

1 STATE OF OKLAHOMA

2 2nd Session of the 59th Legislature (2024)

3 HOUSE BILL 3140

By: Humphrey

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6 AS INTRODUCED

7 An Act relating to petroleum storage tanks; amending
8 17 O.S. 2021, Section 324, which relates to the
9 Petroleum Storage Tank Indemnity Fund; modifying list
of expenditures; and providing an effective date.

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11 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

12 SECTION 1. AMENDATORY 17 O.S. 2021, Section 324, is
13 amended to read as follows:

14 Section 324. A. Monies in the Petroleum Storage Tank Indemnity
15 Fund shall only be expended for:

16 1. Reimbursements to eligible persons, unless duly assigned to
17 another, for eligible expenses including the costs to identify and
18 confirm the existence of a suspected release when so instructed by
19 the Petroleum Storage Tank Division or when such expenses as
20 determined by the Petroleum Storage Tank Division as necessary and
21 appropriate to protect the health, safety and welfare of the public
22 and the environment;

23 2. Reimbursement of actual costs incurred by the Division for
24 the administration of the Indemnity Fund;

1 3. Purchase of real property, personal property and easements
2 in conjunction with corrective action efforts and/or the
3 establishment of an alternative water supply as provided for in
4 Section 306 of this title;

5 4. Reimbursement of actual costs incurred by the Petroleum
6 Storage Tank Division for the administration of the Indemnity Fund
7 and costs incurred for the purpose of evaluating claims and
8 determining whether specific claims qualify for payment or
9 reimbursement from the Indemnity Fund. Any costs incurred by and
10 reimbursed to the Oklahoma Corporation Commission pursuant to the
11 provisions of the Indemnity Fund shall not exceed the actual
12 expenditures made by the Commission to implement the provisions of
13 the Indemnity Fund; ~~and~~

14 5. Costs associated with the complete removal of abandoned
15 systems, as defined in Section 303 of this title; and

16 Payment of claims from the Indemnity Fund shall not become or be
17 construed to be an obligation of this state. No claims submitted
18 for reimbursement from the Indemnity Fund shall be paid with state
19 monies.

20 B. The Director of the Petroleum Storage Tank Division shall
21 hire an Administrator who shall administer the Indemnity Fund for
22 the benefit of those persons determined to be eligible by the
23 Administrator to receive total or partial reimbursement for:
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1 1. The costs determined to be eligible by the Administrator in
2 preparing a corrective action plan;

3 2. The cost of corrective action taken in response to an
4 eligible release;

5 3. Payment of claims for property damage or personal injury
6 resulting from an eligible release; and

7 4. Necessary costs incidental to the cost of a site assessment
8 or the corrective action taken and for filing and obtaining
9 reimbursement from the Indemnity Fund.

10 C. Reimbursements made to or for the benefit of eligible
11 persons shall be exempt from ~~The~~ the Oklahoma Central Purchasing
12 Act.

13 D. 1. Costs incurred as a result of a release from a storage
14 tank system owned or operated by this state are reimbursable
15 pursuant to the provisions of the Oklahoma Petroleum Storage Tank
16 Consolidation Act. State-owned facilities shall take the proper
17 corrective action as may be necessary to protect the environment
18 from a leaking storage tank system. An agency of the state may also
19 access said fund for reimbursement when it purchases property
20 containing storage tanks from an owner or operator qualified to
21 access the Indemnity Fund and upon which an eligible release has
22 occurred prior to the agency acquiring the property.

23 2. Costs incurred as a result of a release from a storage tank
24 system owned or operated by a Class I railroad or the federal
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1 government are not reimbursable pursuant to the provisions of the
2 Oklahoma Petroleum Storage Tank Consolidation Act.

3 E. The Indemnity Fund shall consist of:

4 1. All monies received by the Commission as proceeds from the
5 assessment imposed pursuant to Section 327.1 of this title;

6 2. Interest attributable to investment of money in the
7 Indemnity Fund; and

8 3. Money received by the Commission in the form of gifts,
9 grants, reimbursements or from any other source intended to be used
10 for the purposes specified by or collected pursuant to the
11 provisions of the Oklahoma Petroleum Storage Tank Consolidation Act.

12 F. 1. Except as provided in this section, the monies deposited
13 in the Indemnity Fund shall at no time become monies of the state
14 and shall not become part of the general budget of the Commission or
15 any other state agency. Except as otherwise authorized by the
16 Oklahoma Petroleum Storage Tank Consolidation Act, no monies from
17 the Indemnity Fund shall be transferred for any purpose to any other
18 state agency or any account of the Commission or be used for the
19 purpose of contracting with any other state agency or reimbursing
20 any other state agency for any expense.

21 2. Monies from the Indemnity Fund may be used to pay or
22 reimburse the Commission for the salary and indirect ~~expense~~
23 expenses of any employee of the Petroleum Storage Tank Division
24 while such employee is performing work involved in the regulation of
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1 storage tanks pursuant to the Oklahoma Petroleum Storage Tank
2 Consolidation Act or the administration of programs pursuant to said
3 act, including the development, review and approval of corrective
4 action plans as required by the regulatory programs. The Indemnity
5 Fund shall pay for all costs associated with administering the
6 Compliance and Inspection Department including, but not limited to,
7 automobile and travel costs, computer software and equipment, and
8 other costs incurred in administering the Compliance and Inspection
9 Department. The Commission shall cross-train the field staff of the
10 Petroleum Storage Tank Division to perform inspections and related
11 field activities for all programs within the Division and the
12 Indemnity Fund may reimburse the Division the actual costs of
13 inspection services performed on behalf of the Indemnity Fund.

14 SECTION 2. This act shall become effective November 1, 2024.

16 59-2-8487 JBH 12/11/23