FEB 2 7 2003 APPROPRIATIONS

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HOUSE FILE 348 BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO HSB 133)

Passed	House,	Date		Passed	Senate,	Dat	e
Vote:	Ayes _		Nays	Vote:	Ayes		Nays
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1 Section 1. NEW SECTION. 101.41 DEFINITIONS.

2 As used in this division, unless the context otherwise 3 requires:

I. "Liability policy" means an owner's policy of liability insurance for a tank site or activities associated with the tank site, provided as proof of financial responsibility, and issued by an insurance carrier duly authorized to transact business in this state, to or for the benefit of the person named in the liability policy as insured.

10 2. "Liquefied petroleum gas storage tank" means a tank, 11 which is used to contain liquefied petroleum gas, and which 12 has a capacity of seven thousand gallons or more in volume. 13 3. "Operator" means a person in control of, or having 14 responsibility for, the daily operation of a liquefied 15 petroleum gas storage tank.

16 4. "Owner" means all of the following:

a. In the case of a liquefied petroleum gas storage tank
in use on or after July 1, 2003, a person who owns the
liquefied petroleum gas storage tank used for the storage,
use, or dispensing of liquefied petroleum gas.

21 b. In the case of a liquefied petroleum gas storage tank 22 in use before July 1, 2003, but no longer in use on or after 23 that date, a person who owned the tank immediately before the 24 discontinuation of its use.

25 5. "State fire marshal" means the state fire marshal or 26 the state fire marshal's designee.

27 6. "Tank site" means a liquefied petroleum gas storage
28 tank or grouping of liquefied petroleum gas storage tanks
29 within close proximity of each other located within a facility
30 for the purpose of storing liquefied petroleum gas.

31 Sec. 2. <u>NEW SECTION</u>. 101.42 LIABILITY POLICIES. 32 1. A liability policy shall designate, by explicit 33 description or by appropriate reference, all tank sites with 34 respect to which coverage is to be provided and shall insure 35 the person named in the policy against loss from liability

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1 imposed by law for damages arising out of the ownership, 2 maintenance, or use of liquefied petroleum gas storage tanks 3 on an insured tank site.

2. A liability policy shall state the name and address of 4 5 the named insured, the coverage afforded by the policy, the 6 policy period, and the limits of liability which shall be not 7 less than one million dollars per tank site, and shall contain 8 an agreement or be endorsed that insurance is provided in 9 accordance with the coverage required in this division in 10 respect to bodily injury and death or property damage, or ll both, and is subject to all the provisions of this division. 12 3. Any insurance policy that grants the coverage required 13 for a liability policy may also grant any lawful coverage in 14 excess of or in addition to the coverage specified for a 15 liability policy and such excess or additional coverage shall 16 not be subject to the provisions of this division. With 17 respect to an insurance policy that grants such excess or 18 additional coverage, the term "liability policy" shall apply 19 only to that part of the coverage which is required by this 20 division.

21 4. A liability policy may provide for the prorating of the 22 insurance thereunder with other valid and collectible 23 insurance. The requirements for a liability policy may be 24 fulfilled by the policies of one or more insurance carriers 25 which policies together meet such requirements. Any binder 26 issued pending the issuance of a liability policy shall be 27 deemed to fulfill the requirements for such a policy. 28 Sec. 3. NEW SECTION. 101.43 REPORT OF EXISTING AND NEW 29 TANKS -- REGISTRATION FEE -- STICKER -- PENALTY. 30 1. The owner or operator of a liquefied petroleum gas 31 storage tank existing on or before July 1, 2003, shall 32 register the liquefied petroleum gas storage tank by notifying 33 the state fire marshal in writing by May 1, 2004, of the 34 existence of each tank. The notice shall also specify the 35 age, manufacturer's serial number, size, type, location, and

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1 uses of the liquefied petroleum gas storage tank and shall be 2 in a form specified by the state fire marshal.

2. An owner or operator who brings into use a liquefied 4 petroleum gas storage tank after July 1, 2003, shall register 5 the liquefied petroleum gas storage tank by notifying the 6 state fire marshal in writing within thirty days of the 7 existence of the tank. The notice shall also specify the age, 8 manufacturer's serial number, size, type, location, and uses 9 of the liquefied petroleum gas storage tank and shall be in a 10 form specified by the state fire marshal.

11 3. The registration notice provided by an owner or 12 operator to the state fire marshal under subsection 1 or 2 13 shall be accompanied by a fee of twenty-five dollars for each 14 liquefied petroleum gas storage tank included in the notice 15 and the owner or operator shall furnish proof of financial 16 responsibility for the period of registration as provided in 17 section 101.44. The registration of all liquefied petroleum 18 gas storage tanks registered under subsection 1 or 2 shall be 19 renewed on an annual basis. All moneys collected pursuant to 20 this subsection shall be retained by the department of public 21 safety, deposited in the liquefied petroleum gas storage tank 22 registration fund established in section 101.50, and 23 appropriated for the use of the state fire marshal in 24 performance of the duties set forth in this division. An 25 annual registration renewal fee of twenty-five dollars for 26 each liquefied petroleum gas storage tank applies to all 27 owners or operators who filed a registration notice with the 28 state fire marshal pursuant to subsection 1 or 2.

