



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

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

Prime Sponsors:

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

Fiscal Analyst:

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Bill Outcome: Signed into Law

Drafting Number: LLS 26-0835

Version: Final Fiscal Note

Date: June 23, 2026

Fiscal note status: The final fiscal note reflects the enacted bill.

Summary Information

Overview. The bill allows the owner or operator of an underground storage tank, upon receiving permission, to exceed the maximum amount of liability of the Petroleum Storage Tank Fund for individual incidents.

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

The bill allows the owner or operator of an underground storage tank to exceed the maximum amount of liability—set at \$2 million under current law—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

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

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

The bill was signed into law by the Governor on May 5, 2026, and takes effect on August 12, 2026, assuming no referendum petition is filed.

State and Local Government Contacts

Labor

Treasury

Public Health

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](#).