

State of Misconsin 1997 - 1998 LEGISLATURE

## **1997 ASSEMBLY BILL 255**

April 9, 1997 – Introduced by Representatives Johnsrud, Freese, Ward, Goetsch, Ainsworth, Musser, Meyer, Gard, Hasenohrl, Gronemus, Albers, Hutchison, Duff, Kreibich, Owens, Brandemuehl, Zukowski, Sykora, Ourada, Powers, Olsen, Gunderson and Harsdorf, cosponsored by Senators Cowles, Rude and Drzewiecki. Referred to Committee on Natural Resources.

1	An ACT to repeal 101.143 (3) (as) and 101.143 (4) (a) 5.; to renumber and
2	amend 101.143 (5) (a); to amend 20.143 (3) (v), 25.47, 101.143 (1) (gm),
3	101.143 (2) (e), 101.143 (2) (e), 101.143 (3) (a) (intro.), 101.143 (3) (a) (intro.),
4	$101.143\ (3)\ (ae),\ 101.143\ (3)\ (am),\ 101.143\ (3)\ (c)\ 4.,\ 101.143\ (3)\ (f)\ 5.,\ 101.143\ (f)\ 5.$
5	(4) (a) 7., 101.143 (4) (d) 1., 101.143 (4) (dm) 1., 101.143 (4) (e) 1. b. and c.,
6	101.143 (5) (b) and $101.143$ (5) (c); and <i>to create</i> 101.143 (3) (ah), 101.143 (3)
7	$(ap),\ 101.143\ (4)\ (a)\ 8.,\ 101.143\ (4)\ (ce),\ 101.143\ (4)\ (dr),\ 101.143\ (4)\ (g)\ 7.,$
8	101.143 (4) (h), 101.143 (5) (a), 101.143 (5) (am) 2. and 101.143 (6m) of the
9	statutes; <b>relating to:</b> reimbursement for costs incurred because of discharges
10	from certain petroleum product storage tanks, granting rule-making authority
11	and making an appropriation.

### Analysis by the Legislative Reference Bureau

Under current law, the department of commerce administers a program to reimburse owners of certain petroleum product storage tanks for a portion of the costs of cleaning up discharges from those tanks. This program is commonly known

as PECFA. The department generally determines the amount of a PECFA award by subtracting a specified deductible from the amount of the eligible costs.

Under this bill, if a claimant includes certain ineligible costs in a PECFA claim, the department determines the amount of the PECFA award by subtracting the amount of those ineligible costs, as a penalty, in addition to the deductible, from the amount of the eligible costs. The bill requires the department to promulgate a rule identifying the ineligible costs that will be subtracted.

This bill authorizes the department of commerce to promulgate rules under which it requires 2 or more owners of petroleum storage tanks to use the same service providers to conduct cleanups of discharges from those tanks as a condition of receiving PECFA reimbursement. The bill also authorizes the department of commerce to promulgate rules under which the department selects service providers to provide investigation or remedial action services in specified areas. The rules may deny PECFA reimbursement for a service performed by a person other than a selected provider or limit PECFA reimbursement to the amount that the selected provider would have charged for the service.

Under current law, the owner of an underground petroleum product storage tank that meets state or federal standards for new underground petroleum product storage tanks or that has been upgraded to meet state or federal standards for upgrading existing underground petroleum product storage tanks is generally not eligible for PECFA reimbursement for discharges from that tank. Under this bill, the owner of an aboveground petroleum product storage tanks that meets state standards for new aboveground petroleum product storage tanks or that has been upgraded to meet state standards for upgrading existing aboveground petroleum product storage tanks is generally not eligible for PECFA reimbursement for discharges from that tank.

Current law specifies situations in which an owner is ineligible for a PECFA award, including when the owner has been grossly negligent in maintaining the storage tank. This bill provides that the owner of a petroleum product storage tank is ineligible for a PECFA award if the discharge was caused by someone who provided services or products to the owner.

Under current law, PECFA reimburses the owner of an underground tank for compensation paid to 3rd parties for property damages caused by a discharge. This bill provides that PECFA reimbursement for property damages does not cover the loss of fair market value resulting from a discharge.

Under this bill, if a person who received a PECFA award sells equipment or supplies that were eligible costs for which the PECFA award was issued, the person must pay the proceeds of the sale to this state.