4. A person who sells or constructs a tank intended to be used as a liquefied petroleum gas storage tank shall notify the purchaser of the tank in writing of the registration and notification requirements of this section applicable to the gas purchaser.

34 5. It is unlawful to make, cause to be made, or receive a 35 deposit of liquefied petroleum gas in a liquefied petroleum

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1 gas storage tank which has not been registered pursuant to 2 subsection 1 or 2.

6. The state fire marshal shall furnish the owner or operator of a liquefied petroleum gas storage tank with a numbered registration sticker for each liquefied petroleum gas storage tank registered with the state fire marshal. The owner or operator shall affix the sticker next to or in close proximity to the float or rotary gauge of each registered liquefied petroleum gas storage tank.

10 7. It is the tank owner's or tank operator's duty to 11 comply with registration requirements. A late registration 12 penalty of fifty dollars is imposed in addition to the 13 registration fee for a tank registered after the required 14 date. The penalty shall be applicable for each year in which 15 the tank is operated without registration.

16 8. A liquefied petroleum gas storage tank that is subject 17 to regulation under or registration with either the federal 18 department of transportation or state department of 19 transportation, or both, is exempt from the registration 20 requirements of this division.

Sec. 4. <u>NEW SECTION</u>. 101.44 FINANCIAL RESPONSIBILITY. 1. A person required to register a liquefied petroleum gas storage tank pursuant to section 101.43 shall furnish proof of financial responsibility for damages occurring after the seffective date of the proof, arising out of the ownership, maintenance, or use of the liquefied petroleum gas storage tank. The proof shall be given through the existence of a liability policy with liability limits of not less than one million dollars per incident and two million dollars in the aggregate.

31 2. Proof of financial responsibility shall be filed with 32 the state fire marshal in accordance with rules adopted by the 33 fire marshal pursuant to chapter 17A. Proof of financial 34 responsibility shall be in the form of a written certificate 35 of any insurance carrier duly authorized to do business in

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1 this state certifying that there is in effect a liability 2 policy for the benefit of the person required to furnish proof 3 of financial responsibility. The certificate shall give the 4 effective date of such liability policy, which date shall be 5 the same as the effective date of the certificate, and shall 6 designate by explicit description the liquefied petroleum gas 7 storage tanks and tank sites covered.

8 3. When an insurance carrier has certified a liability 9 policy under this division, the certified liability policy 10 shall not be canceled or terminated until at least ten days 11 after a notice of cancellation or termination of the certified 12 liability policy is filed in the office of the state fire 13 marshal, except that a liability policy subsequently procured 14 and certified with the same or greater coverage shall, on the 15 effective date of its certification, serve to terminate the 16 liability policy previously issued.

4. Except as otherwise provided in this section, the state
fire marshal shall, upon request, consent to the immediate
cancellation of a liability policy for which a written
certificate has been filed pursuant to this chapter as proof
of financial responsibility in any of the following events:
a. In the event of the death of an individual on whose
behalf such proof was filed.

24 b. In the event of transfer of ownership of the liquefied 25 petroleum gas storage tank or tank site that is insured by the 26 liability policy, upon substitution of such proof on behalf of 27 the new owner.

5. The state fire marshal shall not consent to the cancellation of a liability policy in the event an action for damages based upon a liability covered by such liability policy is then pending or a judgment upon any such liability is unsatisfied, or in the event the person who has filed a written certificate for such liability policy has within one year immediately preceding such request been involved in an accident involving a registered liquefied petroleum gas

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1 storage tank covered by the liability policy resulting in 2 injury or damage to the person or property of others. An 3 affidavit of the person filing the written certificate as to 4 the nonexistence of such facts, or that the person filing the 5 written certificate has been released from all of such 6 person's liability, or has been finally adjudicated not to be 7 liable, for such injury or damage, shall be sufficient 8 evidence thereof in the absence of evidence to the contrary in 9 the records of the state fire marshal.

10 6. A person whose liability policy, when required under 11 this chapter, has been canceled or terminated shall not 12 display the person's registration stickers.

13 Sec. 5. NEW SECTION. 101.45 RULES.

14 The state fire marshal shall adopt rules pursuant to 15 chapter 17A necessary to administer this division. The rules 16 may provide for fees for inspections completed pursuant to 17 this division. The fees shall be reasonably related to costs 18 incurred by the state fire marshal in completing inspections. 19 Revenue generated from the fees shall be deposited in the 20 liquefied petroleum gas storage tank registration fund 21 established in section 101.50.

