of Utah 2014, Chapter 227
37	19-6-409, as last amended by Laws of Utah 2018, Chapter 31
38	19-6-410.5, as last amended by Laws of Utah 2014, Chapter 227
39	19-6-415, as last amended by Laws of Utah 1997, Chapter 172
40	19-6-415.5, as enacted by Laws of Utah 1997, Chapter 172
41	19-6-416, as last amended by Laws of Utah 2012, Chapter 360
42	19-6-420, as last amended by Laws of Utah 2014, Chapter 227
43	19-6-428, as last amended by Laws of Utah 2012, Chapter 360
44 45	19-8-119, as last amended by Laws of Utah 2014, Chapter 227
45 46	Be it enacted by the Legislature of the state of Utah:
47	Section 1. Section 19-6-105 is amended to read:
48	19-6-105. Rules of board.
49	(1) The board may make rules in accordance with Title 63G, Chapter 3, Utah
50	Administrative Rulemaking Act:
51	(a) establishing minimum standards for protection of human health and the
52	environment, for the storage, collection, transport, transfer, recovery, treatment, and disposal of
53	solid waste, including requirements for the approval by the director of plans for the
54	construction, extension, operation, and closure of solid waste disposal sites;
55	(b) identifying wastes that are determined to be hazardous, including wastes designated
56	as hazardous under Sec. 3001 of the Resource Conservation and Recovery Act of 1976, 42

57 U.S.C., Sec. 6921, et seq.;

- (c) governing generators and transporters of hazardous wastes and owners and operators of hazardous waste treatment, storage, and disposal facilities, including requirements for keeping records, monitoring, submitting reports, and using a manifest, without treating high-volume wastes such as cement kiln dust, mining wastes, utility waste, gas and oil drilling muds, and oil production brines in a manner more stringent than they are treated under federal standards;
  - (d) requiring an owner or operator of a treatment, storage, or disposal facility that is subject to a plan approval under Section 19-6-108 or that received waste after July 26, 1982, to take appropriate corrective action or other response measures for releases of hazardous waste or hazardous waste constituents from the facility, including releases beyond the boundaries of the facility;
  - (e) specifying the terms and conditions under which the director shall approve, disapprove, revoke, or review hazardous wastes operation plans;
    - (f) governing public hearings and participation under this part;
  - (g) establishing standards governing underground storage tanks <u>and aboveground</u> <u>petroleum storage tanks</u>, in accordance with Title 19, Chapter 6, Part 4, Underground Storage Tank Act;
  - (h) relating to the collection, transportation, processing, treatment, storage, and disposal of infectious waste in health facilities in accordance with the requirements of Section 19-6-106;
  - (i) defining closure plans, modification requests, or both for hazardous waste, as class I, class I with prior director approval, class II, or class III;

80 and

- (j) prohibiting refuse, offal, garbage, dead animals, decaying vegetable matter, or organic waste substance of any kind to be thrown, or remain upon or in a street, road, ditch, canal, gutter, public place, private premises, vacant lot, watercourse, lake, pond, spring, or well.
- (2) If any of the following are determined to be hazardous waste and are therefore subjected to the provisions of this part, the board shall, in the case of landfills or surface impoundments that receive the solid wastes, take into account the special characteristics of the

88	wastes, the practical difficulties associated with applying requirements for other wastes to the
89	wastes, and site-specific characteristics, including the climate, geology, hydrology, and soil
90	chemistry at the site, if the modified requirements assure protection of human health and the
91	environment and are no more stringent than federal standards applicable to waste:
92	(a) solid waste from the extraction, beneficiation, or processing of ores and minerals,
93	including phosphate rock and overburden from the mining of uranium;
94	(b) fly ash waste, bottom ash waste, slag waste, and flue gas emission control waste
95	generated primarily from the combustion of coal or other fossil fuels; and
96	(c) cement kiln dust waste.
97	(3) The board shall establish criteria for siting commercial hazardous waste treatment,
98	storage, and disposal facilities, including commercial hazardous waste incinerators. Those
99	criteria shall apply to any facility or incinerator for which plan approval is required under
100	Section 19-6-108.
101	Section 2. Section 19-6-402 is amended to read:
102	19-6-402. Definitions.
103	As used in this part:
104	(1) "Abatement action" means action taken to limit, reduce, mitigate, or eliminate:
105	(a) a release from [an underground storage tank or] a petroleum storage tank; or
106	(b) the damage caused by that release.
107	(2) "Aboveground petroleum storage tank" means a storage tank that is, by volume,
108	less than 10% buried in the ground, including the pipes connected to the storage tank and:
109	(a) (i) has attached underground piping; or
110	(ii) rests directly on the ground;
111	(b) contains regulated substances;
112	(c) has the capacity to hold $\hat{H} \rightarrow [351] 501 \leftarrow \hat{H}$ gallons or more; and
113	(d) is not:
114	(i) used in agricultural operations, as defined by the board by rule made in accordance
115	with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
116	(ii) used for heating oil for consumptive use on the premises where stored;
117	(iii) related to a petroleum facility under SIC Code 2911 or 5171 of the 1987 Standard
118	Industrial Classification Manual of the federal Executive Office of the President, Office of

