

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

H

3

HOUSE BILL 957
Committee Substitute Favorable 6/1/89
Third Edition Engrossed 6/7/89

Short Title: Underground Storage Tank Amendments.

(Public)

Sponsors:

Referred to:

March 30, 1989

A BILL TO BE ENTITLED

AN ACT TO AMEND VARIOUS STATUTES RELATING TO THE CLEANUP OF
LEAKING PETROLEUM UNDERGROUND STORAGE TANKS AND THE
REGULATION OF UNDERGROUND STORAGE TANKS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 143-215.3(a)(15) reads as rewritten:

"(15) ~~To implement programs to prevent pollution from underground tanks containing oil or hazardous substances, in accordance with those requirements made mandatory upon approved State programs by federal agencies administering the Resource Conservation and Recovery Act, as amended, including the Hazardous and Solid Waste Amendments of 1984.~~ To adopt rules for the prevention of pollution from underground tanks containing petroleum, petroleum products, or hazardous substances. Rules adopted under this section may incorporate standards and restrictions which exceed and are more comprehensive than comparable federal regulations."

Sec. 2. G.S. 143B-282(2) reads as rewritten:

"(2) The Environmental Management Commission shall ~~have the power and duty to establish standards and adopt rules and regulations:~~ rules:
a. For air quality standards, emission control standards and classifications for air contaminant sources pursuant to G.S. 143-215.107;

- 1 b. For water quality standards and classifications pursuant to G.S.
2 143-214.1 and G.S. 143-215;
3 c. To implement water and air quality reporting pursuant to G.S.
4 143-215.68;
5 d. To be applied in capacity use areas pursuant to G.S. 143-
6 215.14;
7 e. To implement the issuance of permits for water use within
8 capacity use areas pursuant to G.S. 143-215.20;
9 f. Repealed by Session Laws 1983, c. 222, s. 3, effective April 25,
10 1983;
11 g. For the protection of the land and the waters over which this
12 State has jurisdiction from pollution by oil, oil products and oil
13 by-products pursuant to Article 21A of Chapter 143.
14 h. ~~For governing the registration, construction, installation, monitoring,~~
15 ~~repair, closure, financial responsibility, and leaks of~~ Governing
16 underground tanks used for the storage of hazardous substances
17 or oil pursuant to Article 21 or Article 21A of Chapter 143 of
18 the General Statutes."

19 Sec. 3. G.S. 143-215.94A reads as rewritten:

20 **"§ 143-215.94A. Definitions.**

21 Unless a different meaning is required by the context, the following definitions shall
22 apply throughout this Part:

- 23 (1) 'Commercial Fund' means the Commercial Leaking Petroleum
24 Underground Storage Tank Cleanup Fund established pursuant to this
25 Part.
26 (2) 'Commercial underground storage tank' means any one or combination
27 of tanks (including underground pipes connected thereto) used to
28 contain an accumulation of petroleum products, the volume of which
29 (including the volume of the underground pipes connected thereto) is
30 ten percent (10%) or more beneath the surface of the ground. The
31 term 'commercial underground storage tank' does not include any:
32 a. Farm or residential underground storage tank of 1,100 gallons
33 or less capacity used for storing motor fuel for noncommercial
34 purposes;
35 b. Underground storage tank of 1,100 gallons or less capacity used
36 for storing heating oil for consumptive use on the premises
37 where stored;
38 c. Underground storage tank of more than 1,100 gallon capacity
39 used for storing heating oil for consumptive use on the premises
40 where stored by four or fewer households;
41 d. Septic tank;
42 e. Pipeline facility (including gathering lines) regulated under:
43 1. The Natural Gas Pipeline Safety Act of 1968 (49 U.S.C.
44 § 1671 et seq.);