22 Sec. 6. <u>NEW SECTION</u>. 101.46 STATE FIRE MARSHAL -- DUTIES 23 AND POWERS.

The state fire marshal shall do all of the following: 1. Conduct inspections and, when warranted, investigations in response to complaints received or otherwise as determined recessary by the state fire marshal. An inspection or investigation shall be conducted subject to the procedures provided in subsection 4. For purposes of developing a rule, maintaining an accurate inventory, or enforcing this division, the state fire marshal may:

a. At reasonable times, enter an establishment or other
33 place where a liquefied petroleum gas storage tank is located.
b. Inspect and obtain samples of liquefied petroleum gas
35 and conduct monitoring or testing of the tanks, associated

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1 equipment, contents, or surrounding soils or air. An
2 inspection shall be commenced and completed with reasonable
3 promptness.

4 (1) If the state fire marshal obtains a sample, prior to 5 leaving the premises the state fire marshal shall give the 6 owner, operator, or agent in charge a receipt describing the 7 sample obtained and, if requested, a portion of each sample 8 equal in volume or weight to the portion retained. If the 9 state fire marshal causes the sample to be analyzed, a copy of 10 the results of the analysis shall be furnished promptly to the 11 owner, operator, or agent in charge.

12 (2) Documents or information obtained from a person 13 pursuant to this subsection shall be available to the public 14 except as provided in this subparagraph. Upon a showing 15 satisfactory to the state fire marshal that public disclosure 16 of documents or information, or a particular part of the 17 documents or information to which the state fire marshal has 18 access under this subsection, would divulge commercial or 19 financial information entitled to protection as a trade 20 secret, the state fire marshal shall consider the documents or 21 information or the particular portion of the documents or 22 information confidential.

23 2. Maintain an accurate inventory of liquefied petroleum24 gas storage tanks.

25 3. Take any action allowed by law which, in the judgment 26 of the state fire marshal, is necessary to enforce or secure 27 compliance with this division or any rule adopted pursuant to 28 this division.

4. a. Conduct investigations of complaints received directly or referred by other agencies, and conduct other linvestigations deemed necessary. While conducting an investigation, the state fire marshal may enter at any reasonable time in and upon any private or public property to investigate any actual or possible violation of this division or the rules adopted under this division. However, the owner,

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1 operator, or agent in charge shall be notified of such 2 entrance.

3 b. If the owner, operator, or agent in charge of any 4 property refuses admittance, or if prior to such refusal the 5 state fire marshal demonstrates the necessity for a warrant, 6 the state fire marshal may make application under oath or 7 affirmation to the district court of the county in which the 8 property is located for the issuance of a search warrant.

In the search warrant application the state fire 9 c. 10 marshal shall state that an inspection of the premises is 11 mandated by the laws of this state or that a search of certain 12 premises, areas, or things designated in the application may 13 result in evidence tending to reveal the existence of 14 violations of public health, safety, or welfare requirements 15 imposed by statutes, rules, or ordinances established by the 16 state or a political subdivision of the state. The search 17 warrant application shall describe the area, premises, or 18 thing to be searched, give the date of the last inspection if 19 known, give the date and time of the proposed inspection, 20 declare the need for such inspection, recite that notice of 21 the desire to make an inspection has been given to affected 22 persons and that admission was refused if that be the fact, 23 and state that the inspection has no purpose other than to 24 carry out the purpose of the statute, rule, or ordinance 25 pursuant to which inspection is to be made. If an item of 26 property is sought by the state fire marshal, it shall be 27 identified in the application.

28 d. If the district court is satisfied from an examination 29 of the search warrant applicant, of other witnesses, and of 30 the application allegations regarding the existence of grounds 31 for the application, or that there is probable cause to 32 believe in their existence, the court may issue a search 33 warrant.

34 e. In making inspections and searches pursuant to the 35 authority of this division, the state fire marshal must

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1 execute the warrant as follows:

2 (1) Within ten days after its date of issuance.

3 (2) In a reasonable manner, and any property seized shall 4 be treated in accordance with the provisions of chapters 808 5 and 809.

(3) Subject to any restrictions imposed by the statute, 6 7 rule, or ordinance pursuant to which inspection is made. 8 Sec. 7. NEW SECTION. 101.47 VIOLATIONS -- ORDERS. 9 1. If substantial evidence exists that a person has 10 violated or is violating a provision of this division or a 11 rule adopted under this division, the state fire marshal may 12 issue an order directing the person to cease and desist in the 13 practice which constitutes the violation and to take 14 corrective action as necessary to ensure that the violation 15 will cease. The order may also include an appropriate 16 administrative penalty pursuant to section 101.48. The person 17 to whom the order is issued may appeal the order as provided 18 in chapter 17A and the rules of the department of public 19 safety and the state fire marshal. On appeal, an order of the 20 state fire marshal may be affirmed, modified, or vacated. 2. However, if it is determined by the state fire marshal 21 22 that an emergency exists respecting any matter affecting or 23 likely to affect the public health, the state fire marshal may 24 issue any order necessary to terminate the emergency without 25 notice and without hearing. The order is binding and 26 effective immediately and until the order is modified or 27 vacated at an administrative hearing or by a district court. 28 3. The state fire marshal may request the attorney general 29 to institute legal proceedings pursuant to section 101.48. 30 NEW SECTION. 101.48 PENALTIES -- BURDEN OF Sec. 8. 31 PROOF.

