

## Montana Petroleum Tank Cleanup Process Summary

### Overview Montana Structure -

The Montana Underground Storage Tank (UST) Leak Prevention Program and the Petroleum Tank Cleanup Section (PTCS) are both in the Waste Management and Remediation Division of the Montana Department of Environmental Quality. The Petroleum Tank Release Compensation Board (PTRCB) who oversees the Petroleum Tank Release Cleanup Fund (Fund) are attached to Montana DEQ for administrative purposes but have their own rule making authority and laws.

The UST Leak Prevention Program: [Underground Storage Tanks | Montana DEQ \(mt.gov\)](#) objectives are to prevent releases from UST systems by ensuring:

- Proper construction and designed of UST systems using recognized industry standards.
- Installs, repairs, and removals of UST systems are conducted and inspected by qualified, trained, and licensed individuals.
- Proper operation of active USTs with monitoring for petroleum releases.
- Decommission USTs properly and complete site assessments for contamination.
- Ensure permitted UST system owners have financial responsibility for addressing petroleum releases. Forms of financial responsibility coverage mechanisms include:
  - Self-Insurance
  - Guarantee
  - Insurance and Risk Retention Group Coverage
  - Surety Bond
  - Letter of Credit
  - PTRCB Fund
  - Trust Fund
  - Standby Trust Fund

The PTCS: [Petroleum Tank Cleanup Section | Montana DEQ](#)

- Directs and oversees reporting, investigation, cleanup, and resolution of petroleum releases.
- Is the technical resource for tank owners and operators (O/O), consultants, local government officials, and the public to help respond to questions or concerns about the cleanup of petroleum releases.
- Approves the cleanup efforts of the facility O/O, assesses the potential threat to human health and the environment and provides technical assistance with corrective action.
- Works with O/O and their identified funding source (often the PTRCB) which provides financial assistance for eligible corrective action remediation.
- Administers other funding sources:
  - Leaking Underground Storage Tank (LUST) Trust Fund Program
  - Petroleum Brownfields Program
  - Special Legislative Funding

PTRCB/F: [Petroleum Tank Release Compensation Board \(Board\) -Overseeing the Petroleum Tank Release Cleanup Fund | Montana DEQ](#)

- Reimburse petroleum storage tank owners and operators, or property owners that have contamination on their land, for corrective action costs.

- Pay third parties for damages caused by releases from petroleum storage tanks.

**Eligibility-** To apply for Fund assistance, an O/O or property owner, must fill out a petroleum release eligibility application form, [Form 1R](#). The PTRCB staff review the application, seek compliance information from other agencies, including DEQ UST, DEQ PTC and the Fire Protection Investigation Bureau/Local Fire Marshall or Fire Chief, and recommend eligibility to the PTRCB. There is a distinction between choosing the Fund as a coverage mechanism on the Certificate of Financial Responsibility and obtaining eligibility by applying for assistance. The submittal of a Form 1R – Application for Release Eligibility is the only way to know if you have access to the Fund and this application is based on a confirmed and numbered release, identified by the PTCS of DEQ.

O/O may submit a [Form 1V](#)-Voluntary Registration to gain an understanding of what their eligibility would be at the point in time of submittal. Eligibility recommendations are always based on continued compliance at the facility and the eligibility of the tank system to be covered by the Fund. This application is used when there is no known release at the site. The PTRCB staff review the application, seek compliance information from other agencies, including DEQ UST, DEQ PTC and the Fire Protection Investigation Bureau/Local Fire Marshall or Fire Chief.

If a regulatory agency has reported non-compliance regarding the operation and management of the petroleum storage tank systems at a facility, and that facility has already gained eligibility or is in the process of seeking eligibility, the PTRCB may reduce the O/O reimbursement amount, due to the non-compliance.

[Release Eligibility Review Process](#)

[Workplan Obligation Process](#)

**Petroleum Tank Release Compensation Board:** Consists of seven members appointed by the Governor of Montana. Membership includes the following, with three-year terms that can be reappointed:

- A financial or banking industry representative with experience in small business or property loans.
- A petroleum services industry or petroleum release remediation consultant industry representative.
- An independent petroleum marketers and chain retailer's representative.
- A general public representative.
- A service station dealer representative.
- An insurance industry representative.
- An environmental regulation representative

**Compliance:** If the O/O is keeping the tanks at their facility in compliance, and a release occurs from an identified eligible petroleum storage tank system, they will be covered for eligible costs. Reductions to reimbursement may be required for any periods of time the storage system is found to be out of compliance, subject to Board review or owner agreement to those sanctions without Board review.

**Consultant Certification:** Environmental consultants conducting business in Montana are not required to be licensed or certified.

**Consultant Selection:** Owner/operator may hire whoever they want.

**Reimbursement Rates Consultants:** Standard costs are set through statistical analysis of rates for time and materials provided by environmental consultants. The data is statistically analyzed each calendar year as determined by law.

**Claim Process:** Upon completion of any portion of an approved corrective action plan, the O/O may submit a claim for corrective action costs.

**Time Restrictions:** Expenses for work completed by or on behalf of the O/O must be claimed within 5 years of the time the work was done.

#### [Claim Reimbursement Process](#)

**Inability to pay** – not a required consideration of PTRCB/PTCF

**Open sites:** There are 920 open releases as of June 23, 2022. Of those, 217 have never applied to the Fund, 597 are eligible, 90 are ineligible, and 15 have applied and currently remain undetermined.

**Copayment and coverage** – 50% of first eligible submitted costs up to \$35,000 (or \$17,500) for large tanks and 50% of first eligible submitted costs up to \$10,000 (or \$5,000) for small tanks. After the copay has been deducted from claimed costs, the fund will cover actual, reasonable, and necessary expenses for eligible releases that remain in compliance. If a facility has a compliance issue, PTRCB will suspend all current and future claims until the compliance issues are considered resolved. Then the noncompliance will be reviewed which may result in a reduction to reimbursement. All eligibility and reimbursement adjustment recommendations are ratified by the PTRCB.

**Maximum Reimbursement** - Each release associated with a large tank system is covered for up to \$1 million dollars for eligible cleanup costs, minus the copay. Each release associated with a small tank system is covered for up to \$500,000 for eligible cleanup costs, minus the copay. Any adjustment to reimbursement also results in an adjustment to the maximum reimbursement.

**Fund from:** \$0.0075 is collected on each gallon of gasoline, special fuel, dyed special fuel, aviation, and jet fuel. This fee is collected by the Montana Department of Transportation (MDT) and then transferred to a state special revenue account managed by the PTRCB. The special revenue account can be found within the legislative appropriated budget of the Department of Environmental Quality (DEQ). The PTRCB administers the Fund to reimburse for regulatory oversight of the petroleum storage tank releases, board staff assistance to the Board, and reimbursement of cleanup costs for qualified petroleum storage tank systems that require clean up, §75-11-301, MCA et. seq.

Annually, approximately \$7 Million in revenues is distributed to the fund.