

FINAL BILL REPORT

SHB 1007

C 8 L 97

Synopsis as Enacted

Brief Description: Expanding the duties of the director of the Washington state pollution liability insurance agency.

Sponsors: By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives L. Thomas and Wolfe; by request of Pollution Liability Insurance Agency).

House Committee on Financial Institutions & Insurance
Senate Committee on Financial Institutions, Insurance & Housing

Background: After reviewing several proposals to assist owners of underground storage tanks (UST) to comply with federal financial responsibility regulations, the Legislature adopted a state pollution liability reinsurance program in 1989. The program provides insurance to insurance companies (reinsurance) who, in turn, provide insurance to UST owners and operators. The program is administered by the Pollution Liability Insurance Agency (PLIA). In 1991, the Legislature established the Underground Storage Tank Community Assistance Program in the PLIA to provide financial assistance to public and private owners and operators of underground storage tanks that meet vital local government, public health, and safety needs.

In 1995, the Legislature required the PLIA to develop and administer a program to provide pollution liability insurance coverage for all heating oil tanks in Washington. These tanks are exempt from financial responsibility regulations that apply to USTs, but they can still cause pollution. The PLIA began this program on January 1, 1996.

Generally, property owners are liable for pollution that occurs on their property. When selling real property, a person is required to disclose known defects. A written disclosure statement must be made by the seller to the buyer when selling residential property; this statement includes disclosure of possible environmental hazards from fuel storage tanks.

Summary: The director of the Pollution Liability Insurance Agency must establish a program providing advice and technical assistance to owners and operators of active or abandoned heating oil tanks. This advice and assistance may include site assessments; the director may provide written opinions and conclusions indicating there is little or no contamination at the site. The state is not liable for the consequences of providing or failing to provide advice, opinions, conclusions, or

assistance. The PLIA must establish a public information program regarding technical and environmental requirements associated with heating oil tanks. The PLIA is authorized to recover the costs of providing advice or assistance. These new responsibilities expire June 1, 2001.

Votes on Final Passage:

House 97 0

Senate 47 0

Effective: July 27, 1997