32 1. A person who violates this division or a rule or order 33 adopted or issued pursuant to this division is subject to a 34 civil penalty not to exceed one hundred dollars for each day 35 during which the violation continues, up to a maximum of ten

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1 thousand dollars. However, if a person violates this division 2 by failing to register a liquefied petroleum gas storage tank 3 under section 101.43, and if the tank is registered within 4 thirty days after the state fire marshal issues a cease and 5 desist order pursuant to section 101.47, subsection 1, the 6 civil penalty under this section shall not accrue. The civil 7 penalty is an alternative to a criminal penalty provided under 8 this section.

9 2. A person who knowingly fails to register under section 10 101.43 or makes a false statement, representation, or 11 certification in a record, report, or other document filed or 12 required to be maintained under this division, or violates an 13 order issued under this division, is guilty of an aggravated 14 misdemeanor.

15 3. The attorney general, at the request of the state fire 16 marshal, shall institute any legal proceeding, including an 17 action for an injunction, necessary to enforce the penalty 18 provisions of this division or to obtain compliance with the 19 provisions of this division or rules adopted or order issued 20 pursuant to this division. In any action, previous findings 21 of fact of the state fire marshal after notice and hearing are 22 conclusive if supported by substantial evidence in the record 23 when the record is viewed as a whole.

4. In all proceedings with respect to an alleged violation of this division or a rule adopted or order issued by the state fire marshal pursuant to this division, the burden of proof is upon the state fire marshal.

5. If the attorney general has instituted legal proceedings in accordance with this section, all related issues which could otherwise be raised by the alleged violator in a proceeding for judicial review under section 101.49 shall be raised in the legal proceedings instituted in accordance with this section.

34 Sec. 9. <u>NEW SECTION</u>. 101.49 JUDICIAL REVIEW.
35 Except as provided in section 101.48, subsection 5,

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1 judicial review of an order or other action of the state fire 2 marshal pursuant to this division or rule adopted pursuant to 3 this division may be sought in accordance with chapter 17A. 4 Notwithstanding chapter 17A, petitions for judicial review may 5 be filed in the district court of the county in which the 6 alleged offense was committed or the final order was entered. 7 Sec. 10. <u>NEW SECTION</u>. 101.50 LIQUEFIED PETROLEUM GAS 8 STORAGE TANK REGISTRATION FUND.

9 1. A liquefied petroleum gas storage tank registration 10 fund is created as a separate fund in the state treasury under 11 the control of the department of public safety, division of 12 fire protection. Interest, fees, and other moneys earned by 13 the fund shall be deposited in the fund. Moneys credited to 14 the fund shall be administered by the department of public 15 safety and expended by the division of fire protection for the 16 purposes of administering this chapter, including the 17 employment of personnel.

18 2. Notwithstanding section 8.33, moneys credited to the 19 fund which remain unobligated or unexpended at the close of 20 the fiscal year shall not revert to the general fund of the 21 state.

22

EXPLANATION

23 This bill relates to the regulation of liquefied petroleum 24 gas storage tanks.

The bill requires an owner or operator of a liquefied petroleum gas storage tank existing on or before July 1, 2003, to register the tank by notifying the state fire marshal in writing by May 1, 2004, of the existence of each tank. The bill requires an owner or operator who brings into use a liquefied petroleum gas storage tank after July 1, 2003, to register the tank by notifying the state fire marshal in writing within 30 days of the existence of the tank. The bill requires a \$25 registration fee for each tank and requires proof of financial responsibility for the period of registration to accompany the notice. The bill requires a

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1 renewal of the registration on an annual basis. The bill 2 provides that all registration fees collected shall be 3 retained by the department of public safety, deposited in a 4 liquefied petroleum gas storage tank registration fund, and 5 appropriated for the use of the state fire marshal in 6 performance of the duties set forth in the bill.

7 The bill requires a person who sells or constructs a tank 8 intended to be used as a liquefied petroleum gas storage tank 9 to notify the purchaser of the tank in writing of the state 10 fire marshal registration and notification requirements 11 applicable to the purchaser. The bill provides that it is 12 unlawful to make, cause to be made, or receive a deposit of 13 liquefied petroleum gas in a liquefied petroleum gas storage 14 tank which has not been registered with the state fire 15 marshal. The bill provides that the state fire marshal shall 16 furnish the owner or operator of a liquefied petroleum gas 17 storage tank with a numbered registration sticker for each 18 liquefied petroleum gas storage tank registered with the state 19 fire marshal. The bill provides that a late registration 20 penalty of \$50 is imposed in addition to the registration fee 21 for a tank registered after the required date. The bill 22 provides that a liquefied petroleum gas storage tank which is 23 subject to regulation by or registration with either the 24 federal department of transportation or state department of 25 transportation, or both, is exempt from the state fire marshal 26 registration requirements.