- 1 2. The Hazardous Liquid Pipeline Safety Act of 1979 (49
2 U.S.C. § 2001 **et seq.**); or
- 3 3. Any intrastate pipeline facility regulated under State
4 laws comparable to the provisions of the Natural Gas
5 Pipeline Safety Act of 1968 or the Hazardous Liquid
6 Pipeline Safety Act of 1979;
- 7 f. Surface impoundment, pit, pond, or lagoon;
- 8 g. Stormwater or wastewater collection system;
- 9 h. Flow-through process tank;
- 10 i. Liquid trap or associated gathering lines directly related to oil
11 or gas production and gathering operations; or
- 12 j. Storage tank situated in an underground area (such as a
13 basement, cellar, mineworking, drift, shaft, or tunnel) if the
14 storage tank is situated upon or above the surface of the floor.
- 15 (2a) 'Heating oil' means petroleum that is No. 1, No. 2, No. 4-light, No. 4-
16 heavy, No. 5-light, No. 5-heavy, or No. 6 technical grades of fuel oil;
17 other residual fuel oils, including Navy Special Fuel Oil and Bunker C;
18 and other fuels when used as substitutes for one of these fuel oils for
19 the purpose of heating.
- 20 (3) 'Noncommercial Fund' means the Noncommercial Leaking Petroleum
21 Underground Storage Tank Cleanup Fund established pursuant to this
22 Part.
- 23 (4) 'Noncommercial underground storage tank' means any one or
24 combination of tanks (including underground pipes connected thereto)
25 used to contain an accumulation of petroleum products, the volume of
26 which (including the volume of the underground pipes connected
27 thereto) is ten percent (10%) or more beneath the surface of the
28 ground. The term 'noncommercial storage tank' does not include any:
- 29 a. Commercial underground storage tanks;
- 30 b. Septic tank;
- 31 c. Pipeline facility (including gathering lines) regulated under:
- 32 1. The Natural Gas Pipeline Safety Act of 1968 (49 U.S.C.
33 § 1671 **et seq.**);
- 34 2. The Hazardous Liquid Pipeline Safety Act of 1979 (49
35 U.S.C. § 2001 **et seq.**); or
- 36 3. Any intrastate pipeline facility regulated under State
37 laws comparable to the provisions of the Natural Gas
38 Pipeline Safety Act of 1968 or the Hazardous Liquid
39 Pipeline Safety Act of 1979;
- 40 d. Surface impoundment, pit, pond, or lagoon;
- 41 e. Stormwater or wastewater collection system;
- 42 f. Flow-through process tank;
- 43 g. Liquid trap or associated gathering lines directly related to oil
44 or gas production and gathering operations; or

- 1 h. Storage tank situated in an underground area (such as a
2 basement, cellar, mineworking, drift, shaft, or tunnel) if the
3 storage tank is situated upon or above the surface of the floor.
- 4 (5) 'Operator' means any person in control of, or having responsibility for,
5 the operation of an underground storage tank.
- 6 (6) 'Owner' means:
- 7 a. In the case of an underground storage tank in use on 8
8 November 1984, or brought into use after that date, any person
9 who owns an underground storage tank used for the storage,
10 use, or dispensing of petroleum products; and
- 11 b. In the case of an underground storage tank in use before 8
12 November 1984, but no longer in use on or after that date, any
13 person who owned such tank immediately before the
14 discontinuation of its use.
- 15 (7) 'Petroleum' or 'petroleum product' means crude oil or any fraction
16 thereof which is a liquid at standard conditions of temperature and
17 pressure (60 degrees Fahrenheit and 14.7 pounds per square inch
18 absolute), including any such liquid which consists of a blend of
19 petroleum and alcohol and which is intended for use as a motor fuel.
20 The terms 'petroleum' and 'petroleum product' do not include any
21 hazardous substance as defined in Section 101(14) of the
22 Comprehensive Environmental Response, Compensation, and Liability
23 Act of 1980, Pub. L. No. 96-510, 94 Stat. 2767, 42 U.S.C. § 9601(14)
24 as amended; any substance regulated as a hazardous waste under
25 Subtitle C of Title II of the Resource Conservation and Recovery Act
26 of 1976, Pub. L. 94-580, 90 Stat. 2806, 42 U.S.C. § 6921 et seq., as
27 amended; or any mixture of petroleum or a petroleum product
28 containing any such hazardous substance or hazardous waste in greater
29 than de minimis quantities."