119	Management and Budget;
120	(iv) directly related to oil or gas production and gathering operations; or
121	(v) used in the fueling of aircraft or ground service equipment at a commercial airport
122	that serves passengers or cargo, with commercial airport defined in Section 72-10-102.
123	[(2)] (3) "Board" means the Waste Management and Radiation Control Board created
124	in Section 19-1-106.
125	[(3)] (4) "Bodily injury" means bodily harm, sickness, disease, or death sustained by a
126	person.
127	[(4)] (5) "Certificate of compliance" means a certificate issued to a facility by the
128	director:
129	(a) demonstrating that an owner or operator of a facility containing one or more
130	petroleum storage tanks has met the requirements of this part; and
131	(b) listing [all] petroleum storage tanks at the facility, specifying:
132	(i) which tanks may receive petroleum; and
133	(ii) which tanks have not met the requirements for compliance.
134	[(5)] (6) "Certificate of registration" means a certificate issued to a facility by the
135	director demonstrating that an owner or operator of a facility containing one or more
136	[underground] petroleum storage tanks has:
137	(a) registered the tanks; and
138	(b) paid the annual [underground storage] tank fee.
139	[(6)] (7) (a) "Certified [underground] petroleum storage tank consultant" means a
140	person who:
141	(i) for a fee, or in connection with services for which a fee is charged, provides or
142	contracts to provide information, opinions, or advice relating to underground storage tank
143	release:
144	(A) management;
145	(B) abatement;
146	(C) investigation;
147	(D) corrective action; or
148	(E) evaluation;
149	(ii) has submitted an application to the director;

150	(iii) received a written statement of certification from the director; and
151	(iv) meets the education and experience standards established by the board under
152	Subsection 19-6-403(1)(a)(vii).
153	(b) "Certified [underground] petroleum storage tank consultant" does not include:
154	(i) (A) an employee of the owner or operator of the underground storage tank; or
155	(B) an employee of a business operation that has a business relationship with the owner
156	or operator of the underground storage tank, and markets petroleum products or manages
157	underground storage tanks; or
158	(ii) a person licensed to practice law in this state who offers only legal advice on
159	underground storage tank release:
160	(A) management;
161	(B) abatement;
162	(C) investigation;
163	(D) corrective action; or
164	(E) evaluation.
165	[ <del>(7)</del> ] (8) "Closed" means [an underground] a petroleum storage tank that is no longer in
166	use that has been:
167	(a) emptied and cleaned to remove [all] the liquids and accumulated sludges; and
168	(b) (i) removed [from the ground] along with all underground components; or
169	(ii) filled with an inert solid material, and in the case of piping, secured and capped.
170	[(8)] (9) "Corrective action plan" means a plan for correcting a release from a
171	petroleum storage tank that includes provisions for any of the following:
172	(a) cleanup or removal of the release;
173	(b) containment or isolation of the release;
174	(c) treatment of the release;
175	(d) correction of the cause of the release;
176	(e) monitoring and maintenance of the site of the release;
177	(f) provision of alternative water supplies to a person whose drinking water has
178	become contaminated by the release; or
179	(g) temporary or permanent relocation, whichever is determined by the director to be
180	more cost-effective, of a person whose dwelling has been determined by the director to be no

181	longer habitable due to the release.
182	[(9)] (10) "Costs" means money expended for:
183	(a) investigation;
184	(b) abatement action;
185	(c) corrective action;
186	(d) judgments, awards, and settlements for bodily injury or property damage to third
187	parties;
188	(e) legal and claims adjusting costs incurred by the state in connection with judgments,
189	awards, or settlements for bodily injury or property damage to third parties; or
190	(f) costs incurred by the state risk manager in determining the actuarial soundness of
191	the fund.
192	[(10)] (11) "Covered by the fund" means the requirements of Section 19-6-424 have
193	been met.
194	[(11)] (12) "Director" means the director of the Division of Environmental Response
195	and Remediation.
196	$[\frac{(12)}{(13)}]$ "Division" means the Division of Environmental Response and
197	Remediation, created in Subsection 19-1-105(1)(c).
198	$[\frac{(13)}{(14)}]$ "Dwelling" means a building that is usually occupied by a person lodging
199	there at night.
200	[(14)] (15) "Enforcement proceedings" means a civil action or the procedures to
201	enforce orders established by Section 19-6-425.
202	[(15)] (16) "Facility" means [all underground] the petroleum storage tanks located on a
203	single parcel of property or on any property adjacent or contiguous to that parcel.
204	[(16)] (17) "Fund" means the Petroleum Storage Tank Trust Fund created in Section
205	19-6-409.
206	[(17)] (18) "Operator" means a person in control of or who is responsible on a daily
207	basis for the maintenance of [an underground] a petroleum storage tank that is in use for the
208	storage, use, or dispensing of a regulated substance.
209	[ <del>(18)</del> ] <u>(19)</u> "Owner" means:
210	(a) in the case of an underground storage tank in use on or after November 8, 1984, a
211	person who owns an underground storage tank used for the storage, use, or dispensing of a

212	regulated substance, [and]
213	(b) in the case of an underground storage tank in use before November 8, 1984, but not
214	in use on or after November 8, 1984, a person who owned the tank immediately before the
215	discontinuance of its use for the storage, use, or dispensing of a regulated substance[-]; and
216	(c) in the case of an aboveground petroleum storage tank, a person who owns the
217	aboveground petroleum storage tank.
218	[(19)] (20) "Petroleum" includes crude oil or a fraction of crude oil that is liquid at:
219	(a) 60 degrees Fahrenheit; and
220	(b) a pressure of 14.7 pounds per square inch absolute.
221	[(20)] (21) "Petroleum storage tank" means a tank that:
222	(a) [ <del>(i)</del> ] is <u>an</u> underground <u>storage tank;</u>
223	[(ii) is regulated under Subtitle I of the Resource Conservation and Recovery Act, 42
224	U.S.C. Sec. 6991c, et seq.; and]
225	[(iii) contains petroleum; or]
226	[(b) the owner or operator voluntarily submits]
227	(b) is an aboveground petroleum storage tank; or
228	(c) is a tank containing regulated substances that is voluntarily submitted for
229	participation in the Petroleum Storage Tank Trust Fund under Section 19-6-415.
230	[(21)] (22) "Petroleum Storage Tank Restricted Account" means the account created in
231	Section 19-6-405.5.
232	[(22)] (23) "Program" means the Environmental Assurance Program under Section
233	19-6-410.5.
234	[(23)] (24) "Property damage" means physical injury to, destruction of, or loss of use of
235	tangible property.
236	[(24)] (25) (a) "Regulated substance" means petroleum and petroleum-based
237	substances comprised of a complex blend of hydrocarbons derived from crude oil through
238	processes of separation, conversion, upgrading, and finishing.
239	(b) "Regulated substance" includes motor fuels, jet fuels, distillate fuel oils, residual
240	fuel oils, lubricants, petroleum solvents, and used oils.
241	[(25)] (26) (a) "Release" means spilling, leaking, emitting, discharging, escaping,
242	leaching, or disposing a regulated substance from [an underground storage tank or] a petroleum

