

STATE OF NEW YORK

6831--A

2025-2026 Regular Sessions

IN SENATE

March 25, 2025

Introduced by Sens. HINCHEY, FAHY -- read twice and ordered printed, and when printed to be committed to the Committee on Environmental Conservation -- recommitted to the Committee on Environmental Conservation in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the navigation law, in relation to financial responsibility for the liability of a major facility or vessel

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Paragraph (e) of subdivision 3 of section 181 of the navigation law, as amended by chapter 584 of the laws of 1992 and subparagraphs (ii) and (iii) as amended by chapter 585 of the laws of 1992 and as further amended by section 104 of part A of chapter 62 of the laws of 2011, is amended and a new paragraph (f) is added to read as follows:

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6 (e) (i) The owner or operator of a vessel shall establish and maintain with the department evidence of financial responsibility sufficient to meet the amount of liability established pursuant to paragraph (a) of this subdivision. A person may not cause or permit the operation of a vessel in the state until the person has furnished to the department, and the department has approved such evidence. The owner or operator of any vessel which demonstrates financial responsibility pursuant to the requirements of the Federal Oil Pollution Act of 1990 (33 U.S.C. 2701 et seq.), shall be deemed to have demonstrated financial responsibility in accordance with this paragraph.

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16 (ii) The commissioner in consultation with the superintendent of financial services may promulgate regulations requiring the owner or operator of a major facility other than a vessel to establish and maintain evidence of financial responsibility in an amount not to exceed twenty-five dollars plus an annual inflation adjustment, determined by the commissioner from the increase in the consumer price index in the

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

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1 one-year period ending on the March thirty-first prior to such inflation
2 adjustment effective on the ensuing September first, per incident, for
3 each barrel of total petroleum storage capacity at the facility, subject
4 to a maximum of one million dollars per incident per facility in an
5 aggregate not to exceed two million dollars plus an annual inflation
6 adjustment, determined by the commissioner from the increase in the
7 consumer price index in the one-year period ending on the March thirty-
8 first prior to such inflation adjustment effective on the ensuing
9 September first, per facility per year; provided, however, that if the
10 owner or operator establishes to the satisfaction of the commissioner
11 that a lesser amount will be sufficient to protect the environment and
12 public health, safety and welfare, the commissioner shall accept
13 evidence of financial responsibility in such lesser amount. In determin-
14 ing the sufficiency of the amount of financial responsibility required
15 under this section, the commissioner and the superintendent of financial
16 services shall take into consideration facility size, storage capacity,
17 throughput, proximity to environmentally sensitive areas, type of petro-
18 leum handled, and other factors relevant to the risks posed by the class
19 or category of facility, as well as the availability and affordability
20 of pollution liability insurance. Any regulations promulgated pursuant
21 to this subparagraph shall not take effect until forty-eight months
22 after the effective date of this section.

23 (iii) Financial responsibility under this paragraph may be established
24 by any one or a combination of the following methods acceptable to the
25 commissioner in consultation with the superintendent of financial
26 services: evidence of insurance, surety bonds, guarantee, letter of
27 credit, qualification as a self-insurer, or other evidence of financial
28 responsibility, including certifications which qualify under the Federal
29 Oil Pollution Act of 1990 (33 U.S.C. 2701 et seq.).

30 (iv) The liability of a third-party insurer providing proof of finan-
31 cial responsibility on behalf of a person required to establish and
32 maintain evidence of financial responsibility under this section is
33 limited to the type of risk assumed and the amount of coverage specified
34 in the proof of financial responsibility furnished to and approved by
35 the department. For the purposes of this section, the term "third-party
36 insurer" means a third-party insurer, surety, guarantor, person furnish-
37 ing a letter of credit, or other group or person providing proof of
38 financial responsibility on behalf of another person; it does not
39 include the person required to establish and maintain evidence of such
40 financial responsibility.

41 (f) (i) Acceptance of proof of financial responsibility shall expire:

42 (1) one year from its issuance for self-insurance;

43 (2) on the effective date of a change in the surety bond, guarantee,
44 insurance agreement, letter of credit, or other proof of financial
45 responsibility; or

46 (3) on the expiration or cancellation of the surety bond, guarantee,
47 insurance agreement, letter of credit, or other proof of financial
48 responsibility.

49 (ii) The person whose proof of financial responsibility is accepted by
50 the department under this section shall notify the department at least
51 thirty days before the effective date of a change, expiration or cancel-
52 lation in the surety bond, guarantee, insurance agreement, letter of
53 credit, or other proof of financial responsibility. Application for
54 renewal of acceptance of proof of financial responsibility under this
55 section must be filed at least thirty days before the date of expira-
56 tion.

1 (iii) The department, after notice and hearing, may revoke acceptance
2 of proof of financial responsibility if it determines that:

3 (1) acceptance was procured by fraud or misrepresentation; or

4 (2) a change of circumstance has occurred other than a change speci-
5 fied in clauses one through three of subparagraph (i) of this paragraph,
6 which would have warranted denial of the application.

7 (iv) Upon acceptance and approval of proof of financial responsibility
8 under this section, the department shall issue to the applicant a
9 certificate stating that the state's financial responsibility require-
10 ments have been satisfied. The certificate must include the name of the
11 major facility, vessel, or pipeline for which it is issued and the expi-
12 ration date of the certificate.

13 § 2. This act shall take effect on the one hundred twentieth day after
14 it shall have become a law.