30 Sec. 4. G.S. 143-215.94B reads as rewritten:

31 **"§ 143-215.94B. Commercial leaking petroleum underground storage tank cleanup**
32 **fund.**

33 (a) There is established under the control and direction of the Department the
34 Commercial Leaking Petroleum Underground Storage Tank Cleanup Fund. This
35 Commercial Fund shall be a nonreverting revolving fund consisting of any monies
36 appropriated for such purpose by the General Assembly or available to it from grants,
37 other monies paid to it or recovered on behalf of the Commercial Fund, and fees paid
38 pursuant to this Part.

39 (b) The Commercial Fund shall be used for the payment of the following costs ~~in~~
40 ~~excess of one hundred thousand dollars (\$100,000)~~ up to an aggregate maximum of one
41 million dollars (\$1,000,000) per occurrence resulting from a discharge or release of a
42 petroleum product from a commercial underground storage tank:

1 (1) The cleanup of environmental damage as required by G.S. 143-
2 215.94E(a); ~~and 143-215.94E(a) in excess of fifty thousand dollars~~
3 (\$50,000) per occurrence; and

4 (2) ~~The least expensive of the following:~~

5 a. ~~Providing potable water supplies including bottled water, well-~~
6 ~~head filtration systems or other suitable alternatives to persons~~
7 ~~whose water supply has been rendered unpotable; or~~

8 b. ~~Purchasing the property of the person whose water supply has~~
9 ~~been rendered unpotable. The State shall not purchase the~~
10 ~~property without the consent of the property owner, but if the~~
11 ~~property owner fails to consent, the amount expended to~~
12 ~~provide potable water shall not exceed the value of the property.~~
13 ~~If the property is purchased by the State, the purchase price~~
14 ~~shall be the value of the property immediately prior to the~~
15 ~~discovery of the discharge or release.~~

16 Compensation to third parties for bodily injury and property damage in
17 excess of one hundred thousand dollars (\$100,000) per occurrence.

18 ~~In no event shall a property owner be paid any sum as liquidated damages from the~~
19 ~~Commercial Fund.~~

20 (c) The Commercial Fund is to be available on an occurrence basis, without
21 regard to number of occurrences associated with tanks owned or operated by the same
22 owner or operator. ~~Up to a maximum of one hundred thousand dollars (\$100,000) per year~~
23 ~~may be used from the Fund to pay for the administrative costs associated with carrying out the~~
24 ~~provisions of this Part by the Department.~~

25 (d) The Commercial Fund shall not be used for:

26 (1) Costs incurred as a result of a discharge or release from an
27 aboveground tank, aboveground pipe or ~~fitting~~, fitting not connected to
28 an underground storage tank, or vehicle;

29 (2) The replacement of any tank, pipe, fitting or related equipment;

30 (3) Costs incurred as a result of a discharge or release of petroleum from a
31 transmission pipeline;

32 (4) Costs intended to be paid by the Noncommercial Fund; or

33 (5) Costs associated with the administration of any underground storage
34 tank program other than the program administered pursuant to this
35 Part.

36 (e) The Commercial Fund shall be treated as a special trust fund and shall be
37 credited with interest by the State Treasurer pursuant to G.S. 147-69.2 and G.S. 147-
38 69.3."

39 Sec. 5. G.S. 143-215.94C reads as rewritten:

40 "**§ 143-215.94C. Commercial leaking petroleum underground storage tank cleanup**
41 **fees.**

42 (a) The owner or operator of a commercial petroleum underground storage tank
43 shall pay to the Secretary for deposit into the Commercial Fund an annual operating fee
44 according to the following schedule:

1 (1) For each petroleum commercial underground storage tank
2 ~~currently in operation~~ of 3,500 gallons or less capacity ~~—thirty dollars~~
3 ~~(\$30.00).~~ forty-five dollars (\$45.00).