This bill requires the department of commerce to specify the information that must be submitted by a person who requests a hearing to contest a PECFA determination, such as the amount of a PECFA award. If a person fails to submit the required information, the department may deny the person a hearing.

Under current law, the maximum allowable PECFA awards for most kinds of storage tanks decrease on July 1, 1998. This bill delays that decrease until December 22, 2001.

Under current law, the owner of a storage tank is generally ineligible for a PECFA award for the cleanup of a discharge from the tank if the owner has received a PECFA award for an earlier discharge from that tank. This bill eliminates that ineligibility.

Under this bill, if an owner of a storage tank received a PECFA award but the cleanup activities for which that award was granted failed to remedy the discharge, the owner may receive additional financial assistance for other activities to remedy the discharge. The amount of the original award plus the additional financial assistance may not exceed the maximum allowable PECFA award.

Under current law, a PECFA claimant must receive a written determination from the department of commerce or from the department of natural resources (DNR), depending on the severity of the contamination, that the cleanup restored the environment to the extent practicable and minimized the harmful effects from the discharge to the environment. This bill authorizes DNR to specify methods of showing that the cleanup restored the environment to the extent practicable and minimized the harmful effects from the discharge to the environment, other than a written determination by the department of commerce or DNR.

Current law limits PECFA awards for discharges from home heating oil tanks to \$500,000 per fiscal year. The law limits PECFA awards for school district heating oil tanks to 5% of the amount appropriated for PECFA awards in each fiscal year. This bill limits PECFA awards for school district heating oil tanks plus home heating oil tanks to 5% of the amount appropriated for PECFA awards in each fiscal year.

Under current law, the amount of the deductible that an owner must pay under PECFA depends on factors including the type of tank involved. The amount of the deductible for a cleanup involving an aboveground tank may be higher than the amount of the deductible for a cleanup involving an underground tank. This bill provides that, if a cleanup involves discharges from both an aboveground tank and an underground tank owned by the same person, the deductible is the amount specified for an underground tank, if underground tanks are the predominant storage method at the site, and is the amount specified for an aboveground tank, if aboveground tanks are the predominant storage method at the site.

This bill authorizes the department of commerce to pay legal costs incurred under the PECFA program from the appropriation for PECFA awards.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

# The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

**SECTION 1.** 20.143 (3) (v) of the statutes is amended to read:

1	20.143 (3) (v) Petroleum storage environmental remedial action; awards.
2	Biennially, from the petroleum inspection fund, the amounts in the schedule to pay
3	awards under s. 101.143 and legal costs incurred under s. 101.143 (7m).
4	<b>SECTION 2.</b> 25.47 of the statutes is amended to read:
5	25.47 Petroleum inspection fund. There is established a separate
6	nonlapsible trust fund designated as the petroleum inspection fund, to consist of the
7	fees imposed under s. 168.12 (1) <u>, the payments under s. 101.143 (5) (a)</u> and the net
8	recoveries under s. 101.143 (5) (c).
9	<b>SECTION 3.</b> 101.143 (1) (gm) of the statutes is amended to read:
10	101.143 (1) (gm) "Property damage" does not include those liabilities which
11	that are excluded from coverage in liability insurance policies for property damage,
12	other than liability for remedial action associated with petroleum product discharges
13	from petroleum product storage systems. <u>"Property damage" does not include the</u>
14	loss of fair market value resulting from contamination.
15	<b>SECTION 4.</b> 101.143 (2) (e) of the statutes is amended to read:
16	101.143 (2) (e) The department shall promulgate rules, with an effective date
17	of no later than January 1, 1996, specifying the methods the department will use
18	under sub. (3) (ae), and (am) and (as) to identify the petroleum product storage
19	system or home oil tank system which discharged the petroleum product that caused
20	an area of contamination and to determine when a petroleum product discharge that
21	caused an area of contamination occurred. The department shall write the rule in
22	a way that permits a clear determination of what petroleum product contamination
23	is eligible for an award under sub. (4) after December 31, 1995.
24	<b>SECTION 5.</b> 101.143 (2) (e) of the statutes, as affected by 1997 Wisconsin Act
25	(this act), is amended to read:

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101.143 (2) (e) The department shall promulgate rules, with an effective date 1 2 of no later than January 1, 1996, specifying the methods the department will use 3 under sub. (3) (ae) and, (ah), (am) and (ap) to identify the petroleum product storage 4 system or home oil tank system which discharged the petroleum product that caused 5 an area of contamination and to determine when a petroleum product discharge that 6 caused an area of contamination occurred. The department shall write the rule in 7 a way that permits a clear determination of what petroleum product contamination 8 is eligible for an award under sub. (4) after December 31, 1995. 9 **SECTION 6.** 101.143 (3) (a) (intro.) of the statutes is amended to read:

10 101.143 (3) (a) Who may submit a claim. (intro.) Subject to pars. (ae), and (am) 11 and (as), an owner or operator or a person owning a home oil tank system may submit 12 a claim to the department for an award under sub. (4) to reimburse the owner or 13 operator or the person for the eligible costs under sub. (4) (b) that the owner or 14 operator or the person incurs because of a petroleum products discharge from a 15 petroleum product storage system or home oil tank system if all of the following 16 apply:

SECTION 7. 101.143 (3) (a) (intro.) of the statutes, as affected by 1997 Wisconsin
Act .... (this act), is amended to read:

19 101.143 (3) (a) Who may submit a claim. (intro.) Subject to pars. (ae) and, (ah), 20 (am) and (ap), an owner or operator or a person owning a home oil tank system may 21 submit a claim to the department for an award under sub. (4) to reimburse the owner 22 or operator or the person for the eligible costs under sub. (4) (b) that the owner or 23 operator or the person incurs because of a petroleum products discharge from a 24 petroleum product storage system or home oil tank system if all of the following 25 apply:

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**SECTION 8.** 101.143 (3) (ae) of the statutes is amended to read:

101.143 (3) (ae) (title) New <u>underground</u> systems.
1. An owner or operator or
a person owning a home oil tank system is not eligible for an award under this section
for costs incurred because of a petroleum product discharge from a <u>an underground</u>
petroleum product storage <u>tank</u> system or a home oil tank system that meets the
performance standards in 40 CFR 280.20 or in rules promulgated by the department
relating to underground <u>petroleum product</u> storage tank systems installed after
December 22, 1988, except as provided in subd. 2.

9 2. If a an underground petroleum product storage tank system or home oil tank 10 system that meets the performance standards in 40 CFR 280.20 or in rules 11 promulgated by the department relating to underground petroleum product storage 12tank systems installed after December 22, 1988, is located on a site on which a 13 petroleum product discharge is confirmed before the date on which the underground 14petroleum product storage tank system or home oil tank system is installed and the 15department of natural resources does not issue a case closure letter with respect to that discharge before the installation date, then the owner or operator or person 16 17owning the home oil tank system remains eligible for an award for costs incurred 18 because of a petroleum product discharge, from that underground petroleum product storage <u>tank</u> system or home oil tank system, which is confirmed, and with respect 19 20to which activities under par. (c) or (g) are begun, before January 1, 1996, or before 21the 91st day after the day on which the department of natural resources issues a case 22closure letter with respect to the discharge that occurred before the installation of 23the underground petroleum product storage tank system or home oil tank system.  $\mathbf{24}$ whichever is earlier.

**SECTION 9.** 101.143 (3) (ah) of the statutes is created to read:

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101.143 (3) (ah) New aboveground systems. 1. An owner or operator is not 1 2 eligible for an award under this section for costs incurred because of a petroleum 3 product discharge from a petroleum product storage system that is not an 4 underground petroleum product storage tank system and that meets the  $\mathbf{5}$ performance standards in rules promulgated by the department relating to 6 petroleum product storage systems that are not underground petroleum product 7 storage tank systems and that are installed after April 30, 1991, except as provided 8 in subd. 2.

9 2. If a petroleum product storage system that is not an underground petroleum 10 product storage tank system and that meets the performance standards in rules 11 promulgated by the department relating to petroleum product storage systems that 12are not underground petroleum product storage tank systems and that are installed 13 after April 30, 1991, is located on a site on which a petroleum product discharge is 14confirmed before the date on which the petroleum product storage system is installed 15and the department of natural resources does not issue a case closure letter with 16 respect to that discharge before the installation date, then the owner or operator 17remains eligible for an award for costs incurred because of a petroleum product 18 discharge, from that petroleum product storage system, which is confirmed, and with respect to which activities under par. (c) or (g) are begun, before May 1, 2001, or 19 20 before the 91st day after the day on which the department of natural resources issues 21a case closure letter with respect to the discharge that occurred before the 22 installation of the petroleum product storage system, whichever is earlier.

