S T A T E O F N E W Y O R K

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I N A S S E M B L Y

May 29, 2014

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Fahy, McDonald, Sweeney, Steck) -- read once and referred 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:

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

S 17-1019 FINANCIAL SECURITY.

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

A. "CLEANUP AND DECONTAMINATION" MEANS ACTIVITIES UNDERTAKEN TO PERMANENTLY ELIMINATE, REMOVE, ABATE, CONTROL OR MONITOR HEALTH AND/OR ENVIRONMENTAL HAZARDS OR POTENTIAL HAZARDS.

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

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

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

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

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

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CONSULTATION WITH THE SUPERINTENDENT OF FINANCIAL SERVICES: EVIDENCE OF INSURANCE, GUARANTEE, LETTER OF CREDIT, OR A BOND FROM A CORPORATE SURETY LICENSED TO DO BUSINESS AS SUCH IN THE STATE. SUCH FINANCIAL SECURITY SHALL REMAIN IN FULL FORCE AND EFFECT FOR THE DURATION OF THE REGISTRATION. IF THE FINANCIAL SECURITY SHALL FOR ANY REASON BE CANCELLED, WITHIN SEVEN DAYS AFTER RECEIVING NOTICE THEREOF, A VALID REPLACEMENT SHALL BE PROVIDED UNDER THE SAME CONDITIONS. FAILURE TO PROVIDE A REPLACEMENT WITHIN SUCH PERIOD SHALL RESULT IN THE IMMEDIATE SUSPENSION OF THE FACILITY'S REGISTRATION BY THE DEPARTMENT. NO PERSON SHALL ENGAGE IN THE STORAGE OF BAKKEN CRUDE OIL OR BITUMEN CRUDE OIL WITH AN API GRAVITY EQUAL OR LESS THAN TEN WITHOUT COMPLYING WITH THIS REQUIREMENT.

S 2. This act shall take effect on the sixtieth day after it shall have become a law.