4 (2) For each petroleum commercial underground storage tank ~~currently in~~
5 ~~operation~~ of more than 3,500 gallon capacity ~~—sixty dollars (\$60.00).~~
6 seventy-five dollars (\$75.00).

7 (b) ~~The operating fee shall be due and payable on 1 January of each year for that~~
8 ~~calendar year. The annual operating fee shall be determined on a calendar year basis. For~~
9 ~~petroleum commercial underground storage tanks in use on 1 January, the annual~~
10 ~~operating fee due for that year shall be as specified in subsection (a) of this section. For~~
11 ~~petroleum commercial underground storage tanks which are first placed in use in any~~
12 ~~year, the annual operating fee due for that year shall be determined by multiplying one-~~
13 ~~twelfth (1/12) of the amount specified in subsection (a) of this section by the number of~~
14 ~~months remaining in the calendar year. The annual operating fee shall be due and~~
15 ~~payable on the first day of the month in accordance with a staggered schedule~~
16 ~~established by the Department. The Department shall implement a staggered schedule~~
17 ~~to the end that the total amount of fees to be collected by the Department is~~
18 ~~approximately the same each month. A person who owns or operates more than one~~
19 ~~commercial petroleum underground storage tank may request that the fee for all tanks~~
20 ~~be due at the same time. A person who owns or operates 12 or more commercial~~
21 ~~petroleum storage tanks may request that the total of all fees be paid in four equal~~
22 ~~payments to be due on the first day of each calendar quarter.~~

23 (c) Beginning no later than sixty days before the first due date of the annual
24 operating fee imposed by this section, any person who deposits a petroleum product in a
25 commercial underground storage tank that would be subject to the annual operating fee
26 shall, at least once in each calendar year during which such deposit of a petroleum
27 product is made, notify the owner or operator of the duty to pay the annual operating
28 fee. The requirement to notify pursuant to this subsection does not constitute a duty
29 owed by the person depositing a petroleum product in a commercial underground
30 storage tank to the owner or operator and the person depositing a petroleum product in
31 an underground storage tank shall not incur any liability to the owner or operator for
32 failure to give notice of the duty to pay the operating fee.

33 (d) If, on 1 July in any year ~~after 1990~~ the Commercial Fund balance exceeds
34 fifteen million dollars (\$15,000,000), the requirement to pay an annual operating fee
35 pursuant to this section shall be suspended for any calendar year thereafter until the
36 Commercial Fund balance is five million dollars (\$5,000,000) or less, at which time the
37 requirement to pay the annual operating fee shall be reinstated beginning with the next
38 calendar year. ~~The duty to pay the annual operating fee shall not be suspended prior to 1~~
39 ~~January 1991 regardless of the Commercial Fund balance. A suspension of the requirement~~
40 ~~to pay an annual operating fee for any calendar year shall not be construed to relieve~~
41 ~~any person of the obligation to pay the full amount of annual operating fees due under~~
42 ~~this section for any other year."~~

43 Sec. 6. G.S. 143-215.94D reads as rewritten:

1 "§ 143-215.94D. Noncommercial leaking petroleum underground storage tank
2 cleanup fund.

3 (a) There is established under the control and direction of the Department the
4 Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund. This
5 Noncommercial Fund shall be a nonreverting revolving fund consisting of any monies
6 appropriated for such purpose by the General Assembly or available to it from grants, or
7 other monies paid to it or recovered on behalf of the Noncommercial Fund.