243	storage tank into ground water, surface water, or subsurface soils.
244	(b) A release of a regulated substance from [an underground storage tank or] a
245	petroleum storage tank is considered a single release from that tank system.
246	[(26)] (27) (a) "Responsible party" means a person who:
247	(i) is the owner or operator of a facility;
248	(ii) owns or has legal or equitable title in a facility or [an underground] a petroleum
249	storage tank;
250	(iii) owned or had legal or equitable title in a facility at the time petroleum was
251	received or contained at the facility;
252	(iv) operated or otherwise controlled activities at a facility at the time petroleum was
253	received or contained at the facility; or
254	(v) is an underground storage tank installation company.
255	(b) "Responsible party" is as defined in Subsections [(26)] (27)(a)(i), (ii), and (iii) does
256	not include:
257	(i) a person who is not an operator and, without participating in the management of a
258	facility and otherwise not engaged in petroleum production, refining, and marketing, holds
259	indicia of ownership:
260	(A) primarily to protect the person's security interest in the facility; or
261	(B) as a fiduciary or custodian under Title 75, Utah Uniform Probate Code, or under an
262	employee benefit plan; or
263	(ii) governmental ownership or control of property by involuntary transfers as provided
264	in CERCLA Section 101(20)(D), 42 U.S.C. Sec. 9601(20)(D).
265	(c) The exemption created by Subsection [(26)] (27)(b)(i)(B) does not apply to actions
266	taken by the state or its officials or agencies under this part.
267	(d) The terms and activities "indicia of ownership," "primarily to protect a security
268	interest," "participation in management," and "security interest" under this part are in
269	accordance with 40 C.F.R. Part 280, Subpart I, as amended, and 42 U.S.C. Sec. 6991b(h)(9).
270	(e) The terms "participate in management" and "indicia of ownership" as defined in 40
271	C.F.R. Part 280, Subpart I, as amended, and 42 U.S.C. Sec. 6991b(h)(9) include and apply to
272	the fiduciaries listed in Subsection [ $(26)$ ] $(27)$ (b)(i)(B).
273	(28) "Rests directly on the ground" means that at least some portion of a petroleum

2/4	storage tank situated aboveground is in direct contact with son.
275	[(27)] (29) "Soil test" means a test, established or approved by board rule, to detect the
276	presence of petroleum in soil.
277	[(28)] (30) "State cleanup appropriation" means money appropriated by the Legislature
278	to the department to fund the investigation, abatement, and corrective action regarding releases
279	not covered by the fund.
280	(31) "Underground piping" means piping that is buried in the ground that is in direct
281	contact with soil and connected to an aboveground petroleum storage tank.
282	[(29)] (32) "Underground storage tank" means a tank regulated under Subtitle I,
283	Resource Conservation and Recovery Act, 42 U.S.C. Sec. 6991c, et seq., including:
284	[(a) a petroleum storage tank;]
285	[(b)] (a) underground pipes and lines connected to a storage tank;
286	[(e)] (b) underground ancillary equipment;
287	[ <del>(d)</del> ] <u>(c)</u> a containment system; and
288	[(e)] (d) each compartment of a multi-compartment storage tank.
289	[(30)] (33) "Underground storage tank installation company" means a person, firm,
290	partnership, corporation, governmental entity, association, or other organization that installs
291	underground storage tanks.
292	[(31)] (34) "Underground storage tank installation company permit" means a permit
293	issued to an underground storage tank installation company by the director.
294	[(32)] (35) "Underground storage tank technician" means a person employed by and
295	acting under the direct supervision of a certified [underground] petroleum storage tank
296	consultant to assist in carrying out the functions described in Subsection [ $(6)$ ] $(7)$ (a).
297	Section 3. Section <b>19-6-403</b> is amended to read:
298	19-6-403. Powers and duties of board.
299	The board shall regulate [an underground storage tank or] a petroleum storage tank by:
300	(1) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
301	making rules that:
302	(a) provide for the:
303	(i) certification of an underground storage tank installer, inspector, tester, or remover;
304	(ii) registration of an underground storage tank operator;

305	(iii) registration of an underground storage tank;
306	(iv) administration of the petroleum storage tank program;
307	(v) format of, and required information in, a record kept by an underground storage or
308	petroleum storage tank owner or operator who is participating in the fund;
309	(vi) voluntary participation in the fund for[:] a tank containing regulated substances,
310	but excluded from the definition of a petroleum storage tank as provided in Section 19-6-415;
311	[(A) an above ground petroleum storage tank; and]
312	[ <del>(B) a tank:</del> ]
313	[(I) exempt from regulation under 40 C.F.R., Part 280, Subpart (B); and]
314	[(II) specified in Section 19-6-415; and]
315	(vii) certification of [an underground] a petroleum storage tank consultant including:
316	(A) a minimum education or experience requirement; and
317	(B) a recognition of the educational requirement of a professional engineer licensed
318	under Title 58, Chapter 22, Professional Engineers and Professional Land Surveyors Licensing
319	Act, as meeting the education requirement for certification; and
320	(viii) compliance with this chapter by an aboveground petroleum storage tank;
321	(b) adopt the requirements for an underground storage tank contained in:
322	(i) the Solid Waste Disposal Act, Subchapter IX, 42 U.S.C. Sec. 6991, et seq., as may
323	be amended in the future; and
324	(ii) an applicable federal requirement authorized by the federal law referenced in
325	Subsection (1)(b)(i); and
326	(c) comply with the requirements of the Solid Waste Disposal Act, Subchapter IX, 42
327	U.S.C. Sec. 6991[e], et seq., as may be amended in the future, for the state's assumption of
328	primacy in the regulation of an underground storage tank; and
329	(2) applying the provisions of this part.
330	Section 4. Section 19-6-407 is amended to read:
331	19-6-407. Underground storage tank registration Change of ownership or
332	operation Aboveground petroleum storage tank Civil penalty.
333	(1) (a) [Each] An owner or operator of an underground storage tank shall register the
334	tank with the director if the tank:
335	(i) is in use; or

