

**Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 26-0835.01 Richard Sweetman x4333

SENATE BILL 26-122

SENATE SPONSORSHIP

Pelton R. and Roberts, Amabile, Carson, Catlin, Coleman, Exum, Kirkmeyer, Liston, Mullica, Pelton B., Rich

HOUSE SPONSORSHIP

Winter T. and Lukens,

Senate Committees

Business, Labor, & Technology

House Committees

Agriculture, Water & Natural Resources

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.

HOUSE
2nd Reading Unamended
April 14, 2026

SENATE
3rd Reading Unamended
March 24, 2026

SENATE
Amended 2nd Reading
March 23, 2026

<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 dollars per occurrence. ~~For purposes of this section~~
25 AS USED IN THIS SUBSECTION (2), an "occurrence" means the period of
26 time from identification through remediation of a leak, spill, or release of
27 a petroleum product from an underground storage tank. In the event the

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

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

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