8 (b) The Noncommercial Fund shall be used for the payment of the following
9 costs up to an aggregate maximum of one million dollars (\$1,000,000) per occurrence
10 resulting from a discharge or release of a petroleum product from: (i) noncommercial
11 underground storage tanks, (ii) commercial underground storage tanks where the owner
12 or operator cannot be identified or fails to proceed with the cleanup, and (iii)
13 commercial underground storage tanks which were taken out of operation prior to 1
14 January 1974 where, at the time the discharge or release is discovered, neither the owner
15 or operator owns or leases the lands on which the tank is located:

16 (1) The cleanup of environmental damage as required by G.S. 143-
17 215.94E(a); and

18 (2) ~~The least expensive of the following:~~

19 a. ~~Providing potable water supplies including bottled water, well-~~
20 ~~head filtration systems or other suitable alternatives to persons~~
21 ~~whose water supply has been rendered unpotable; or~~

22 b. ~~Purchasing the property of the person whose water supply has~~
23 ~~been rendered unpotable. The State shall not purchase the~~
24 ~~property without the consent of the property owner, but if the~~
25 ~~property owner fails to consent, the amount expended to~~
26 ~~provide potable water shall not exceed the value of the property.~~
27 ~~If the property is purchased by the State, the purchase price~~
28 ~~shall be the value of the property immediately prior to the~~
29 ~~discovery of the discharge or release.~~

30 Compensation to third parties for bodily injury and property damage in
31 excess of one hundred thousand dollars (\$100,000) per occurrence.

32 ~~In no event shall a property owner be paid any sum as liquidated damages from the~~
33 ~~Noncommercial Fund.~~

34 (c) The Noncommercial Fund is to be available on an occurrence basis, without
35 regard to number of occurrences associated with tanks owned or operated by the same
36 owner or operator. ~~Up to a maximum of one hundred thousand dollars (\$100,000) per year~~
37 ~~may be used from the Fund to pay for the administrative costs associated with carrying out the~~
38 ~~provisions of this Part by the Department.~~

39 (d) The Noncommercial Fund shall not be used for:

40 (1) Costs incurred as a result of a discharge or release from an
41 aboveground tank, aboveground pipe or ~~fitting~~, fitting not connected to
42 an underground storage tank, or vehicle;

43 (2) The replacement of any tank, pipe, fitting or related equipment;

- 1 (3) Costs incurred as a result of a discharge or release of petroleum from a
2 transmission pipeline;
- 3 (4) Costs intended to be paid for by the Commercial Fund; or
- 4 (5) Costs associated with the administration of any underground storage
5 tank program other than the program administered pursuant to this
6 Part.

7 (e) The Noncommercial Fund shall be treated as a special trust fund and shall be
8 credited with interest by the State Treasurer pursuant to G.S. 147-69.2 and G.S. 147-
9 69.3."

10 Sec. 7. G.S. 143-215.94E(b) reads as rewritten:

11 "(b) In the case of a discharge or release from a commercial underground storage
12 tank where the owner or operator has been identified and has proceeded with cleanup,
13 the owner or operator may elect to have the Commercial Fund pay or reimburse the
14 owner or operator for any costs described in G.S. 143-215.94B(b) which exceed ~~one~~
15 ~~hundred thousand dollars (\$100,000) up to a maximum of nine hundred thousand dollars~~
16 ~~(\$900,000).~~ fifty thousand dollars (\$50,000) for the cleanup of environmental damage
17 and one hundred thousand dollars (\$100,000) for compensating third parties for bodily
18 injury and property damage up to an aggregate maximum of one million dollars
19 (\$1,000,000) per discharge or release. The sum of payments by the owner or operator
20 and the payments from the Commercial Fund shall not exceed one million dollars
21 (\$1,000,000) per discharge or release."

22 Sec. 8. G.S. 143-215.94F reads as rewritten:

23 "**§ 143-215.94F. Limited amnesty.**

24 Any owner or operator who reports a suspected discharge or release from an
25 underground storage tank ~~within 15 months of the effective date of this Part~~ prior to 1
26 October 1989 shall not be liable for any civil penalty that might otherwise be imposed
27 pursuant to ~~G.S. 143-215.91(a)~~ G.S. 143-215.91(a) for violations of G.S. 143-215.83(a)
28 and G.S. 143-215.85. The limited amnesty provided by this section shall not apply
29 upon a finding by the Commission that the discharge or release was the result of gross
30 negligence or an intentional act."