336	(ii) was closed after January 1, 1974.
337	(b) If a new person assumes ownership or operational responsibilities for an
338	underground storage tank, that person shall inform the [executive secretary] director of the
339	change within 30 days after the change occurs.
340	(c) Each installer of an underground storage tank shall notify the director of the
341	completed installation within 60 days following the installation of an underground storage tank.
342	(2) (a) The owner or operator of an aboveground petroleum storage tank shall notify
343	the director of the location of the aboveground petroleum storage tank by no later than:
344	(i) June 30, 2022, if the aboveground petroleum storage tank is installed on or before
345	June 30, 2022;
346	(ii) if the aboveground petroleum storage tank is installed on or after July 1, 2022, 30
347	days after the day on which the aboveground petroleum storage tank is installed;
348	(iii) 30 days before the aboveground petroleum storage tank is closed; or
349	(iv) within 24 hours of the discovery of a reportable release or suspected release, as
350	defined by rule made in accordance with Title 63G, Chapter 3, Utah Administrative
351	Rulemaking Act, from an aboveground petroleum storage tank.
352	(b) When notifying the director under this Subsection (2), an owner of an aboveground
353	petroleum storage tank described in this Subsection (2) shall pay a processing fee established
354	under Section 63J-1-504.
355	(c) Before operating an aboveground petroleum storage tank on or after June 30, 2023,
356	the owner or operator of the aboveground petroleum storage tank shall provide financial
357	responsibility by participating in the Environmental Assurance Program or demonstrating
358	coverage through another method approved by the board by rule made in accordance with Title
359	63G, Chapter 3, Utah Administrative Rulemaking Act.
360	(d) (i) The director shall certify when an owner or operator of an aboveground
361	petroleum storage tank is in compliance with this Subsection (2).
362	(ii) The board shall make rules providing for the identification, through a tag or other
363	readily identifiable method, of an aboveground petroleum storage tank under Subsection (2)(a)
364	that is not certified by the director as in compliance with this Subsection (2).
365	[(2)] (3) The director may issue a notice of agency action assessing a civil penalty in
366	the amount of \$1,000 if an owner, operator, or installer of a petroleum [or underground]

367	storage tank fails to register the tank or provide notice as required in Subsection (1) or (2).
368	[(3)] (4) The penalties collected under authority of this section shall be deposited in the
369	Petroleum Storage Tank Restricted Account created in Section 19-6-405.5.
370	Section 5. Section 19-6-408 is amended to read:
371	19-6-408. Petroleum storage tank registration fee Processing fee.
372	(1) The department may assess an annual [underground] petroleum storage tank
373	registration fee against an owner or operator of [an underground] a petroleum storage tank that
374	has not been closed. These fees shall be:
375	(a) billed per facility;
376	(b) due on July 1 annually;
377	(c) deposited with the department as dedicated credits;
378	(d) used by the department for the administration of the [underground] petroleum
379	storage tank program outlined in this part; and
380	(e) established under Section 63J-1-504.
381	(2) (a) As used in this Subsection (2), "financial assurance mechanism document" may
382	be a single document that covers more than one facility through a single financial assurance
383	mechanism.
384	(b) $\hat{H} \rightarrow \underline{(i)} \leftarrow \hat{H}$ In addition to the fee under Subsection (1), an owner or operator of a
384a	<u>petroleum</u>
385	storage tank who elects to demonstrate financial assurance through a mechanism other than the
386	Environmental Assurance Program shall pay a processing fee established under Section
387	63J-1-504.
387a	$\hat{H} \rightarrow (ii)$ This Subsection (2)(b) does not apply to a self-insured public entity. $\leftarrow \hat{H}$
388	(c) If a combination of financial assurance mechanisms is used to demonstrate financial
389	assurance, the fee under Subsection (2)(b) shall be paid for each document submitted.
390	(3) [Any funds] Money provided for administration of the [underground] petroleum
391	storage tank program under this section that [are] is not expended at the end of the fiscal year
392	lapse into the Petroleum Storage Tank Restricted Account created in Section 19-6-405.5.
393	(4) The director shall provide all owners or operators who pay the annual
394	[underground] petroleum storage tank registration fee a certificate of registration.
395	(5) (a) The director may issue a notice of agency action assessing a civil penalty of
396	\$1,000 per facility if an owner or operator of [an underground] a petroleum storage tank facility
397	fails to pay the required fee within 60 days after the July 1 due date.