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**SECTION 10.** 101.143 (3) (am) of the statutes is amended to read:

101.143 (3) (am) (title) Upgraded <u>underground</u> systems.
 1. An owner or
 operator or a person owning a home oil tank system is not eligible for an award under

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this section for costs incurred because of a petroleum product discharge from an 1  $\mathbf{2}$ underground petroleum product storage tank system or a home oil tank system if the 3 discharge is confirmed, or activities under par. (c) or (g) are begun with respect to that 4 discharge, after the day on which the underground petroleum product storage tank 5 system or home oil tank system first meets the upgrading requirements in 40 CFR 6 280.21 (b) to (d) or in rules promulgated by the department relating to the upgrading 7 of existing underground petroleum product storage tank systems, except as provided 8 in subds. 2. to 4.

9 2. If a an underground petroleum product storage tank system or home oil tank 10 system first meets the upgrading requirements in 40 CFR 280.21 (b) to (d) or in rules 11 promulgated by the department relating to the upgrading of existing underground 12petroleum product storage tank systems, after December 31, 1993, and the owner or 13operator or person owning the home oil tank system applies for private pollution 14liability insurance covering the <u>underground</u> petroleum product storage <u>tank</u> 15system or home oil tank system within 30 days after the day on which the underground petroleum product storage tank system or home oil tank system first 16 17meets those upgrading requirements, then the owner or operator or person remains 18 eligible for an award for costs incurred because of a petroleum product discharge, 19 from that <u>underground</u> petroleum product storage <u>tank</u> system or home oil tank 20system, which is confirmed, and with respect to which activities under par. (c) or (g) 21are begun, before the 91st day after the day on which the <u>underground</u> petroleum 22product storage tank system or home oil tank system first meets those upgrading 23requirements.

3. If a <u>an underground</u> petroleum product storage <u>tank</u> system first met the
upgrading requirements in 40 CFR 280.21 (b) to (d) before May 1, 1991, then the

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owner or operator remains eligible for an award for costs incurred because of a
 petroleum product discharge, from that <u>underground</u> petroleum product storage
 <u>tank</u> system, which is confirmed, and with respect to which activities under par. (c)
 or (g) are begun, before January 1, 1996.

5 4. If a an underground petroleum product storage tank system or home oil tank 6 system first meets the upgrading requirements in 40 CFR 280.21 (b) to (d) or in rules 7 promulgated by the department relating to the upgrading of existing underground 8 petroleum product storage tank systems, after April 30, 1991, and is located on a site 9 on which a petroleum product discharge is confirmed before the date on which the 10 <u>underground</u> petroleum product storage <u>tank</u> system or home oil tank system first 11 meets those upgrading requirements and the department of natural resources does 12not issue a case closure letter with respect to that discharge before that date, then 13 the owner or operator or person owning the home oil tank system remains eligible 14 for an award for costs incurred because of a petroleum product discharge, from that 15underground petroleum product storage tank system or home oil tank system, which 16 is confirmed, and with respect to which activities under par. (c) or (g) are begun, 17before January 1, 1996, or before the 91st day after the day on which the department 18 of natural resources issues a case closure letter with respect to the discharge that 19 occurred before the upgrading requirements were met, whichever is earlier.

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**SECTION 11.** 101.143 (3) (ap) of the statutes is created to read:

101.143 (3) (ap) Upgraded aboveground systems. 1. An owner or operator is
not eligible for an award under this section for costs incurred because of a petroleum
product discharge from a petroleum product storage system that is not an
underground petroleum product storage tank system if the discharge is confirmed,
or activities under par. (c) or (g) are begun with respect to that discharge, after the

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day on which the petroleum product storage system first meets the upgrading
requirements in rules promulgated by the department relating to the upgrading of
existing petroleum product storage systems that are not underground petroleum
product storage tank systems, except as provided in subd. 2.