31 Sec. 9. G.S. 143-215.94G reads as rewritten:

32 "**§ 143-215.94G. Authority of the Department to engage in cleanups; actions for**
33 **fund reimbursement.**

- 34 (a) Whenever a discharge or release of petroleum is from:
- 35 (1) A noncommercial underground storage tank;
- 36 (2) An underground storage tank where the owner or operator cannot be
37 identified or located;
- 38 (3) An underground storage tank where the owner or operator fails to
39 proceed as required by G.S. 143-215.94E(a); or
- 40 (4) A commercial underground storage tank which was taken out of
41 operation prior to 1 January 1974 where, at the time the discharge or
42 release is discovered, neither the owner or operator owns or leases the
43 land on which the underground storage tank is located;

1 the Department is authorized and empowered to use staff, equipment, or materials under
2 its control or provided by other cooperating federal, State, or local agencies and to
3 contract with any agent or contractor it deems appropriate to develop and implement a
4 cleanup plan and to pay the costs authorized by G.S. 143-215.94D(b) from the
5 Noncommercial Fund. Every State agency shall provide to the Department to the
6 maximum extent feasible such staff, equipment, and materials as may be available and
7 useful to the development and implementation of a cleanup program.

8 (b) Whenever the discharge or release of a petroleum product is from a
9 commercial underground storage tank, the Department is authorized and empowered to
10 supervise the cleanup of environmental damage required by G.S. 143-215.94E(a). If the
11 owner or operator elects to have the Commercial Fund reimburse or pay for any costs
12 allowed under ~~G.S. 143-215.94B(b) in excess of one hundred thousand dollars (\$100,000),~~
13 G.S. 143-215.94B(b), the Department shall require the owner or operator to submit
14 documentation of all expenditures which are claimed for the purposes of establishing
15 that the owner or operator has spent ~~an initial one hundred thousand dollars (\$100,000).~~ the
16 amounts required to be paid by the owner or operator pursuant to and in accordance
17 with G.S. 143-215.94E(b). The Department shall allow credit for all expenditures for
18 which prior approval was obtained from the Department and any other expenditures
19 which the Department determines to be reasonable and necessary. The Department may
20 not pay for any costs for which the Commercial Fund was established until the owner or
21 operator has paid ~~an initial one hundred thousand dollars (\$100,000).~~ the amounts specified
22 in G.S. 143-215.94E(b).

23 (c) The Secretary shall keep a record of all expenses incurred for the services of
24 State personnel and for the use of the State's equipment and material.

25 (d) The Secretary shall seek reimbursement through any legal means available,
26 for:

- 27 (1) Any costs not authorized to be paid from either the Commercial or the
28 Noncommercial Fund;
- 29 (2) The ~~initial one hundred thousand dollars (\$100,000) of the costs~~ amounts
30 provided for in G.S. 143-215.94B(b) required to be paid for by the
31 owner or operator pursuant to G.S. 143-215.94E(b) where the owner or
32 operator of a commercial underground storage tank is later identified
33 or located;
- 34 (3) The ~~initial one hundred thousand dollars (\$100,000) of the costs~~ amounts
35 provided for in G.S. 143-215.94B(b) required to be paid for by the
36 owner or operator pursuant to G.S. 143-215.94E(b) where the owner or
37 operator of a commercial underground storage tank failed to proceed
38 as required by G.S. 143-215.94E(a);
- 39 (4) Any funds due under G.S. 143-215.94E(g); and
- 40 (5) Any funds to which the State is entitled under any federal program
41 providing for the cleanup of petroleum discharges or releases from
42 underground storage tanks.

43 (e) In the event that a civil action is commenced to secure reimbursement
44 pursuant to subdivisions (1) through (4) of subsection (d) of this section, the Secretary

1 may recover, in addition to any amount due, the costs of the action, including but not
2 limited to reasonable attorney's fees and investigation expenses. Any monies received
3 or recovered as reimbursement shall be paid into the appropriate fund or other source
4 from which the expenditures were made.