398	(b) The registration fee and late payment penalty accrue interest at 12% per annum.
399	(c) If the registration fee, late payment penalty, and interest accrued under this
400	Subsection (5) are not paid in full within 60 days after the July 1 due date any certificate of
401	compliance issued prior to the July 1 due date lapses. The director may not reissue the
402	certificate of compliance until full payment under this Subsection (5) is made to the
403	department.
404	(d) The director may waive any penalty assessed under this Subsection (5) if no fuel
405	has been dispensed from the tank on or after July 1, 1991.
406	Section 6. Section 19-6-409 is amended to read:
407	19-6-409. Petroleum Storage Tank Trust Fund created Source of revenues.
408	(1) (a) There is created a private-purpose trust fund entitled the "Petroleum Storage
409	Tank Trust Fund."
410	(b) The sole sources of revenues for the fund are:
411	(i) petroleum storage tank fees paid under Section 19-6-411;
412	(ii) underground storage tank installation company permit fees paid under Section
413	19-6-411;
414	(iii) the environmental assurance fee and penalties paid under Section 19-6-410.5;
415	(iv) appropriations to the fund;
416	(v) principal and interest received from the repayment of loans made by the director
417	under Subsection (5); and
418	(vi) interest accrued on revenues listed in this Subsection (1)(b).
419	(c) Interest earned on fund money is deposited into the fund.
420	(2) The director may expend money from the fund to pay costs:
421	(a) covered by the fund under Section 19-6-419;
422	(b) of administering the:
423	(i) fund; and
424	(ii) environmental assurance program and fee under Section 19-6-410.5;
425	(c) incurred by the state for a legal service or claim adjusting service provided in
426	connection with a claim, judgment, award, or settlement for bodily injury or property damage
427	to a third party;
428	(d) incurred by the [executive] director in determining the actuarial soundness of the

429	fund;
430	(e) incurred by a third party claiming injury or damages from a release reported on or
431	after May 11, 2010, for hiring a certified [underground] petroleum storage tank consultant:
432	(i) to review an investigation or corrective action by a responsible party; and
433	(ii) in accordance with Subsection (4); and
434	[(f) incurred by the department to implement the study described in Subsection
435	19-6-410.5(8), including a one-time cost of up to \$200,000 for the actuarial study described in
436	Subsection 19-6-410.5(8)(a)(ii); and]
437	[(g)] (f) allowed under this part that are not listed under this Subsection (2).
438	(3) Costs for the administration of the fund and the environmental assurance fee shall
439	be appropriated by the Legislature.
440	(4) The director shall:
441	(a) in paying costs under Subsection (2)(e):
442	(i) determine a reasonable limit on costs paid based on the:
443	(A) extent of the release;
444	(B) impact of the release; and
445	(C) services provided by the certified [underground] petroleum storage tank consultant;
446	(ii) pay, per release, costs for one certified [underground] petroleum storage tank
447	consultant agreed to by all third parties claiming damages or injury;
448	(iii) include costs paid in the coverage limits allowed under Section 19-6-419; and
449	(iv) not pay legal costs of third parties;
450	(b) review and give careful consideration to reports and recommendations provided by
451	a certified [underground] petroleum storage tank consultant hired by a third party; and
452	(c) make reports and recommendations provided under Subsection (4)(b) available on
453	the Division of Environmental Response and Remediation's website.
454	(5) The director may loan, in accordance with this section, money available in the fund
455	to a person to be used for:
456	(a) upgrading an underground storage tank;
457	(b) replacing an underground storage tank; or
458	(c) permanently closing an underground storage tank.
459	(6) (a) A person may apply to the director for a loan under Subsection (5)(c) if all tanks

460	owned or operated by that person are in substantial compliance with all state and federal
461	requirements or will be brought into substantial compliance using money from the fund.
462	(b) A person may apply to the director for a loan under Subsection (5)(a) or (b) if:
463	(i) the requirements of Subsection (6)(a) are met; and
464	(ii) the person participates in the Environmental Assurance Program under Section
465	19-6-410.5.
466	(7) The director shall consider loan applications under Subsection (6) to meet the
467	following objectives:
468	(a) support availability of gasoline in rural parts of the state;
469	(b) support small businesses; and
470	(c) reduce the threat of a petroleum release endangering the environment.
471	(8) (a) A loan made under this section may not be for more than:
472	(i) \$300,000 for all tanks at any one facility;
473	(ii) \$100,000 per tank; and
474	(iii) 80% of the total cost of:
475	(A) upgrading an underground storage tank;
476	(B) replacing an underground storage tank; or
477	(C) permanently closing an underground storage tank.
478	(b) A loan made under this section shall:
479	(i) have a fixed annual interest rate of 0%;
480	(ii) have a term no longer than 10 years;
481	(iii) be made on the condition the loan applicant obtains adequate security for the loan
482	as established by board rule under Subsection (9); and
483	(iv) comply with rules made by the board under Subsection (9).
484	(9) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
485	board shall make rules establishing:
486	(a) form, content, and procedure for a loan application;
487	(b) criteria and procedures for prioritizing a loan application;
488	(c) requirements and procedures for securing a loan;
489	(d) procedures for making a loan;
490	(e) procedures for administering and ensuring repayment of a loan, including late

491	payment penalties;
492	(f) procedures for recovering on a defaulted loan; and
493	(g) the maximum amount of the fund that may be used for loans.
494	(10) A decision by the director to loan money from the fund and otherwise administer
495	the fund is not subject to Title 63G, Chapter 4, Administrative Procedures Act.
496	(11) The Legislature shall appropriate money from the fund to the department for the
497	administration costs associated with making loans under this section.
498	(12) The director may enter into an agreement with a public entity or private
499	organization to perform a task associated with administration of loans made under this section.
500	Section 7. Section 19-6-410.5 is amended to read:
501	19-6-410.5. Environmental Assurance Program Participant fee State Tax
502	Commission administration, collection, and enforcement of tax.
503	(1) As used in this section:
504	(a) "Cash balance" means cash plus investments and current accounts receivable minus
505	current accounts payable, excluding the liabilities estimated by the executive director.
506	(b) "Commission" means the State Tax Commission, as defined in Section 59-1-101.
507	(2) (a) There is created an Environmental Assurance Program.
508	(b) The program shall provide to a participating owner or operator, upon payment of
509	the fee imposed under Subsection (4), assistance with satisfying the financial responsibility
510	requirements of 40 C.F.R., Part 280, Subpart H, by providing funds from the Petroleum
511	Storage Tank Trust Fund established in Section 19-6-409, subject to the terms and conditions
512	of [Chapter 6, Part 4, Underground Storage Tank Act] this part, and rules implemented under
513	[that] this part.
514	(3) (a) Subject to Subsection (3)(b), participation in the program is voluntary.
515	(b) An owner or operator seeking to satisfy financial responsibility requirements
516	through the program shall use the program for all petroleum [underground] storage tanks that
517	the owner or operator owns or operates.
518	(4) (a) There is assessed an environmental assurance fee of 13/20 cent per gallon on the
519	first sale or use of petroleum products in the state.
520	(b) The environmental assurance fee and any other revenue collected under this section
521	shall be deposited in the Petroleum Storage Tank Trust Fund created in Section 19-6-409 and

