

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 26-0835.01 Richard Sweetman x4333

SENATE BILL 26-122

SENATE SPONSORSHIP

Pelton R. and Roberts,

HOUSE SPONSORSHIP

Winter T.,

Senate Committees

Business, Labor, & Technology

House Committees

A BILL FOR AN ACT

101 **CONCERNING LIQUID FUELS, AND, IN CONNECTION THEREWITH,**
102 **INCREASING THE MAXIMUM AMOUNT OF LIABILITY OF THE**
103 **PETROLEUM STORAGE TANK FUND FOR INDIVIDUAL INCIDENTS**
104 **AND ALLOWING THE DIRECTOR OF THE DIVISION OF OIL AND**
105 **PUBLIC SAFETY TO ADOPT A RULE OR ISSUE POLICY GUIDANCE**
106 **THAT PROVIDES EXCEPTIONS TO SPECIFIC REQUIREMENTS**
107 **ESTABLISHED IN AN ASTM STANDARD FOR PETROLEUM**
108 **PRODUCTS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

<http://leg.colorado.gov>.)

Under current law, the maximum amount of liability of the petroleum storage tank fund for an individual occurrence of a leak, spill, or release of a petroleum product from an underground storage tank (occurrence) is \$2,000,000. The bill increases the maximum liability to \$2,500,000 per occurrence. Additionally, an owner or operator of an underground or aboveground storage tank (owner or operator) may exceed this amount of liability with the permission of the director of the division of oil and public safety (director) and the petroleum storage tank committee (committee). If the director and the committee grant such permission, the director and committee shall establish a new maximum amount of liability per occurrence for the owner or operator.

Under current law, all class I, II, and III liquid fuel products must comply with the most current applicable standards of ASTM International. The bill allows the director to adopt a rule or issue policy guidance that provides exceptions to specific requirements established in an ASTM standard.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 8-20-204, **amend** (1)
3 as follows:

4 **8-20-204. Specifications - classes I, II, and III - rules.**

5 (1) (a) EXCEPT AS DESCRIBED IN SUBSECTION (1)(b) OF THIS
6 SECTION, all products in classes I, II, and III ~~shall~~ MUST comply with the
7 most current applicable specifications of ASTM, which are found in
8 section 5 of that organization's publication "Petroleum Products,
9 Lubricants, and Fossil Fuels" and supplements ~~thereto~~ TO THE
10 PUBLICATION or revisions ~~thereof~~ OF THE PUBLICATION as may be
11 designated by ASTM, except as modified or rejected by this ~~article~~
12 ARTICLE 20 or any rule ~~promulgated~~ ADOPTED pursuant to this ~~article~~
13 ARTICLE 20. If gasoline is blended with ethanol, the ASTM D 4814
14 specifications ~~shall~~ apply to the base gasoline prior to blending. Blends
15 of gasoline and ethanol ~~shall~~ MUST not exceed the ASTM D 4814 vapor

1 pressure standard; except that, if the ethanol is blended at nine percent or
2 higher but not exceeding ten percent, the blend may exceed the ASTM D
3 4814 vapor pressure standard by no more than 1.0 PSI. Class I products
4 shall not be blended at a retail location with products commonly and
5 commercially known as casinghead gasoline, absorption gasoline,
6 condensation gasoline, drip gasoline, or natural gasoline.

7 (b) IN ORDER TO ENSURE ACCESS TO FUEL PRODUCTS FOR
8 COMMUNITIES IN COLORADO, THE DIRECTOR OF THE DIVISION OF OIL AND
9 PUBLIC SAFETY MAY ADOPT A RULE OR ISSUE POLICY GUIDANCE THAT
10 PROVIDES EXCEPTIONS TO SPECIFIC REQUIREMENTS ESTABLISHED IN AN
11 ASTM STANDARD DESCRIBED IN SUBSECTION (1)(a) OF THIS SECTION TO
12 ADDRESS CONSUMER PROTECTION, PRICING, SUPPLY NETWORKS, OR OTHER
13 FACTORS NOT CONSIDERED BY ASTM WHEN FORMULATING THE
14 STANDARD.

15 **SECTION 2.** In Colorado Revised Statutes, 8-20.5-206, **amend**
16 (2) as follows:

17 **8-20.5-206. Financial responsibility for petroleum**
18 **underground storage tanks - definition - rules.**

19 (2) (a) The maximum amount of liability of the fund under this
20 section ~~shall be~~ IS three million dollars aggregate during a state fiscal year
21 for multiple occurrences involving tanks that are the responsibility of an
22 individual owner or operator, but in no event, ~~shall~~ EXCEPT AS DESCRIBED
23 IN SUBSECTION (2)(b) OF THIS SECTION, DOES the liability of the fund
24 exceed two million FIVE HUNDRED THOUSAND dollars per occurrence. ~~For~~
25 ~~purposes of this section~~ AS USED IN THIS SUBSECTION (2), an "occurrence"
26 means the period of time from identification through remediation of a
27 leak, spill, or release of a petroleum product from an underground storage

1 tank. In the event the cost of remediation or third-party claims exceeds the
2 amount available to pay such costs, such costs and claims shall be paid on
3 a pro rata basis as determined by the committee created in section
4 8-20.5-104. Any balance owed shall be paid as ~~moneys become~~ MONEY
5 BECOMES available in the fund. Any excess costs that are not paid by the
6 fund or by the federal leaking underground storage tank trust fund shall
7 be paid by and are the sole responsibility of the responsible owner or
8 operator.

9 (b) AN OWNER OR OPERATOR MAY EXCEED THE MAXIMUM AMOUNT
10 OF LIABILITY DESCRIBED IN SUBSECTION (2)(a) OF THIS SECTION FOR AN
11 INDIVIDUAL OCCURRENCE IF THE OWNER OR OPERATOR RECEIVES
12 PERMISSION TO DO SO FROM BOTH THE DIRECTOR OF THE DIVISION OF OIL
13 AND PUBLIC SAFETY AND THE PETROLEUM STORAGE TANK COMMITTEE
14 CREATED IN SECTION 8-20.5-104. IF THE DIRECTOR AND THE COMMITTEE
15 GRANT SUCH PERMISSION, THE DIRECTOR AND THE COMMITTEE SHALL
16 ESTABLISH A NEW MAXIMUM AMOUNT OF LIABILITY PER OCCURRENCE FOR
17 THE OWNER OR OPERATOR.

18 **SECTION 3. Act subject to petition - effective date.** This act
19 takes effect at 12:01 a.m. on the day following the expiration of the
20 ninety-day period after final adjournment of the general assembly (August
21 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a
22 referendum petition is filed pursuant to section 1 (3) of article V of the
23 state constitution against this act or an item, section, or part of this act
24 within such period, then the act, item, section, or part will not take effect
25 unless approved by the people at the general election to be held in
26 November 2026 and, in such case, will take effect on the date of the
27 official declaration of the vote thereon by the governor.