5 (f) In the event that ~~one hundred thousand dollars (\$100,000) or more~~ a recovery
6 equal to or in excess of the amounts required to be paid for by the owner or operator
7 pursuant to G.S. 143-215.94E(b) is recovered pursuant to subdivisions (2) and (3) of
8 subsection (d) of this section for the costs described in G.S. 143-215.94B(b), the
9 Department shall transfer funds from the Commercial Fund that would have been paid
10 from the Commercial Fund pursuant to G.S. 143-215.94B(b) if the owner or operator
11 had proceeded with the cleanup, but which were paid from the Noncommercial Fund,
12 into the Noncommercial Fund."

13 Sec. 10. G.S. 143-215.94H reads as rewritten:

14 "**§ 143-215.94H. Financial responsibility.**

15 The Department shall require each owner and operator of a petroleum underground
16 storage tank who is required to demonstrate financial responsibility under rules
17 promulgated by the United States Environmental Protection Agency pursuant to 42
18 U.S.C. § 6991b(d) to maintain evidence of financial responsibility of not less than ~~one~~
19 ~~hundred thousand dollars (\$100,000)~~ the amounts required to be paid for by the owner or
20 operator pursuant to G.S. 143-215.94E(b) per occurrence for costs described in G.S.
21 143-215.94B(b) and G.S. 143-215.94D(b). Financial responsibility may be established
22 in accordance with rules adopted by the Commission which shall provide that financial
23 responsibility may be established by either insurance, guarantee, surety bond, letter of
24 credit, qualification as a self-insurer, or any combination thereof. The compliance date
25 schedule for demonstrating financial responsibility shall conform to the schedule
26 adopted by the Environmental Protection Agency."

27 Sec. 11. G.S. 143-215.94I(j) reads as rewritten:

28 "(j) In the event that the Commissioner finds that a pool is insolvent, financially
29 impaired, or otherwise, unable to discharge its legal liabilities or obligations, ~~of it or~~ if
30 the Commissioner at any time has reason to believe that any owner or operator is unable
31 to demonstrate financial responsibility as required by G.S. 143-215.94H and rules
32 adopted by the Commission as a result of the financial condition of the pool or for any
33 other reason, the Commissioner shall so notify the Secretary."

34 Sec. 12. G.S.143-215.94M(b) reads as rewritten:

35 "(b) The annual reports required by this section shall be made by the Secretary
36 ~~beginning with the next legislative session following the effective date of this Part. on 1~~
37 January of each year beginning 1 January 1990."

38 Sec. 13. Part 2A of Article 21A of Chapter 143 of the General Statutes is
39 amended by adding a new section to read:

40 "**§ 143-215.94N. Applicability.**

41 (a) The provisions of this Part as they relate to costs paid for by the Commercial
42 Fund apply only to discharges or releases which are discovered or reported on or after
43 30 June 1988.

1 (b) The provisions of this Part as they relate to costs paid for by the
2 Noncommercial Fund apply to discharges or releases without regard to the date
3 discovered or reported; however, costs sought pursuant to G.S. 143-215.94G(d) (1), (2),
4 (3), and (4) shall be for the full amount of the costs paid for from the Noncommercial
5 Fund and shall not be limited pursuant to G.S. 143-215.94E(b) for discharges or releases
6 from commercial underground storage tanks discovered or reported on or before 30
7 June 1988."

