

What is my role in maintaining Financial Responsibility (FR)?

If you are an owner or operator of an Underground Storage Tank, you must maintain Financial Responsibility for those tanks. Regardless of whether they are active or inactive, if there are tanks or piping in the ground, FR must be in place.

This is a rule stated in the Administrative Rules of Montana (ARM) Title 17, Chapter 56 Subchapter 8 (if you are interested in looking it up). If you fail to have FR in place, you are in non-compliance and corrective action and possibly enforcement action will be taken against you.



Coverage by the PTRC Fund is as follows:

Period of Non-Compliance	% Reimbursed Allowed
1 to 30 days	90%
31 to 60 days	75%
61 to 90 days	50%
91 to 180 days	25%
Greater than 180 days	No reimbursement

Underground Storage Tank Section

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Financial Responsibility for Underground Storage Tanks

A brief guide for owners and operators of UST systems regarding Financial Responsibility.

For more information please visit our website:
<https://deq.mt.gov/twr/resources>



Underground Storage Tank Section



Who is responsible to maintain FR if there is both an Owner and an Operator?

- ◇ Either the **Owner** or **Operator**
- ◇ If the **owner** and **operator** are two different entities, one or the other, but not both must demonstrate proof of FR.
- ◇ However, **both** parties are liable in the event of non-compliance.

More information is available on our website:

deq.mt.gov/land/ust/financialResp

State and Federal government entities are exempt from FR requirements

What are the types of Financial Responsibility?

PTRC Fund— Petroleum Tank Release Cleanup Fund is a state-funded program. See next column for more information.

Insurance Coverage - You may buy insurance from an insurer or a risk retention group. **The insurance policy cannot contain a "pollution exclusion."**

Trust Fund - You may set up a fully funded trust fund administered by a third-party to pay for corrective action and third-party claims.

Financial Test of Self Insurance - **THIS IS NOT INSURANCE!** A firm with a tangible net worth of at least \$10 million may demonstrate FR by passing one of the two financial tests listed in the Administrative Rules of Montana (ARM). These tests are available on our website.

Guarantee - You may secure a corporate guarantee from another eligible firm. The provider of the guarantee must pass one of the financial tests listed in ARM. Please contact us for more information. **If selecting this type, must also have a standby trust fund.**

Surety Bond - You may obtain a surety bond that is a guarantee by a surety company that will satisfy FR obligations if the person who obtained the surety bond does not. **If selecting this type, must also have a standby trust fund.**

Letter of Credit - You may obtain a letter of credit that obligates the issuer to provide funding for corrective action and third-party compensation. **If selecting this type, must also have a standby trust fund.**

Standby Trust Fund - Standby trust that uses one of these assurance mechanisms (guarantee, surety bond or letter of credit) to fund the trust.

What is the Petroleum Tank Release Cleanup (PTRC) Fund?

Most small business owners or operators opt for the PTRC Fund and the Statement of Tangible Net worth, as this does not require a stand-by trust fund. The form to certify your tangible net worth is located on our website.

The PTRC Fund is set up and maintained by the State of Montana to assist with the cost of clean up associated with a leak or spill. There are several guidelines and requirements that must be met in order for you to qualify for the full amount of the reimbursement.

If you select the PTRC Fund, you must also choose an additional mechanism or combination of mechanisms (listed previously) to cover the \$17,500 Co-payment requirement of the Fund.

Non-Compliance with UST rules & regulations will result in a reduction of the reimbursement amount paid by the Fund. (See chart on back) Be sure to have inspections completed on time, correct any violations, and keep all information up to date.

The Owner/Operator is responsible for all cleanup costs not reimbursed by the Fund.

