



# Fiscal Note

## Legislative Council Staff

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### SB 26-122: FUEL STDS & LIAB OF PETROLEUM STORAGE TANK FUND

**Prime Sponsors:**

Sen. Pelton R.; Roberts  
Rep. Winter T.

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**Version:** Initial Fiscal Note

**Date:** March 13, 2026

**Fiscal note status:** The fiscal note reflects the introduced bill.

### Summary Information

**Overview.** The bill increases the maximum amount of liability of the Petroleum Storage Tank Fund for individual incidents involving underground storage tanks.

**Types of impacts.** The bill is projected to affect the following areas on an ongoing basis:

- Minimal State Revenue
- Minimal State Expenditures

**Appropriations.** No appropriation is required.

**Table 1  
State Fiscal Impacts**

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

## Summary of Legislation

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The bill increases the maximum amount of liability of the Petroleum Storage Tank Fund from \$2.0 million to \$2.5 million for an individual occurrence of a leak, spill, or release of a petroleum product from an underground storage tank. An owner or operator may exceed the maximum amount of liability if they receive permission from the Division of Oil and Public Safety and the Petroleum Storage Tank Committee in the Department of Labor and Employment (CDLE).

The bill also allows the division to adopt a rule or issue policy guidance that provides exceptions to specific requirements for class I, II, and III liquid fuel products.

## Background

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From 2023 to 2025, the Division of Oil and Public Safety averaged 1,745 annual claims related to cleanup costs for occurrences at underground storage tanks, with total claim payments averaging \$30 million per year. Over the last 30 years, less than 10 sites had cleanup costs that exceeded \$2 million for individual occurrences, and even fewer owners and operators reached the \$3 million annual maximum amount of liability related to multiple occurrences involving tanks. Claim costs are paid through the Petroleum Storage Tank Fund, which is funded through the Environmental Response Surcharge charged to all distributors who report the acquisition of fuel products in Colorado.

## State Revenue and Expenditures

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The bill may increase expenditures in the Division of Oil and Public Safety in the CDLE for any individual claims greater than \$2.0 million paid through the Petroleum Storage Tank Fund. Any impact to the fund is expected to be minimal and does not require an adjustment to the Environmental Response Surcharge. In addition, the bill may minimally increase workload for the division to adopt a rule or issue policy guidance on certain liquid fuel products.

## Effective Date

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The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

## State and Local Government Contacts

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Labor

Public Health

Treasury

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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).