8 Sec. 14. Article 21A of Chapter 143 of the General Statutes is amended by
9 adding a new Part to read:

10 **"PART 2B. UNDERGROUND STORAGE TANK REGULATION.**

11 **"§ 143-215.94T. Adoption and implementation of regulatory program.**

12 The Commission shall adopt, and the Department shall implement and enforce, rules
13 relating to underground storage tanks as provided by G.S. 143-215.3(a)(15) and G.S.
14 143B-282(2)h. Such rules shall include standards and requirements applicable to both
15 existing and new underground storage tanks and tank systems, may include different
16 standards and requirements based on tank capacity, tank location, tank age, and other
17 relevant factors, and shall include, at a minimum, standards and requirements for:

- 18 (1) Design, construction, and installation, including monitoring systems;
- 19 (2) Notification to the Department, inspection, and registration;
- 20 (3) Recordation of tank location;
- 21 (4) Modification, retrofitting, and upgrading;
- 22 (5) General operating requirements;
- 23 (6) Release detection;
- 24 (7) Release reporting, investigation, and confirmation;
- 25 (8) Corrective action;
- 26 (9) Repair;
- 27 (10) Closure; and
- 28 (11) Financial responsibility."

29 Sec. 15. Section 4 of Chapter 1035 of the 1987 Session Laws (1988 Regular
30 Session) is repealed.

31 Sec. 16. Section 5 of Chapter 1035 of the 1987 Session Laws reads as
32 rewritten:

33 "Sec. 5. G.S. 143-215.94B through G.S. 143-215.94E, G.S. 143-215.94G, and G.S.
34 143-215.94J through G.S. ~~143-215.94M-143-215.94N~~ as enacted by Section 1 of this act
35 and Section 2 of this act expire 31 December ~~1989-1998~~. References to expired
36 sections in unexpired sections shall be read to give effect to the unexpired sections. If
37 either fund created by Section 1 of this act would be obligated under the provisions of
38 this act with respect to any discharge or release reported to the Department of Natural
39 Resources and Community Development or any successor department prior to the
40 expiration of this act, the respective fund may continue to pay any costs incurred in
41 accordance with this act to the extent that funds remain. In the event that funds remain
42 in either fund after the expiration of this act and after all claims and other obligations of
43 both funds have been paid, such remaining funds shall revert to the General Fund."

1 Sec. 17. All sums collected on kerosene and motor fuel pursuant to G.S. 119-
2 18 that are not allotted by the Office of State Budget and Management to administer and
3 enforce the provisions of Chapter 119 of the General Statutes shall be credited to the
4 Commercial Leaking Petroleum Underground Storage Tank Cleanup Fund and the
5 Noncommercial Leaking Underground Petroleum Storage Tank Cleanup Fund as
6 certified on a monthly basis as follows: one-half ($\frac{1}{2}$) shall be credited to the
7 Commercial Fund and one-half ($\frac{1}{2}$) shall be credited to the Noncommercial Fund unless
8 the balance in the Commercial Fund exceeds fifteen million dollars (\$15,000,000), and
9 in that event, all such funds shall be credited to the Noncommercial Fund until the
10 balance of the Commercial Fund falls below five million dollars (\$5,000,000), at which
11 time credits to the Commercial Fund shall resume.

12 Sec. 18. The requirement to pay the annual operating fee under G.S. 143-
13 215.94C shall not be suspended prior to 1 January 1991 regardless of the Commercial
14 Fund balance.

15 Sec. 19. There is appropriated from the Commercial Leaking Petroleum
16 Underground Storage Tank Cleanup Fund to the Department of Natural Resources and
17 Community Development the sum of \$600,000 for the 1989-90 fiscal year and \$600,000
18 for the 1990-91 fiscal year to implement the provisions of Parts 2A and 2B of Chapter
19 143 of the General Statutes. There is appropriated from the Noncommercial Leaking
20 Petroleum Underground Storage Tank Cleanup Fund to the Department of Natural
21 Resources and Community Development the sum of \$600,000 for the 1989-90 fiscal
22 year and \$600,000 for the 1990-91 fiscal year to implement the provisions of Parts 2A
23 and 2B of Chapter 143 of the General Statutes.

24 Sec. 20. Section 5 of this act shall become effective 1 January 1990. Section
25 19 of this act shall become effective 1 July 1989. Sections 1 through 4, Sections 6
26 through 18, and Section 20 of this act are effective upon ratification.