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5 2. If a petroleum product storage system that meets the upgrading 6 requirements in rules promulgated by the department relating to the upgrading of 7 existing petroleum product storage systems that are not underground petroleum 8 product storage tank systems is located on a site on which a petroleum product 9 discharge is confirmed before the date on which the petroleum product storage 10 system first meets those upgrading requirements and the department of natural 11 resources does not issue a case closure letter with respect to that discharge before that date, then the owner or operator remains eligible for an award for costs incurred 1213because of a petroleum product discharge, from that petroleum product storage 14 system, which is confirmed, and with respect to which activities under par. (c) or (g) 15are begun, before May 1, 2001, or before the 91st day after the day on which the 16 department of natural resources issues a case closure letter with respect to the 17discharge that occurred before the upgrading requirements were met, whichever is earlier. 18

#### 19 **SECTION 12.** 101.143 (3) (as) of the statutes is repealed.

20 **SECTION 13.** 101.143 (3) (c) 4. of the statutes is amended to read:

101.143 (3) (c) 4. Receive written approval from the department of natural
resources or, if the discharge is covered under s. 101.144 (2) (b), from the department
of commerce that the remedial action activities performed under subd. 3. meet the
requirements of s. 292.11 <u>unless rules promulgated by the department of natural</u>

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1	resources provide for an alternate means of certifying that the remedial action
2	activities performed under subd. 3. meet the requirements of s. 292.11.
3	<b>SECTION 14.</b> 101.143 (3) (f) 5. of the statutes is amended to read:
4	101.143 (3) (f) 5. The written approval of the department of natural resources
5	or the department of commerce <u>, or alternate certification</u> , under par. (c) 4.
6	<b>SECTION 15.</b> 101.143 (4) (a) 5. of the statutes is repealed.
7	<b>SECTION 16.</b> 101.143 (4) (a) 7. of the statutes is amended to read:
8	101.143 (4) (a) 7. In any fiscal year, the department may not award more than
9	$5\%$ of the amount appropriated under s. 20.143 (3) (v) as awards for $\underline{home\ oil\ tank}$
10	systems and petroleum product storage systems that are owned by school districts
11	and that are used for storing heating oil for consumptive use on the premises where
12	stored.
13	<b>SECTION 17.</b> 101.143 (4) (a) 8. of the statutes is created to read:
13 14	<b>SECTION 17.</b> 101.143 (4) (a) 8. of the statutes is created to read: 101.143 (4) (a) 8. If the department issues an award under this section for
14	101.143 (4) (a) 8. If the department issues an award under this section for
14 15	101.143 (4) (a) 8. If the department issues an award under this section for remedial action activities that were necessitated by a petroleum product discharge
14 15 16	101.143 (4) (a) 8. If the department issues an award under this section for remedial action activities that were necessitated by a petroleum product discharge from a petroleum product storage system or home oil tank system and it is
14 15 16 17	101.143 (4) (a) 8. If the department issues an award under this section for remedial action activities that were necessitated by a petroleum product discharge from a petroleum product storage system or home oil tank system and it is subsequently determined that the approved remedial action activities failed to
14 15 16 17 18	101.143 (4) (a) 8. If the department issues an award under this section for remedial action activities that were necessitated by a petroleum product discharge from a petroleum product storage system or home oil tank system and it is subsequently determined that the approved remedial action activities failed to remedy the discharge, then the department may approve additional financial
14 15 16 17 18 19	101.143 (4) (a) 8. If the department issues an award under this section for remedial action activities that were necessitated by a petroleum product discharge from a petroleum product storage system or home oil tank system and it is subsequently determined that the approved remedial action activities failed to remedy the discharge, then the department may approve additional financial assistance for costs incurred to enhance the approved remedial action activities or
14 15 16 17 18 19 20	101.143 (4) (a) 8. If the department issues an award under this section for remedial action activities that were necessitated by a petroleum product discharge from a petroleum product storage system or home oil tank system and it is subsequently determined that the approved remedial action activities failed to remedy the discharge, then the department may approve additional financial assistance for costs incurred to enhance the approved remedial action activities or implement new remedial action activities. The total amount of an original award
14 15 16 17 18 19 20 21	101.143 (4) (a) 8. If the department issues an award under this section for remedial action activities that were necessitated by a petroleum product discharge from a petroleum product storage system or home oil tank system and it is subsequently determined that the approved remedial action activities failed to remedy the discharge, then the department may approve additional financial assistance for costs incurred to enhance the approved remedial action activities or implement new remedial action activities. The total amount of an original award under this section plus additional financial assistance provided under this

1 101.143 (4) (ce) *Eligible cost; service providers.* 1. The department may 2 promulgate rules under which the costs incurred for a specified service because of 3 discharges from petroleum product storage systems are not eligible costs under par. 4 (b) unless the owners or operators of those petroleum product storage systems obtain 5 the service from the same service provider approved by the department.

