

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 HOUSE BILL 2527

By: Brown

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6 AS INTRODUCED

7 An Act relating to Corporation Commission; amending
8 17 O.S. 2011, Section 353, which relates to the
9 Petroleum Storage Tank Indemnity Fund; deleting
10 certain exception to prohibition to transfer funds
11 from the Petroleum Storage Tank Indemnity Fund;
12 deleting authorization for the Administrator of the
13 Corporation Commission to transfer funds; prohibiting
14 authorization by the Legislature to transfer funds;
15 providing an effective date; and declaring an
16 emergency.

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

18 SECTION 1. AMENDATORY 17 O.S. 2011, Section 353, is
19 amended to read as follows:

20 Section 353. A. There is hereby created within the Corporation
21 Commission, the "Petroleum Storage Tank Indemnity Fund". The
22 Director shall hire an Administrator who shall administer the
23 Indemnity Fund and Indemnity Fund Program. The Indemnity Fund shall
24 be administered by the Administrator for the benefit of those
persons determined to be eligible by the Administrator to receive
total or partial reimbursement for:

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 B. Reimbursements made to or for the benefit of eligible
11 persons shall be exempt from the Oklahoma Central Purchasing Act.

12 C. 1. Costs incurred as a result of a release from a storage
13 tank system owned or operated by this state or by the federal
14 government are not reimbursable pursuant to the provisions of the
15 Oklahoma Petroleum Storage Tank Release Indemnity Program. State
16 and federally owned facilities shall take the proper corrective
17 action as may be necessary to protect the environment from a leaking
18 storage tank system. Provided, that an agency of the state may
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. In such case,
23 the agency of the state shall be reimbursed for allowable costs in
24 excess of Five Thousand Dollars (\$5,000.00) with the attendant co-

1 pay as referenced in subsection H of Section 356 of this title
2 available to the agency at the same level or amount of reimbursement
3 as the qualified owner or operator would have received pursuant to
4 Section 356 of this title.

5 2. Costs incurred as a result of a release from a storage tank
6 system owned or operated by a Class I Railroad are not reimbursable
7 pursuant to the provisions of the Oklahoma Petroleum Storage Tank
8 Release Indemnity Program.

9 D. The Indemnity Fund shall consist of:

10 1. All monies received by the Commission as proceeds from the
11 assessment imposed pursuant to Section 354 of this title;

12 2. Interest attributable to investment of money in the
13 Indemnity Fund; and

14 3. Money received by the Commission in the form of gifts,
15 grants, reimbursements, or from any other source intended to be used
16 for the purposes specified by or collected pursuant to the
17 provisions of the Oklahoma Petroleum Storage Tank Release Indemnity
18 Program.

19 E. 1. ~~Except as provided for in subsection F of this section,~~
20 ~~the~~ The monies deposited in the Indemnity Fund shall at no time
21 become monies of the state and shall not become part of the general
22 budget of the Commission or any other state agency. ~~Except as~~
23 ~~otherwise authorized by subsection F of this section, the Oklahoma~~
24 ~~Storage Tank Regulation Act and the Oklahoma Petroleum Storage Tank~~

1 ~~Release Indemnity Program, no~~ No monies from the Indemnity Fund
2 shall be transferred for any purpose to any other state agency or
3 any account of the Commission or be used for the purpose of
4 contracting with any other state agency or reimbursing any other
5 state agency for any expense. The Legislature shall not authorize
6 the transfer of any monies deposited in the Indemnity Fund for any
7 purpose to any other state agency or any other account or fund of
8 the Commission.

9 2. ~~Except as provided for in subsection F of this section, no~~
10 No monies from the Indemnity Fund shall be used to pay or reimburse
11 the Commission for the salary of any employee, except for the
12 Compliance and Inspection Department, while such employee is
13 performing work involved in the regulation of storage tanks pursuant
14 to the Oklahoma Storage Tank Regulation Act or the administration of
15 programs pursuant to said act, including the development, review and
16 approval of corrective action plans as required by the regulatory
17 programs; however, the Indemnity Fund shall pay for all costs
18 associated with administering the Compliance and Inspection
19 Department including, but not limited to, automobile and travel
20 costs, computer software and equipment, and other costs incurred in
21 administering the Compliance and Inspection Department. The
22 Commission shall cross train the field staff of the Petroleum
23 Storage Tank Division to perform inspections and related field
24 activities for all programs within the Division and the Oklahoma

1 Petroleum Storage Tank Release Indemnity Program may reimburse the
2 Division the actual costs of inspection services performed on behalf
3 of the Oklahoma Petroleum Storage Tank Release Indemnity Program.

4 3. Monies in the Indemnity Fund shall only be expended for:

5 a. reimbursements to eligible persons unless duly
6 assigned to another, and

7 b. costs incurred by the Indemnity Fund Program for the
8 administration of the fund and costs incurred for the
9 sole purpose of evaluating claims and determining
10 whether specific claims qualify for payment or
11 reimbursement from such Indemnity Fund.

12 Any costs incurred by and reimbursed to the Commission pursuant
13 to the provisions of the Oklahoma Petroleum Storage Tank Release
14 Indemnity Program shall not exceed the actual expenditures made by
15 the Commission to implement the provisions of the Oklahoma Petroleum
16 Storage Tank Release Indemnity Program.

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

21 ~~F. The Administrator of the Corporation Commission is hereby~~
22 ~~allowed to transfer funds from the Petroleum Storage Tank Indemnity~~
23 ~~Fund in amounts determined to be necessary and for the purposes~~
24 ~~authorized in Section 2 of this act. The total amount transferred~~

1 ~~shall not exceed the amount set forth in Section 2 of this act. The~~
2 ~~transfer and expenditure authorizations provided by this subsection~~
3 ~~and Section 2 of this act shall remain in effect until June 30,~~
4 ~~2011.~~

5 SECTION 2. This act shall become effective July 1, 2012.

6 SECTION 3. It being immediately necessary for the preservation
7 of the public peace, health and safety, an emergency is hereby
8 declared to exist, by reason whereof this act shall take effect and
9 be in full force from and after its passage and approval.

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