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Subsection (5)(d);

(ii) is administered on a per facility basis;

522 used solely for the purposes listed in Section 19-6-409. 523 (5) (a) The commission shall administer, collect, and enforce the fee imposed under 524 this section according to the same procedures used in the administration, collection, and 525 enforcement of the state sales and use tax under: 526 (i) Title 59, Chapter 1, General Taxation Policies; and 527 (ii) Title 59, Chapter 12, Part 1, Tax Collection. (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the 528 529 commission shall make rules to establish: 530 (i) the method of payment of the environmental assurance fee; 531 (ii) the procedure for reimbursement or exemption of an owner or operator that does 532 not participate in the program, including an owner or operator of an above ground storage tank; 533 and 534 (iii) the procedure for confirming with the department that an owner or operator 535 qualifies for reimbursement or exemption under Subsection (5)(b)(ii). 536 (c) The commission may retain an amount not to exceed 2.5% of fees collected under 537 this section for the cost to the commission of rendering its services. (d) By January 1, 2015, for underground storage tanks, and by July 1, 2026, for 538 539 aboveground petroleum storage tanks, the division shall, by rule, create: 540 (i) a model for assessing the risk profile of each facility participating in the program, 541 for purposes of qualifying for a rebate of a portion of the environmental assurance fee 542 described in Subsection (4) collected from an owner or operator that participates in the 543 program; and 544 (ii) a rebate schedule listing the amount of the environmental assurance fee that an 545 owner or operator participating in the program may qualify for based on risk profiles 546 determined by the model developed under Subsection (5)(d)(i). 547 (e) The rebate described in Subsection (5)(d): 548 (i) may not exceed 40% of the actual fee collected from an owner or operator of a 549 low-risk underground storage tank as defined in the risk-based model developed under

(iii) is based on the facility's risk profile at the end of the prior calendar year;

553	(iv) is only applicable to an environmental assurance fee collected after December 30,
554	2014, for underground storage tanks, and June 30, 2026, for aboveground petroleum storage
555	tanks; and
556	(v) shall be claimed in the form of a refund from the commission.
557	(f) The refund described in Subsection (5)(e)(v) may be claimed on a monthly basis.
558	(6) (a) The person responsible for payment of the fee under this section shall, by the
559	last day of the month following the month in which the sale occurs:
560	(i) complete and submit the form prescribed by the commission; and
561	(ii) pay the fee to the commission.
562	(b) (i) The penalties and interest for failure to file the form or to pay the environmental
563	assurance fee are the same as the penalties and interest under Sections 59-1-401 and 59-1-402.
564	(ii) The commission shall deposit penalties and interest collected under this section in
565	the Petroleum Storage Tank Trust Fund.
566	(c) The commission shall report to the department a person who is delinquent in
567	payment of the fee under this section.
568	(7) (a) (i) If the cash balance of the Petroleum Storage Tank Trust Fund on June 30 of
569	any year exceeds $[\$30,000,000]$ $\$50,000,000$ , the assessment of the environmental assurance
570	fee as provided in Subsection (4) is reduced to 1/4 cent per gallon beginning November 1.
571	(ii) The reduction under this Subsection (7)(a) remains in effect until modified by the
572	Legislature in a general or special session.
573	(b) The commission shall determine the cash balance of the fund each year as of June
574	30.
575	(c) Before September 1 of each year, the department shall provide the commission with
576	the accounts payable of the fund as of June 30.
577	[ <del>(8) The department shall:</del> ]
578	[(a) (i) study the adverse selection of participants in the program and the actuarial
579	deficit of the fund;]
580	[(ii) obtain an actuarial study and related consultation that provides the necessary
581	calculations to minimize adverse selection in the program and the actuarial deficit of the fund;]
582	[(iii) develop a risk characterization profile for participants in the program and
583	recommend a fee schedule based on fair market rates.

584	(iv) develop a strategy to reduce the negative equity balance of the fund and, based on
585	the fee schedule described in Subsection (8)(a)(iii), a corresponding time schedule showing an
586	actuarial reduction in the negative equity balance of the fund; and]
587	[(v) identify and study other adverse impacts to the program and the fund; and]
588	[(b) based on the information obtained and developed under Subsection (8)(a), prepare
589	a recommendation to implement a strategy to minimize adverse selection of participants in the
590	program and eliminate or reduce the actuarial deficit of the fund.]
591	[(9) The department shall report to the Natural Resources, Agriculture, and
592	Environment Interim Committee before December 31, 2013, regarding:]
593	[(a) the information obtained and developed under Subsection (8)(a); and]
594	[(b) the recommendation prepared under Subsection (8)(b).]
595	Section 8. Section 19-6-415 is amended to read:
596	19-6-415. Participation of excluded or exempt tanks.
597	(1) An underground storage tank exempt from regulation under 40 C.F.R., Part 280,
598	Subpart A, may become eligible for payments from the Petroleum Storage Tank Trust Fund if
599	[it] the underground storage tank:
600	(a) (i) is a farm or residential tank with a capacity of 1,100 gallons or less and is used
501	for storing motor fuel for noncommercial purposes;
502	(ii) is used for storing heating oil for consumptive use on the premises where stored; or
503	(iii) is used for any oxygenate blending component for motor fuels;
604	(b) complies with the requirements of Section 19-6-412;
505	(c) meets other requirements established by rules made under Section 19-6-403; and
606	(d) pays registration and tank fees and environmental assurance fees, equivalent to
507	those fees outlined in Sections 19-6-408, 19-6-410.5, and 19-6-411.
608	(2) An [above ground petroleum storage tank] aboveground petroleum storage tank
509	excluded from the definition of aboveground petroleum storage tank under Section 19-6-402,
510	may become eligible for payments from the Petroleum Storage Tank Trust Fund if the owner or
511	operator:
512	(a) pays those fees that are equivalent to the registration and tank fees and
513	environmental assurance fees under Sections 19-6-408, 19-6-410.5, and 19-6-411;
514	(b) complies with the requirements of Section 19-6-412; and

