

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

Date: September 26, 1997 Revised: _____

Subject: Petroleum Storage Systems

	<u>Analyst</u>	<u>Staff Director</u>	<u>Reference</u>	<u>Action</u>
1.	<u>Green</u>	<u>Voigt</u>	<u>NR</u>	<u>Favorable</u>
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

This bill repeals section 21 of ch. 86-159, Laws of Florida, which schedules s. 376.313(4), F.S., for repeal on October 1, 1998.

This bill also amends incorrect references to the Florida Administrative Code.

II. Present Situation:

Petroleum storage systems are located throughout Florida to provide fuel for the state's population. Due to the significant number of systems, there are a large number of aging, leaking facilities that pose environmental threats. In response, the Legislature enacted comprehensive legislation in 1986 that provided for cleaning up the contaminated sites, improving management of current sites, and ensuring owners or operators attempting to comply with the law would not be penalized.

Pursuant to s. 376.313(4), F.S., immunity from civil damages is provided to owners or operators of petroleum storage systems in compliance with ch. 17-61, Florida Administrative Code, at the time of discharge. Noncompliance with this act or department rules promulgated pursuant to this act shall be prima facie evidence of negligence.

Section 21 of ch. 86-159, L.O.F., requires legislative review of s. 376.313(4), F.S., during the 1998 regular session. Accordingly, staff of the Senate Natural Resources Committee undertook an analysis of the immunity provision as an interim project. A questionnaire was sent to the department and industry groups seeking comments on the effectiveness of the statute, consequences of repeal, and suggestions for change. Their responses are incorporated in the interim project report's recommendations. Based on staff research, the report recommended the

provision not be repealed, but continued with technical modifications to reflect the change in department rule numbers.

III. Effect of Proposed Changes:

This bill repeals section 21 of ch. 86-159, L.O.F., which schedules s. 376.313(4), F.S., for repeal on October 1, 1998.

This bill also amends incorrect references to the Florida Administrative Code. The corrected references ensure the chapters noted in s. 376.313(4), F.S., are consistent with an overall renumbering of department rules.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

While the bill has no direct impact on the private sector, it may provide two distinct advantages. First, the immunity provision may abate potential lawsuits, thus encouraging more insurance carriers to enter the market. The entry of more carriers in the current insurance market may precipitate more competitive rates. Second, the immunity from civil damages may encourage owners or operators of petroleum storage systems to install equipment ahead of scheduled deadlines. As a result, remedial actions may prove less expensive.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
