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HOUSE BILL 19
46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004
INTRODUCED BY
Patricia A. Lundstrom

AN ACT
RELATING TO THE ENVIRONMENT; AMENDING THE GROUND WATER
PROTECTION ACT TO PROVIDE FOR EXPENDITURES FROM THE CORRECTIVE
ACTION FUND; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 74-6B-7 NMSA 1978 (being Laws 1990,
Chapter 124, Section 7, as amended) is amended to read:

"74-6B-7. CORRECTIVE ACTION FUND CREATED-- AUTHORIZATION
FOR EXPENDITURES. --

A. There is created the "corrective action fund".
The fund is intended to provide for financial assurance
coverage and shall be used by the department to the extent that
revenues are available to take corrective action in response to
a release, to pay for the costs of a minimum site assessment in
excess of ten thousand dollars (\$10,000), to pay the state's

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1 share of federal leaking underground storage tank trust fund
2 cleanup costs as required by the federal Resource Conservation
3 and Recovery Act and to make payments to or on behalf of owners
4 and operators for corrective action taken in accordance with
5 Section 74-6B-13 NMSA 1978. The legislature may appropriate up
6 to thirty percent of the annual distribution to the fund
7 pursuant to Section 7-1-6.25 NMSA 1978 to the department to
8 administer environmental programs. The owner or operator of a
9 site shall not use the corrective action fund as evidence of
10 financial assurance to satisfy claims of third parties.

11 B. The board, after recommendations from the
12 storage tank committee, shall adopt rules for establishing
13 priorities for corrective action at sites contaminated by
14 storage tanks. The priorities for corrective action shall be
15 based on public health, safety and welfare and environmental
16 concerns. In adopting rules pursuant to this subsection, the
17 board shall follow the procedures of Section 74-4-5 NMSA 1978.
18 The provisions of that section relating to all other matters in
19 connection with the adoption of rules shall apply. The
20 department shall establish priority lists of sites in
21 accordance with the rules adopted by the board.

22 C. The department shall make expenditures from the
23 corrective action fund in accordance with rules adopted by the
24 board or the secretary for corrective action taken by the
25 state, owners or operators at sites contaminated by storage

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1 tanks; provided that:

2 (1) payments may be made only for corrective
3 action taken by persons qualified by the department to perform
4 the work pursuant to rules adopted by the board;

5 (2) no expenditures from the fund shall be
6 paid to or on behalf of an owner or operator for corrective
7 action, other than a minimum site assessment or sampling, if
8 the corrective action is conducted by a person that is a
9 subsidiary or parent of or that is otherwise affiliated with
10 the owner or operator;

11 (3) expenditures shall be made by the
12 department to perform corrective action, to pay for the costs
13 of minimum site assessment in excess of ten thousand dollars
14 (\$10,000) or to make payments to or on behalf of an owner or
15 operator in accordance with Section 74-6B-13 NMSA 1978;

16 (4) any corrective action taken shall be taken
17 at sites in the order of priority appearing on the priority
18 lists, unless an emergency threat to public health, safety and
19 welfare or to the environment exists;

20 (5) when available revenues are limited and
21 the fund can no longer be approved as a financial
22 responsibility mechanism, priorities for expenditures from the
23 fund shall also be based on financial need as determined by
24 rules adopted by the board; and

25 (6) corrective action involving remediation

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1 shall follow a competitive bidding procedure based on technical
2 merit and cost effectiveness.

3 D. No expenditure from the corrective action fund
4 shall be authorized for corrective action at sites owned or
5 operated by the United States or any agency or instrumentality
6 thereof.

7 E. Nothing in this section authorizes payments for
8 the repair or replacement of a storage tank or equipment.

9 F. Nothing in this section authorizes payments or
10 commitments for payments in excess of the funds available.

11 G. The board, by rule, may provide for a specific
12 amount to be reserved in the fund for emergencies. The amount
13 reserved may be expended by the department only for corrective
14 action necessary when an emergency threat to public health,
15 safety and welfare or to the environment exists.

16 H. Within sixty days after receipt of notification
17 that the corrective action fund has become incapable of paying
18 for assured corrective actions, the owner or operator shall
19 obtain alternative financial assurance acceptable to the
20 department. "