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6 2. The department may promulgate rules under which the department selects 7 service providers to provide investigation or remedial action services in specified 8 areas. The rules may provide that the costs of a service for which the department 9 has selected a service provider in an area are not eligible costs under par. (b), or that 10 eligible costs are limited to the amount that the selected service provider would have 11 charged, if an owner or operator of a petroleum product storage system located in 12that area, or a person owning a home oil tank system located in that area, uses a 13service provider other than the service provider selected by the department to 14 perform the services.

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**SECTION 19**. 101.143 (4) (d) 1. of the statutes is amended to read:

16 101.143 (4) (d) 1. The department shall issue an award under this paragraph 17for a claim filed after July 31, 1987, for eligible costs, under par. (b), incurred on or 18 after August 1, 1987, and before July 1, 1998 December 22, 2001, by the owner or 19 operator of an underground petroleum product storage tank system and for eligible 20costs, under par. (b), incurred on or after July 1, 1998 December 22, 2001, by the 21owner or operator of an underground petroleum product storage tank system if the 22petroleum product discharge on which the claim is based is confirmed and activities 23under sub. (3) (c) or (g) are begun before July 1, 1998 December 22, 2001.

**SECTION 20.** 101.143 (4) (dm) 1. of the statutes is amended to read:

1	101.143 (4) (dm) 1. The department shall issue an award under this paragraph
2	for a claim for eligible costs, under par. (b), incurred on or after August 1, 1987, and
3	before July 1, 1998 December 22, 2001, by the owner or operator of a petroleum
4	product storage system that is not an underground petroleum product storage tank
5	system and for eligible costs, under par. (b), incurred on or after July 1, 1998
6	December 22, 2001, by the owner or operator of a petroleum product storage system
7	that is not an underground petroleum product storage tank system if the petroleum
8	product discharge on which the claim is based is confirmed and activities under sub.
9	(3) (c) or (g) are begun before July 1, 1998 December 22, 2001.
10	<b>SECTION 21.</b> 101.143 (4) (dr) of the statutes is created to read:
11	101.143 (4) (dr) <i>Deductible in certain cases</i> . If a person is the owner or operator
12	of an underground petroleum product storage tank system and a petroleum product
13	storage system that is not an underground petroleum product storage tank system,
14	both of which have discharged resulting in one occurrence, and if the person is
15	eligible for an award under pars. (d) and (dm), the department shall calculate the
16	award using the deductible determined under par. (d) 2. if the predominant method
17	of petroleum product storage at the site, measured in gallons, is underground
18	petroleum product storage tank systems or using the deductible determined under
19	par. (dm) 2. if the predominant method of petroleum product storage at the site is not
20	underground petroleum product storage tank systems.
21	SECTION 22. 101.143 (4) (e) 1. b. and c. of the statutes are amended to read:
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101.143 (4) (e) 1. b. Eligible costs, under par. (b), incurred on or after July 1,
1998 December 22, 2001, by the owner or operator of a petroleum product storage
system that is not an underground petroleum product storage system if those costs
are not reimbursable under par. (dm) 1.