615	(c) meets other requirements established by rules made under Section 19-6-403.
616	Section 9. Section 19-6-415.5 is amended to read:
617	19-6-415.5. State owned or leased tanks to participate in program.
618	Any underground storage tank or aboveground petroleum storage tank owned or leased
619	by the state [of Utah] and subject to the financial assurance requirements established by
620	division rule shall participate in the program.
621	Section 10. Section 19-6-416 is amended to read:
622	19-6-416. Restrictions on delivery of petroleum Civil penalty.
623	(1) (a) [After July 1, 1991, a] A person may not deliver petroleum to, place petroleum
624	in, or accept petroleum for placement in a petroleum storage tank that is not identified in
625	compliance with Subsection 19-6-411(7).
626	(b) Beginning July 1, 2023, a person may not deliver petroleum to, place petroleum in,
627	or accept petroleum for placement in an aboveground petroleum storage tank that is not in
628	compliance with Subsection 19-6-407(2).
629	(2) $[Any]$ A person who delivers or accepts delivery of petroleum to a petroleum
630	storage tank or places petroleum, including waste petroleum substances, in an underground
631	storage tank or aboveground petroleum storage tank in violation of Subsection (1) is subject to
632	a civil penalty of not more than \$500 for each occurrence.
633	(3) The director shall issue a notice of agency action assessing a civil penalty of not
634	more than \$500 against any person who delivers or accepts delivery of petroleum to a
635	petroleum storage tank or places petroleum, including waste petroleum substances, in violation
636	of Subsection (1) in a petroleum storage tank [or underground storage tank].
637	(4) A civil penalty may not be assessed under this section against any person who in
638	good faith delivers or places petroleum in a petroleum storage tank [or underground storage
639	tank] that is identified in compliance with Subsection 19-6-411(7) or 19-6-407(2) and rules
640	made under [that] the relevant subsection, whether or not the tank is in actual compliance with
641	the other requirements of Section 19-6-411 or 19-6-407.
642	Section 11. Section 19-6-420 is amended to read:
643	19-6-420. Releases Abatement actions Corrective actions.
644	(1) If the director determines that a release from a petroleum storage tank has occurred
645	the director shall:

- (a) identify and name as many of the responsible parties as reasonably possible; and
- (b) determine which responsible parties, if any, are covered by the fund regarding the release in question.
- (2) Regardless of whether the <u>petroleum storage</u> tank generating the release is covered by the fund:
- (a) the director may order the owner or operator to take abatement, or investigative or corrective action, including the submission of a corrective action plan; and
- (b) if the owner or operator fails to comply with the action ordered by the director under Subsection (2)(a), the director may take one or more of the following actions:
- (i) subject to the conditions in this part, use money from the fund, if the tank involved is covered by the fund, state cleanup appropriation, or the Petroleum Storage Tank Cleanup Fund created under Section 19-6-405.7 to perform investigative, abatement, or corrective action;
  - (ii) commence an enforcement proceeding;
  - (iii) enter into agreements or issue orders as allowed by Section 19-6-424.5;
- (iv) recover costs from responsible parties equal to their proportionate share of liability as determined by Section 19-6-424.5; or
- (v) where the owner or operator is the responsible party, revoke the responsible party's certificate of compliance, as described in Section 19-6-414.
- (3) (a) Subject to the limitations established in Section 19-6-419, the director shall provide money from the fund for abatement action for a release generated by a tank covered by the fund if:
  - (i) the owner or operator takes the abatement action ordered by the director; and
  - (ii) the director approves the abatement action.
- (b) If a release presents the possibility of imminent and substantial danger to the public health or the environment, the owner or operator may take immediate abatement action and petition the director for reimbursement from the fund for the costs of the abatement action. If the owner or operator can demonstrate to the satisfaction of the director that the abatement action was reasonable and timely in light of circumstances, the director shall reimburse the petitioner for costs associated with immediate abatement action, subject to the limitations established in Section 19-6-419.

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677 (c) The owner or operator shall notify the director within 24 hours of the abatement 678 action taken. 679 (4) (a) If the director determines corrective action is necessary, the director shall order 680 the owner or operator to submit a corrective action plan to address the release. 681 (b) If the owner or operator submits a corrective action plan, the director shall review 682 the corrective action plan and approve or disapprove the plan. 683 (c) In reviewing the corrective action plan, the director shall consider the following: 684 (i) the threat to public health: 685 (ii) the threat to the environment; and (iii) the cost-effectiveness of alternative corrective actions. 686 687 (5) If the director approves the corrective action plan or develops the director's own 688 corrective action plan, the director shall: 689 (a) approve the estimated cost of implementing the corrective action plan; 690 (b) order the owner or operator to implement the corrective action plan; 691 (c) (i) if the release is covered by the fund, determine the amount of fund money to be 692 allocated to an owner or operator to implement a corrective action plan; and 693 (ii) subject to the limitations established in Section 19-6-419, provide money from the 694 fund to the owner or operator to implement the corrective action plan. 695 (6) (a) The director may not distribute any money from the fund for corrective action 696 until the owner or operator obtains the director's approval of the corrective action plan. 697 (b) An owner or operator who begins corrective action without first obtaining approval 698 from the director and who is covered by the fund may be reimbursed for the costs of the 699 corrective action, subject to the limitations established in Section 19-6-419, if: 700 (i) the owner or operator submits the corrective action plan to the director within seven 701 days after beginning corrective action; and 702 (ii) the director approves the corrective action plan. 703 (7) If the director disapproves the plan, the director shall solicit a new corrective action 704 plan from the owner or operator. 705 (8) If the director disapproves the second corrective action plan, or if the owner or

operator fails to submit a second plan within a reasonable time, the director may:

