

BILL ANALYSIS

Senate Research Center
80R6951 SMH-D

S.B. 1671
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Natural Resources
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Since 1998, owners and operators of petroleum underground storage tanks have been required to maintain insurance or other forms of financial assurance to cover the costs of cleaning up a leak or spill at a tank. However, many owners and operators of petroleum underground storage tanks have failed to maintain that financial assurance.

As proposed, S.B. 1671 requires notification to the Texas Commission on Environmental Quality (TCEQ) if an owner or operator of petroleum underground storage tanks fails to renew a financial assurance. S.B. 1671 authorizes TCEQ to shut down a tank if the owner or operator does not maintain the required evidence of financial assurance.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

[While the statutory reference in this bill is to the Texas Natural Resource Conservation Commission (TNRCC), the following amendments affect the Texas Commission on Environmental Quality (TCEQ), as the successor agency to TNRCC.]

SECTION 1. Amends Section 26.352, Water Code, by adding Subsection (e-1) and amending Subsection (f), as follows:

(e-1) Requires an insurance company or other entity that provides insurance coverage or another form of financial assurance to an owner or operator of an underground storage tank for purposes of this section to notify TCEQ if the owner or operator or the insurance company or other entity cancels or fails to renew the insurance coverage or other form of financial assurance.

(f) Authorizes TCEQ to order an owner or operator of an underground storage tank that fails to maintain acceptable evidence of financial responsibility to place the tank out of service in the same manner that TCEQ issues such an order under Section 26.3475(e) (relating to a notice of violation to the owner or operator of an underground storage tank system) to an owner or operator of an underground storage tank system that does not comply with that section.

SECTION 2. Effective date: September 1, 2007.