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I N S E N A T E

June 2, 2014

Introduced by Sen. GRISANTI -- read twice and ordered printed, and when printed to be committed to the Committee on Environmental Conservation

AN ACT to amend the environmental conservation law, in relation to global financial surety

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. The environmental conservation law is amended by adding a
2 new section 17-1019 to read as follows:

3 S 17-1019 FINANCIAL SECURITY.

4 1. FOR THE PURPOSES OF THIS SECTION, THE FOLLOWING TERMS SHALL BE
5 DEFINED AS FOLLOWS:

6 A. "CLEANUP AND DECONTAMINATION" MEANS ACTIVITIES UNDERTAKEN TO PERMA-
7 NENTLY ELIMINATE, REMOVE, ABATE, CONTROL OR MONITOR HEALTH AND/OR ENVI-
8 RONMENTAL HAZARDS OR POTENTIAL HAZARDS.

9 B. "CLEANUP AND DECONTAMINATION COSTS" MEAN ALL COSTS ASSOCIATED WITH
10 THE CLEANUP AND DECONTAMINATION OF CONTAMINATION INCLUDING RELOCATION
11 COSTS INCURRED BY THE STATE OR ITS POLITICAL SUBDIVISIONS OR THEIR
12 AGENTS OR ANY PERSON WITH APPROVAL OF THE DEPARTMENT.

13 C. "CONTAMINATION" MEANS ANY DAMAGE TO ANY PROPERTY OR THE ENVIRON-
14 MENT, INCLUDING, BUT NOT LIMITED TO, A PUBLIC OR PRIVATE WATER SUPPLY,
15 ANY THREAT TO PUBLIC HEALTH, OR ANY HAZARDOUS CONDITION THAT PREVENTS
16 THE USE OF PROPERTY OR THAT REQUIRES RELOCATION OF PEOPLE OR PROPERTY TO
17 PREVENT HARM RESULTING FROM THE RELEASE OF ANY SUBSTANCE.

18 D. "ENVIRONMENT" MEANS ANY WATER INCLUDING, BUT NOT LIMITED TO, A
19 STREAM, POND, LAKE, RIVER, WATER COURSE, AQUIFER, WETLAND, OR RESERVOIR,
20 ANY LAND INCLUDING, BUT NOT LIMITED TO, A LAND SURFACE OR SUBSURFACE,
21 AIR, FISH, WILDLIFE, BIOTA AND ALL OTHER NATURAL RESOURCES.

22 2. IN ADDITION TO ANY OTHER EXISTING REQUIREMENTS, THE DEPARTMENT
23 SHALL REQUIRE ALL PETROLEUM BULK STORAGE FACILITIES THAT STORE BAKKEN
24 CRUDE OIL OR BITUMEN CRUDE OIL TO PROVIDE FINANCIAL SECURITY TO MEET ALL
25 RESPONSIBILITIES FOR CLEANUP AND DECONTAMINATION COSTS ASSOCIATED WITH
26 THE RELEASE OF SUCH OIL. FINANCIAL SECURITY MAY BE EVIDENCED BY ONE OR
27 A COMBINATION OF THE FOLLOWING METHODS ACCEPTABLE TO THE COMMISSIONER IN
28 CONSULTATION WITH THE SUPERINTENDENT OF FINANCIAL SERVICES: EVIDENCE OF

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets
[] is old law to be omitted.

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1 INSURANCE, GUARANTEE, LETTER OF CREDIT, OR A BOND FROM A CORPORATE SURE-
2 TY LICENSED TO DO BUSINESS AS SUCH IN THE STATE. SUCH FINANCIAL SECURITY
3 SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE DURATION OF THE REGISTRA-
4 TION. IF THE FINANCIAL SECURITY SHALL FOR ANY REASON BE CANCELLED, WITH-
5 IN SEVEN DAYS AFTER RECEIVING NOTICE THEREOF, A VALID REPLACEMENT SHALL
6 BE PROVIDED UNDER THE SAME CONDITIONS. FAILURE TO PROVIDE A REPLACEMENT
7 WITHIN SUCH PERIOD SHALL RESULT IN THE IMMEDIATE SUSPENSION OF THE
8 FACILITY'S REGISTRATION BY THE DEPARTMENT. NO PERSON SHALL ENGAGE IN THE
9 STORAGE OF BAKKEN CRUDE OIL OR BITUMEN CRUDE OIL WITH AN API GRAVITY
10 EQUAL OR LESS THAN TEN WITHOUT COMPLYING WITH THIS REQUIREMENT.
11 S 2. This act shall take effect on the sixtieth day after it shall
12 have become a law.