(a) develop an alternative corrective action plan; and

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708 (b) act as authorized under Subsections (2) and (5). 709 (9) (a) When notified that the corrective action plan has been implemented, the director 710 shall inspect the location of the release to determine whether or not the corrective action has 711 been properly performed and completed. 712 (b) If the director determines the corrective action has not been properly performed or 713 completed, the director may issue an order requiring the owner or operator to complete the 714 corrective action within the time specified in the order. 715 (10) (a) For releases not covered by the fund, the director may recover from the 716 responsible party expenses incurred by the division for managing and overseeing the 717 abatement, and investigation or corrective action of the release. These expenses shall be: 718 (i) billed quarterly per release; 719 (ii) due within 30 days of billing; 720 (iii) deposited with the division as dedicated credits: 721 (iv) used by the division for the administration of the underground storage tank 722 program outlined in this part; and 723 (v) billed per hourly rates as established under Section 63J-1-504. 724 (b) If the responsible party fails to pay expenses under Subsection 10(a), the director 725 may: 726 (i) revoke the responsible party's certificate of compliance, as described in Section 727 19-6-414, if the responsible party is also the owner or operator; and 728 (ii) pursue an action to collect expenses in Subsection 10(a), including the costs of 729 collection. 730 (11) This section does not apply to a release of a substance defined as a regulated 731 substance in Section 101(14) of the Comprehensive Environmental Response, Compensation 732 and Liability Act of 1980. 733 Section 12. Section 19-6-428 is amended to read: 734 19-6-428. Eligibility for participation in the fund. 735 (1) Subject to the requirements of Section 19-6-410.5, [all owners and operators of] an

owner or operator of an existing petroleum storage [tanks that were] tank that is covered by the

fund on May 5, 1997, may elect to continue to participate in the program by meeting the

requirements of this part, including paying the tank fees and environmental assurance fee as

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- 739 provided in Sections 19-6-410.5 and 19-6-411.
  - (2) [Any new petroleum storage tanks that were] A new petroleum storage tank that is installed after May 5, 1997, or [tanks] a tank eligible under Section 19-6-415, may elect to participate in the program by complying with the requirements of this part.
  - (3) (a) [All owners and operators of petroleum storage tanks who elect] An owner or operator of a petroleum storage tank who elects to not participate in the program, including by the use of an alternative financial assurance mechanism, shall, in order to subsequently participate in the program:
    - (i) perform a tank tightness test;
  - (ii) except as provided in Subsection (3)(b), (c), or (d), perform a site check, including soil and, when applicable, groundwater samples, to demonstrate that no release of petroleum exists or that there has been adequate remediation of releases as required by board rules;
    - (iii) provide the required tests and samples to the director; and
  - (iv) comply with the requirements of this part.
  - (b) A site check under Subsection (3)(a)(ii) is not required if the director determines, with reasonable cause, that soil and groundwater samples are unnecessary to establish that no petroleum has been released.
  - (c) For an aboveground petroleum storage tank, a site check under Subsection (3)(a)(ii) is not required to participate in the program except that if the aboveground petroleum storage tank does not conduct a site check:
  - (i) historic contamination, as defined by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act:
  - (A) subject to the other provisions of this Subsection (3)(c), is covered only if the historic contamination is discovered more than five years after the day the owner or operator elects to participate in the program;
    - (B) is 20% covered beginning on the five-year date; and
- 765 (C) is covered at increasing amounts of 20% each year after the five-year date until at
  766 the 10-year date historic contamination is covered at 100%; and
- (ii) new releases, as defined by rule made in accordance with Title 63G, Chapter 3,
   Utah Administrative Rulemaking Act, are covered at 100% beginning on the day the
   aboveground petroleum storage tank participates in the program.

770	(d) For an underground storage tank that previously elected not to participate in the
771	program, a site check under Subsection (3)(a)(ii) is not required to begin participating in the
772	program, except that if the underground storage tank does not conduct a site check:
773	(i) historic contamination, as defined by rule made in accordance with Title 63G,
774	Chapter 3, Utah Administrative Rulemaking Act:
775	(A) subject to the other provisions of this Subsection (3)(d), is covered only if the
776	historic contamination is discovered more than five years after the day the owner or operator
777	elects to participate in the program;
778	(B) is 20% covered beginning on the five-year date; and
779	(C) is covered at increasing amounts of 20% each year after the five-year date until at
780	the 10-year date historic contamination is covered at 100%; and
781	(ii) new releases, as defined by rule made in accordance with Title 63G, Chapter 3,
782	Utah Administrative Rulemaking Act, are covered at 100% beginning on the day the
783	underground storage tank participates in the program.
784	(4) The director shall review the tests and samples provided under Subsection
785	(3)(a)(iii) to determine:
786	(a) whether or not any release of the petroleum has occurred; or
787	(b) if the remediation is adequate.
788	Section 13. Section 19-8-119 is amended to read:
789	19-8-119. Apportionment or contribution.
790	(1) Any party who incurs costs under a voluntary agreement entered into under this part
791	in excess of [his] the party's liability may seek contribution in an action in district court from
792	any other party who is or may be liable under Subsection 19-6-302(21) or 19-6-402[(26)](27)
793	for the excess costs after providing written notice to any other party that the party bringing the
794	action has entered into a voluntary agreement and will incur costs.
795	(2) In resolving claims made under Subsection (1), the court shall allocate costs using
796	the standards in Subsection 19-6-310(2).