
By: **Senators Conway, Harris, Hooper, and Jacobs**

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Assigned to: Rules

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Committee Report: Favorable

Senate action: Adopted

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CHAPTER _____

1 AN ACT concerning

2 **Environment - Maryland Oil Disaster Containment, Clean-Up and**
 3 **Contingency Fund and Oil Contaminated Site Environmental Cleanup Fund**

4 FOR the purpose of altering the amount per barrel that is the basis of the fee for the
 5 license for transferring oil in the State which is credited to the Maryland Oil
 6 Disaster Containment, Clean-Up and Contingency Fund; extending the
 7 termination date and altering the fee for a certain additional per barrel fee to be
 8 credited to the Oil Contaminated Site Environmental Cleanup Fund; repealing
 9 a certain provision that authorizes an owner or operator of a certain
 10 underground storage tank to apply to the Oil Contaminated Site Environmental
 11 Cleanup Fund for reimbursement for usual, customary, and reasonable costs
 12 incurred in performing site rehabilitation on or after a certain date; establishing
 13 termination dates for certain provisions that authorize an owner or operator of a
 14 certain underground storage tank or the owner of a certain heating oil tank to
 15 apply to the Oil Contaminated Site Environmental Cleanup Fund for
 16 reimbursement for usual, customary, and reasonable costs incurred in
 17 performing site rehabilitation on or after a certain date; providing that an owner
 18 of a certain heating oil tank must apply for a certain reimbursement within a
 19 certain time period; lowering the deductible applicable to residential owners of
 20 heating oil tanks applying to the Oil Contaminated Site Environmental Cleanup
 21 Fund for reimbursement; increasing the maximum amount that can be
 22 reimbursed from the Oil Contaminated Site Environmental Cleanup Fund for
 23 reimbursement for heating oil tanks per occurrence; requiring the Secretary of
 24 the Environment to convene a certain work group and requiring the Department
 25 to submit a certain report on or before a certain date; deleting certain obsolete
 26 provisions; making certain conforming changes; and generally relating to the
 27 Maryland Oil Disaster Containment, Clean-Up and Contingency Fund and the

1 Oil Contaminated Site Environmental Cleanup Fund.

2 BY repealing and reenacting, without amendments,

3 Article - Environment

4 Section 4-411(a) and (b) and 4-704(a) and (b)

5 Annotated Code of Maryland

6 (1996 Replacement Volume and 2004 Supplement)

7 BY repealing and reenacting, with amendments,

8 Article - Environment

9 Section 4-411(c), 4-705, and 4-706(b)

10 Annotated Code of Maryland

11 (1996 Replacement Volume and 2004 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

13 MARYLAND, That the Laws of Maryland read as follows:

14 **Article - Environment**

15 4-411.

16 (a) In this section the following words and phrases have the meanings
17 indicated.

18 (1) "Fund" means the Maryland Oil Disaster Containment, Clean-Up
19 and Contingency Fund.

20 (2) "Transfer" means the offloading or unloading of oil in the State from
21 or to any commercial vessel, barge, tank truck, tank car, pipeline, or any other means
22 used for transporting oil.

23 (3) "Barrel" means any measure of petroleum products or its by-products
24 which consists of 42.0 U.S. gallons of liquid measure.

25 (b) A person other than a vessel or barge may not transfer oil in the State
26 without a license.

27 (c) (1) A license required under this section shall be secured from the
28 Department of the Environment subject to the terms and conditions set forth in this
29 section. The fee on any barrel shall be imposed only once, at the point of first transfer
30 in the State. The license fee shall be:

31 (i) [Based on a 2 cents per barrel fee for oil transferred in the State
32 and credited] CREDITED to the Maryland Oil Disaster Containment, Clean-Up and
33 Contingency Fund AND BASED ON:

34 1. BEFORE JULY 1, 2010, A 4 CENTS PER BARREL FEE FOR OIL
35 TRANSFERRED IN THE STATE; AND

1 (i) An underground oil storage tank subject to the requirements of
2 § 4-409(b)(3) of this title for site rehabilitation costs incurred on or after October 1,
3 1993 resulting from contamination caused by releases from an underground oil
4 storage tank;

5 (ii) An underground oil storage tank not subject to the
6 requirements of § 4-409(b)(3) of this title for site rehabilitation costs incurred on or
7 after October 1, 2000 resulting from contamination caused by releases from an
8 underground oil storage tank; or

9 (iii) A heating oil tank for site rehabilitation costs incurred on or
10 after October 1, 2000 resulting from contamination caused by releases from a heating
11 oil tank including piping connected to the tank;

12 (2) Provide funds for site rehabilitation activities carried out by the
13 Department or under the Department's direction and control; and

14 (3) To the extent provided in the State budget and in an amount not to
15 exceed 8% of the revenues in the Fund during the fiscal year, provide funds for the
16 Department's administration of this subtitle.