The bill requires a person who registers a liquefied petroleum gas storage tank to furnish proof of financial responsibility for damages occurring after the effective date of the proof, arising out of the ownership, maintenance, or use of liquefied petroleum gas storage tanks. The proof shall be given through the existence of a liability policy with liability limits not less than \$1 million per incident and \$2 af million in the aggregate. The bill provides the procedure and requirements for furnishing proof of financial responsibility.

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1 The bill provides that when an insurance carrier has certified 2 a liability policy, the liability policy shall not be canceled 3 or terminated until at least 10 days after a notice of 4 cancellation or termination of the certified liability policy 5 is filed in the office of the state fire marshal, except that 6 a liability policy subsequently procured and certified with 7 the same or greater coverage shall, on the effective date of 8 its certification, serve to terminate the liability policy 9 previously issued.

10 The bill provides that, except as otherwise provided, the 11 state fire marshal shall, upon request, consent to the 12 immediate cancellation of a liability policy as proof of 13 financial responsibility in the event of the death of an 14 individual on whose behalf such proof was filed and in the 15 event of transfer of ownership upon substitution of such proof 16 on behalf of the new owner. The bill provides that the state 17 fire marshal shall not consent to the cancellation of a 18 liability policy in the event an action for damages upon a 19 liability covered by such proof is then pending or a judgment 20 upon any such liability is unsatisfied, or in the event the 21 person who has filed such liability policy has within one year 22 immediately preceding such request been involved in an 23 accident involving a registered tank covered by the liability 24 policy resulting in injury or damage to the person or property 25 of others. The bill provides that a person whose liability 26 policy has been canceled or terminated shall not display their 27 registration stickers.

The bill provides that the state fire marshal shall conduct inspections and, when warranted, investigations in response to complaints received or otherwise as determined necessary by the state fire marshal. The bill provides that the state fire marshal may, at reasonable times, enter an establishment or other place where a liquefied petroleum gas storage tank is located and inspect and obtain samples of liquefied petroleum so and conduct monitoring or testing of the tanks, associated

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1 equipment, contents, or surrounding soils or air. The bill 2 provides that if the state fire marshal obtains a sample, 3 prior to leaving the premises the state fire marshal shall 4 give the owner, operator, or agent in charge a receipt 5 describing the sample obtained and, if requested, a portion of 6 each sample equal in volume or weight to the portion retained. 7 The bill provides that if the state fire marshal causes the 8 sample to be analyzed, a copy of the results of the analysis 9 shall be furnished promptly to the owner, operator, or agent 10 in charge. The bill provides that documents or information 11 obtained from a person shall be available to the public unless 12 a showing satisfactory to the state fire marshal that public 13 disclosure of documents or information, or a particular part 14 of the documents or information to which the state fire 15 marshal has access, would divulge commercial or financial 16 information entitled to protection as a trade secret.

The bill requires the state fire marshal to maintain an accurate inventory of liquefied petroleum gas storage tanks and to take any action allowed by law which, in the judgment of the state fire marshal, is necessary to enforce or secure compliance. The bill requires the state fire marshal to conduct investigations of complaints received directly or referred by other agencies, and conduct other investigations deemed necessary. The bill provides that if the owner, operator, or agent in charge of any property refuses admittance, or if prior to such refusal the state fire marshal demonstrates the necessity for a warrant, the state fire marshal may make application under oath or affirmation to the district court of the county in which the property is located of for the issuance of a search warrant.

31 The bill provides that if substantial evidence exists that 32 a person has violated or is violating a provision of this 33 bill, the state fire marshal may issue an order directing the 34 person to desist in the practice which constitutes the 35 violation and to take corrective action as necessary to ensure

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1 that the violation will cease. The bill provides that the 2 order may also include an appropriate administrative penalty. 3 The bill provides that the person to whom the order is issued 4 may appeal the order as provided in Code chapter 17A. The 5 bill provides that if it is determined by the state fire 6 marshal that an emergency exists respecting any matter 7 affecting or likely to affect the public health, the state 8 fire marshal may issue any order necessary to terminate the 9 emergency without notice and without hearing. The bill 10 provides that the state fire marshal may request the attorney 11 general to institute legal proceedings.