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1	c. Eligible costs, under par. (b), incurred on or after July 1, 1998 December 22,
2	2001, by the owner or operator of an underground petroleum product storage tank
3	system if those costs are not reimbursable under par. (d) 1.
4	<b>SECTION 23.</b> 101.143 (4) (g) 7. of the statutes is created to read:
5	101.143 (4) (g) 7. The petroleum product discharge was caused by a person who
6	provided services or products to the claimant or to a prior owner or operator of the
7	petroleum product storage system or home oil tank system.
8	<b>SECTION 24.</b> 101.143 (4) (h) of the statutes is created to read:
9	101.143 (4) (h) <i>Reductions of awards</i> . 1. Notwithstanding pars. (d) 2. (intro.),
10	(dm) 2. (intro.), (e) 2. and (em) 2., if a claimant submits a claim that includes ineligible
11	costs that are identified under subd. 2., the department shall calculate the award by
12	determining the amount that the award would otherwise be under par. (d), (dm), (e)
13	or (em) based only on the eligible costs and then by reducing that amount by the
14	amount of the ineligible costs identified under subd. 2. that are included in the claim.
15	2. The department shall promulgate a rule identifying the ineligible costs to
16	which subd. 1. applies.
17	<b>SECTION 25.</b> 101.143 (5) (a) of the statutes is renumbered 101.143 (5) (am)
18	(intro.) and amended to read:
19	101.143 (5) (am) <i>Right of action</i> . (intro.) A right of action under this section
20	shall accrue to the state against an owner, operator or other person only if <del>the</del> <u>one</u>
21	of the following applies:
22	<u>1. The</u> owner, operator or other person submits a fraudulent claim or does not
23	meet the requirements under this section and if an award is issued under this section
24	to the owner, operator or other person for eligible costs under this section or $\mathbf{i}\mathbf{f}$
25	payment is made to a lender under sub. (4e).

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1	<b>SECTION 26.</b> 101.143 (5) (a) of the statutes is created to read:
2	101.143 (5) (a) Sale of remedial equipment or supplies. If a person who received
3	an award under this section sells equipment or supplies that were eligible costs for
4	which the award was issued, the person shall pay the proceeds of the sale to the
5	department. The proceeds shall be paid into the petroleum inspection fund.
6	SECTION 27. 101.143 (5) (am) 2. of the statutes is created to read:
7	101.143 (5) (am) 2. A person fails to make a payment required under par. (a).
8	SECTION 28. 101.143 (5) (b) of the statutes is amended to read:
9	101.143 (5) (b) Action to recover awards. The attorney general shall take action
10	as is appropriate to recover <del>awards</del> <u>moneys</u> to which the state is entitled under par.
11	(a) (am). The department shall request that the attorney general take action if the
12	department discovers a fraudulent claim after an award is issued.
13	<b>SECTION 29.</b> 101.143 (5) (c) of the statutes is amended to read:
14	101.143 (5) (c) <i>Disposition of funds</i> . If an award is made from the petroleum
15	inspection fund, the <u>The</u> net proceeds of the <u>a</u> recovery under par. (b) shall be paid
16	into the petroleum inspection fund.
17	<b>SECTION 30.</b> 101.143 (6m) of the statutes is created to read:
18	101.143 (6m) REQUEST FOR HEARING. The department shall promulgate rules
19	that specify the information that must be provided by a person who requests a
20	hearing to contest a determination by the department under this section. The
21	department may deny a request for a hearing by a person who fails to submit the
22	information required by the rules promulgated under this subsection.
23	SECTION 31. Initial applicability.

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### **ASSEMBLY BILL 255**

(1) REDUCTION OF PETROLEUM PRODUCT CLEANUP AWARDS. The treatment of section
 101.143 (4) (h) 1. of the statutes first applies to claims submitted on the first day of
 the 3rd month beginning after the effective date of this subsection.

4

### SECTION 32. Initial applicability.

(1) COVERAGE OF ABOVEGROUND PETROLEUM STORAGE TANKS. The treatment of
section 101.143 (2) (e) (as it relates to coverage of aboveground petroleum storage
tanks) and (3) (a) (intro.) (as it relates to coverage of aboveground petroleum storage
tanks), (ah) and (ap) of the statutes first applies to claims submitted for costs
incurred on the effective date of this subsection.

(2) PETROLEUM PRODUCT DISCHARGES CAUSED BY OTHERS. The treatment of section
 101.143 (4) (g) 7. of the statutes first applies to petroleum product discharges caused
 by services or products provided on the day after the effective date of this subsection.

13

### SECTION 33. Effective date.

(1) COVERAGE OF ABOVEGROUND PETROLEUM STORAGE TANKS. The treatment of
section 101.143 (2) (e) (by SECTION 5) and (3) (a) (intro.) (by SECTION 7), (ah) and (ap)
of the statutes and SECTION 31 (1) of this act take effect on the first day of the 7th
month beginning after publication.

18

(END)