17 4-705.

18 (a) [The owner or operator of an underground oil storage tank eligible under §
19 4-704(b)(1)(i) of this subtitle may apply to the Fund for reimbursement, on or after
20 October 1, 1993, for usual, customary, and reasonable costs incurred on or after
21 October 1, 1993 in performing site rehabilitation.

22 (b) The owner or operator of an underground oil storage tank eligible under §
23 4-704(b)(1)(ii) of this subtitle may apply to the Fund for reimbursement, [on or after
24 October 1, 2000] UNTIL DECEMBER 31, 2007, for usual, customary, and reasonable
25 costs incurred on or after October 1, 2000 in performing site rehabilitation.

26 [(c)] (B) The owner of a heating oil tank eligible under § 4-704(b)(1)(iii) of this
27 subtitle may apply to the Fund NO LATER THAN 6 MONTHS AFTER REHABILITATION
28 COMPLETION for reimbursement, [on or after October 1, 2000] UNTIL JUNE 30, 2010,
29 for usual, customary, and reasonable costs incurred on or after October 1, 2000 in
30 performing site rehabilitation.

31 [(d)] (C) (1) Any reimbursement from the Fund for applications approved on
32 or after July 1, 1996 is subject to:

33 (i) For owners or operators of six tanks or fewer, a deductible of
34 \$7,500;

35 (ii) For owners or operators of more than 6 but not more than 15
36 tanks, a deductible of \$10,000;

37 (iii) For owners or operators of more than 15 but not more than 30
38 tanks, a deductible of \$15,000;

1 (iv) For owners or operators of more than 30 tanks, a deductible of
2 \$20,000; and

3 (v) For residential owners of heating oil tanks, a deductible of
4 [\$1,000] \$500; and

5 (2) The maximum amount to be reimbursed from the Fund shall be:

6 (i) \$125,000 for underground oil storage tanks per occurrence; and

7 (ii) [\$10,000] \$20,000 for heating oil tanks per occurrence.

8 [(e)] (D) To be eligible for reimbursement from the Fund, an owner or operator
9 shall:

10 (1) Certify that the discharge is not the result of a willful or deliberate
11 act;

12 (2) Submit a corrective action plan, schedule, and cost estimate to the
13 Department that shall include provisions for the environmentally sound treatment or
14 disposal of contaminated soils that meet all federal and State requirements and
15 standards; and

16 (3) Except for heating oil tanks, certify that the discharge is from a tank
17 registered under § 4-411.1 of this title.

18 [(f)] (E) If the owner or operator knowingly submits a false certification under
19 subsection (e) of this section, that owner or operator is not eligible for reimbursement
20 under this subtitle.

21 [(g)] (F) Only expenses that are cost-effective, reasonable, and consistent
22 with a corrective action plan approved by the Department may be eligible for
23 reimbursement from the Fund.

24 [(h)] (G) The cost for replacement or retrofitting of underground oil storage
25 tanks or heating oil tanks and associated piping is not eligible for reimbursement,
26 and the Department may not incur these costs or expend moneys from the Fund for
27 these purposes.

28 4-706.

29 (b) The per occurrence deductible or limitation provided under [§ 4-705(d)] §
30 4-705(C) of this subtitle does not apply to the reimbursement or guarantee to a
31 contractor under this section.

32 SECTION 2. AND BE IT FURTHER ENACTED, That the Secretary of the
33 Environment shall convene a work group consisting of representatives of the various
34 sectors of the petroleum marketing industry and representatives from appropriate
35 public and private entities to review and assess long-term funding needs of the oil
36 pollution programs in the State. Subject to § 2-1246 of the State Government Article,

1 the Department of the Environment shall report the findings and recommendations
2 of the work group to the Legislative Policy Committee, the House Environmental
3 Matters Committee, and the Senate Education, Health, and Environmental Affairs
4 Committee on or before December 31, 2009.

5 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 July 1, 2005.