12 The bill provides that a person who violates a provision of 13 this bill is subject to a civil penalty not to exceed \$100 for 14 each day during which the violation continues, up to a maximum 15 of \$10,000. However, if an unregistered tank is registered 16 within 30 days after the state fire marshal issues a cease and 17 desist order, the civil penalty shall not accrue. The bill 18 provides that a civil penalty is an alternative to a criminal 19 penalty. The bill provides that a person who knowingly fails 20 to register a tank or makes a false statement, representation, 21 or certification in a record, report, or other document filed 22 or required to be maintained, or violates an order issued by 23 the state fire marshal, is guilty of an aggravated 24 misdemeanor. The bill provides that the attorney general, at 25 the request of the state fire marshal, shall institute any 26 legal proceedings, including an action for an injunction, 27 necessary to enforce penalty provisions or to obtain 28 compliance.

The bill provides that a liquefied petroleum gas storage tank registration fund is created as a separate fund in the state treasury under the control of the department of public safety, division of fire protection. The bill provides that moneys credited to the fund shall be administered by the department of public safety and expended by the division of fire protection for the purposes of administering the

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Passed	House, Date		Passed	Senate,	Date
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A BILL FOR

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1 Section 1. <u>NEW SECTION</u>. 101.41 DEFINITIONS.

2 As used in this division, unless the context otherwise 3 requires:

I. "Liability policy" means an owner's policy of liability insurance for a tank site or activities associated with the tank site, provided as proof of financial responsibility, and issued by an insurance carrier duly authorized to transact business in this state, to or for the benefit of the person named in the liability policy as insured.

10 2. "Liquefied petroleum gas storage tank" means a tank, 11 including pipes connected to the tank, which is used to 12 contain liquefied petroleum gas of seven thousand gallons or 13 more in volume.

14 3. "Operator" means a person in control of, or having 15 responsibility for, the daily operation of a liquefied 16 petroleum gas storage tank.

17 4. "Owner" means all of the following:

a. In the case of a liquefied petroleum gas storage tank
in use on or after July 1, 2003, a person who owns the
20 liquefied petroleum gas storage tank used for the storage,
21 use, or dispensing of liquefied petroleum gas.

22 b. In the case of a liquefied petroleum gas storage tank 23 in use before July 1, 2003, but no longer in use on or after 24 that date, a person who owned the tank immediately before the 25 discontinuation of its use.

26 5. "State fire marshal" means the state fire marshal or27 the state fire marshal's designee.

28 6. "Tank site" means a liquefied petroleum gas storage
29 tank or grouping of liquefied petroleum gas storage tanks
30 within close proximity of each other located within a facility
31 for the purpose of storing liquefied petroleum gas.

32 Sec. 2. NEW SECTION. 101.42 LIABILITY POLICIES.

A liability policy shall designate, by explicit
 description or by appropriate reference, all tank sites with
 respect to which coverage is to be provided and shall insure

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1 the person named in the policy against loss from liability 2 imposed by law for damages arising out of the ownership, 3 maintenance, or use of liquefied petroleum gas storage tanks 4 on an insured tank site.

A liability policy shall state the name and address of 5 2. 6 the named insured, the coverage afforded by the policy, the 7 policy period, and the limits of liability which shall be not 8 less than one million dollars per tank site, and shall contain 9 an agreement or be endorsed that insurance is provided in 10 accordance with the coverage required in this division in ll respect to bodily injury and death or property damage, or 12 both, and is subject to all the provisions of this division. 13 3. Any insurance policy that grants the coverage required 14 for a liability policy may also grant any lawful coverage in 15 excess of or in addition to the coverage specified for a 16 liability policy and such excess or additional coverage shall 17 not be subject to the provisions of this division. With 18 respect to an insurance policy that grants such excess or 19 additional coverage, the term "liability policy" shall apply 20 only to that part of the coverage which is required by this 21 division.

22 4. A liability policy may provide for the prorating of the 23 insurance thereunder with other valid and collectible 24 insurance. The requirements for a liability policy may be 25 fulfilled by the policies of one or more insurance carriers 26 which policies together meet such requirements. Any binder 27 issued pending the issuance of a liability policy shall be 28 deemed to fulfill the requirements for such a policy. 29 Sec. 3. NEW SECTION. 101.43 REPORT OF EXISTING AND NEW 30 TANKS -- REGISTRATION FEE -- STICKER -- PENALTY. 31 1. The owner or operator of a liquefied petroleum gas 32 storage tank existing on or before July 1, 2003, shall 33 register the liquefied petroleum gas storage tank by notifying 34 the state fire marshal in writing by May 1, 2004, of the 35 existence of each tank. The notice shall also specify the

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1 age, manufacturer's serial number, size, type, location, and 2 uses of the liquefied petroleum gas storage tank.

2. An owner or operator who brings into use a liquefied 4 petroleum gas storage tank after July 1, 2003, shall register 5 the liquefied petroleum gas storage tank by notifying the 6 state fire marshal in writing within thirty days of the 7 existence of the tank. The notice shall also specify the age, 8 manufacturer's serial number, size, type, location, and uses 9 of the liquefied petroleum gas storage tank.

