

ENVIRONMENTAL PROTECTION COMMISSION[567]

Adopted and Filed

Rulemaking related to financial responsibility for underground storage tanks

The Environmental Protection Commission (Commission) hereby rescinds Chapter 136, “Financial Responsibility for Underground Storage Tanks,” Iowa Administrative Code, and adopts a new Chapter 136 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 455B.474.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 455B and 40 CFR parts 280 and 281.

Purpose and Summary

Chapter 136 establishes financial responsibility requirements for owners and operators of petroleum underground storage tanks (USTs).

The purpose of these rules is to ensure that owners and operators of petroleum USTs can demonstrate financial responsibility for taking corrective action and for compensating third parties for bodily injury and property damage caused by accidental releases arising from operation of petroleum USTs. Chapter 136 has been reviewed consistent with Executive Order 10. Unnecessary and obsolete rules have been removed, and updates and clarification have been made.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on January 7, 2026, as **ARC 9937C**. A public hearing was held on the following date(s):

- January 27, 2026
- January 28, 2026
- January 29, 2026

All attendees at the hearings were present for hearings for other chapters hosted at the same time. All comments given were supportive of the changes. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Commission on July 21, 2026.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Commission for a waiver of the discretionary provisions, if any, pursuant to 7—Chapter 2504.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on September 23, 2026.

The following rulemaking action is adopted:

ITEM 1. Rescind 567—Chapter 136 and adopt the following **new** chapter in lieu thereof:

CHAPTER 136
FINANCIAL RESPONSIBILITY FOR UNDERGROUND STORAGE TANKS

567—136.1(455B) Applicability.

136.1(1) This chapter applies to owners and operators of all petroleum underground storage tank (UST) systems, except as otherwise provided in this rule.

136.1(2) State and federal government entities whose debts and liabilities are the debts and liabilities of a state or the United States are exempt from the requirements of this chapter.

136.1(3) The requirements of this chapter do not apply to owners and operators of farm or residential tanks of 1,100 gallons or less capacity installed prior to July 1, 1987, or any UST system described in 567—paragraph 135.1(3) “b” or 567—subparagraph 135.1(3) “c”(1), “c”(3) or “c”(4).

567—136.2(455B) Policy; adoption by reference.

136.2(1) It is the policy of the commission to ensure consistency, equity, and efficiency in providing financial responsibility for Iowans and the businesses providing services to Iowans that owners and operators of UST systems in this state must comply with the provisions of the federal rules requiring and regulating the financial assurance of UST systems. This rule shall be interpreted in a manner consistent with this policy.

136.2(2) The commission hereby adopts by reference 40 CFR Chapter I, Subchapter I, Part 280, Subpart H (2015), subject to the following conditions:

a. All uses of “Agency,” “Environmental Protection Agency,” “EPA,” and “implementing agency,” and any reference to the regional offices of the Environmental Protection Agency, shall be replaced with “Department of Natural Resources,” except where the context of the rule requires notice or submission to both federal and state entities, in which case the replacement language shall be in addition to the original language.

b. All uses of “Administrator” and “regional administrator,” and any reference to the designee of either, are replaced with “the director of the Department of Natural Resources or their designee,” except where the context of the rule requires notice or submission to both federal and state entities, in which case the replacement language shall be in addition to the original language.

c. 40 CFR 280.100 is not adopted by reference.

d. 40 CFR 280.101 is not adopted by reference.

567—136.3(455B) Additional requirements.

136.3(1) *Notice of extended reporting.* In any written final cancellation or nonrenewal notice, an entity that provides insurance pursuant to this chapter shall notify the primary insured party and any additional named insured parties of the six-month extended reporting expiration date provided in 40 CFR 280.97 (2015).

136.3(2) *Notice and claim by the department.* Notwithstanding any other requirement or limit in 40 CFR Chapter I, Subchapter I, Part 280, Subpart H (2015), timely notice of a release and claim for coverage to the insurer by the department of natural resources shall be deemed sufficient notice on behalf of the insured under the terms, conditions, and exclusions of a policy issued to demonstrate compliance with this chapter. Notice by the department shall not modify or enlarge the terms, conditions, and exclusions of coverage, but is only intended to preserve coverage to which the insured may otherwise be entitled under the policy.

These rules are intended to implement Iowa Code sections 455B.424 and 455B.474.

[Filed 7/24/26, effective 9/23/26]

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 8/19/26.