The registration notice provided by an owner or 10 3. 11 operator to the state fire marshal under subsection 1 or 2 12 shall be accompanied by a fee of ten dollars for each 13 liquefied petroleum gas storage tank included in the notice 14 and the owner or operator shall furnish proof of financial 15 responsibility for the period of registration as provided in 16 section 101.44. The registration of all liquefied petroleum 17 gas storage tanks registered under subsection 1 or 2 shall be 18 renewed on an annual basis. All moneys collected pursuant to 19 this subsection shall be retained by the department of public 20 safety, deposited in the liquefied petroleum gas storage tank 21 registration fund established in section 101.50, and 22 appropriated for the use of the state fire marshal in 23 performance of the duties set forth in this division. An 24 annual registration renewal fee of ten dollars for each 25 liquefied petroleum gas storage tank applies to all owners or 26 operators who filed a registration notice with the state fire 27 marshal pursuant to subsection 1 or 2.

4. A person who sells or constructs a tank intended to be y used as a liquefied petroleum gas storage tank shall notify the purchaser of the tank in writing of the registration and notification requirements of this section applicable to the y purchaser.

33 5. It is unlawful to make, cause to be made, or receive a 34 deposit of liquefied petroleum gas in a liquefied petroleum 35 gas storage tank which has not been registered pursuant to

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1 subsection 1 or 2.

6. The state fire marshal shall furnish the owner or operator of a liquefied petroleum gas storage tank with a numbered registration sticker for each liquefied petroleum gas storage tank registered with the state fire marshal. The owner or operator shall affix the sticker next to or in close proximity to the float or rotary gauge of each registered liquefied petroleum gas storage tank.

9 7. It is the tank owner's or tank operator's duty to 10 comply with registration requirements. A late registration 11 penalty of twenty-five dollars is imposed in addition to the 12 registration fee for a tank registered after the required 13 date.

14 8. A liquefied petroleum gas storage tank that is subject 15 to regulation under or registration with either the federal 16 department of transportation or state department of 17 transportation, or both, is exempt from the registration 18 requirements of this division.

19 Sec. 4. <u>NEW SECTION</u>. 101.44 FINANCIAL RESPONSIBILITY. 20 1. A person required to register a liquefied petroleum gas 21 storage tank pursuant to section 101.43 shall furnish proof of 22 financial responsibility for accidents occurring after the 23 effective date of the proof, arising out of the ownership, 24 maintenance, or use of the liquefied petroleum gas storage 25 tank. The proof shall be given through the existence of a 26 liability policy with liability limits of not less than one 27 million dollars per incident and two million dollars in the 28 aggregate.

29 2. Proof of financial responsibility may be furnished by 30 filing with the state fire marshal the written certificate of 31 any insurance carrier duly authorized to do business in this 32 state certifying that there is in effect a liability policy 33 for the benefit of the person required to furnish proof of 34 financial responsibility. The certificate shall give the 35 effective date of such liability policy, which date shall be

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the same as the effective date of the certificate, and shall
 designate by explicit description the liquefied petroleum gas
 storage tanks and tank sites covered.

4 3. When an insurance carrier has certified a liability 5 policy under this division, the certified liability policy 6 shall not be canceled or terminated until at least ten days 7 after a notice of cancellation or termination of the certified 8 liability policy is filed in the office of the state fire 9 marshal, except that a liability policy subsequently procured 10 and certified with the same or greater coverage shall, on the 11 effective date of its certification, serve to terminate the 12 liability policy previously issued.

4. Except as otherwise provided in this section, the state
14 fire marshal shall, upon request, consent to the immediate
15 cancellation of a liability policy for which a written
16 certificate has been filed pursuant to this chapter as proof
17 of financial responsibility in any of the following events:
18 a. In the event of the death of an individual on whose
19 behalf such proof was filed.

20 b. In the event of transfer of ownership of the liquefied 21 petroleum gas storage tank or tank site that is insured by the 22 liability policy, upon substitution of such proof on behalf of 23 the new owner.

5. The state fire marshal shall not consent to the cancellation of a liability policy in the event an action for damages based upon a liability covered by such liability policy is then pending or a judgment upon any such liability s is unsatisfied, or in the event the person who has filed a written certificate for such liability policy has within one uper immediately preceding such request been involved in an accident involving a registered liquefied petroleum gas storage tank covered by the liability policy resulting in injury or damage to the person or property of others. An affidavit of the person filing the written certificate as to the nonexistence of such facts, or that the person filing the

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1 written certificate has been released from all of such 2 person's liability, or has been finally adjudicated not to be 3 liable, for such injury or damage, shall be sufficient 4 evidence thereof in the absence of evidence to the contrary in 5 the records of the state fire marshal.

6 6. A person whose liability policy, when required under
7 this chapter, has been canceled or terminated shall not
8 display the person's registration stickers and shall

9 immediately return the registration stickers to the state fire 10 marshal. If a person fails to return the registration 11 stickers to the state fire marshal as provided herein, the 12 state fire marshal shall immediately direct a peace officer to 13 secure possession of the registration stickers and return the 14 registration stickers to the state fire marshal.

15 Sec. 5. NEW SECTION. 101.45 RULES.

16 The state fire marshal shall adopt rules pursuant to 17 chapter 17A necessary to administer this division.

18 Sec. 6. <u>NEW SECTION</u>. 101.46 STATE FIRE MARSHAL -- DUTIES 19 AND POWERS.

20 The state fire marshal shall do all of the following:

1. Inspect and investigate the facilities and records of owners and operators of liquefied petroleum gas storage tanks, as necessary to determine compliance with this division and the rules adopted pursuant to this division. An inspection or investigation shall be conducted subject to the procedures provided in subsection 4. For purposes of developing a rule, maintaining an accurate inventory, or enforcing this division, the state fire marshal may:

a. At reasonable times, enter an establishment or other
place where a liquefied petroleum gas storage tank is located.
b. Inspect and obtain samples of liquefied petroleum gas
and conduct monitoring or testing of the tanks, associated
equipment, contents, or surrounding soils or air. An
inspection shall be commenced and completed with reasonable
promptness.

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1 (1) If the state fire marshal obtains a sample, prior to 2 leaving the premises the state fire marshal shall give the 3 owner, operator, or agent in charge a receipt describing the 4 sample obtained and, if requested, a portion of each sample 5 equal in volume or weight to the portion retained. If the 6 state fire marshal causes the sample to be analyzed, a copy of 7 the results of the analysis shall be furnished promptly to the 8 owner, operator, or agent in charge.

9 (2) Documents or information obtained from a person 10 pursuant to this subsection shall be available to the public 11 except as provided in this subparagraph. Upon a showing 12 satisfactory to the state fire marshal that public disclosure 13 of documents or information, or a particular part of the 14 documents or information to which the state fire marshal has 15 access under this subsection, would divulge commercial or 16 financial information entitled to protection as a trade 17 secret, the state fire marshal shall consider the documents or 18 information or the particular portion of the documents or 19 information confidential.

20 2. Maintain an accurate inventory of liquefied petroleum 21 gas storage tanks.

22 3. Take any action allowed by law which, in the judgment 23 of the state fire marshal, is necessary to enforce or secure 24 compliance with this division or any rule adopted pursuant to 25 this division.

4. a. Conduct investigations of complaints received directly or referred by other agencies, and conduct other investigations deemed necessary. While conducting an investigation, the state fire marshal may enter at any reasonable time in and upon any private or public property to investigate any actual or possible violation of this division or the rules adopted under this division. However, the owner, a operator, or agent in charge shall be notified of such a entrance.

35 b. If the owner, operator, or agent in charge of any

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1 property refuses admittance, or if prior to such refusal the 2 state fire marshal demonstrates the necessity for a warrant, 3 the state fire marshal may make application under oath or 4 affirmation to the district court of the county in which the 5 property is located for the issuance of a search warrant. In the search warrant application the state fire 6 с. 7 marshal shall state that an inspection of the premises is 8 mandated by the laws of this state or that a search of certain 9 premises, areas, or things designated in the application may 10 result in evidence tending to reveal the existence of 11 violations of public health, safety, or welfare requirements 12 imposed by statutes, rules, or ordinances established by the 13 state or a political subdivision of the state. The search 14 warrant application shall describe the area, premises, or 15 thing to be searched, give the date of the last inspection if 16 known, give the date and time of the proposed inspection, 17 declare the need for such inspection, recite that notice of 18 the desire to make an inspection has been given to affected 19 persons and that admission was refused if that be the fact, 20 and state that the inspection has no purpose other than to 21 carry out the purpose of the statute, rule, or ordinance 22 pursuant to which inspection is to be made. If an item of 23 property is sought by the state fire marshal, it shall be 24 identified in the application.

25 d. If the district court is satisfied from an examination 26 of the search warrant applicant, of other witnesses, and of 27 the application allegations regarding the existence of grounds 28 for the application, or that there is probable cause to 29 believe in their existence, the court may issue a search 30 warrant.

31 e. In making inspections and searches pursuant to the
32 authority of this division, the state fire marshal must
33 execute the warrant as follows:

34 (1) Within ten days after its date of issuance.

35 (2) In a reasonable manner, and any property seized shall

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1 be treated in accordance with the provisions of chapters 808 2 and 809.

3 (3) Subject to any restrictions imposed by the statute, 4 rule, or ordinance pursuant to which inspection is made. 5 Sec. 7. NEW SECTION. 101.47 VIOLATIONS -- ORDERS. 6 1. If substantial evidence exists that a person has 7 violated or is violating a provision of this division or a 8 rule adopted under this division, the state fire marshal may 9 issue an order directing the person to cease and desist in the 10 practice which constitutes the violation and to take 11 corrective action as necessary to ensure that the violation 12 will cease. The order may also include an appropriate 13 administrative penalty pursuant to section 101.48. The person 14 to whom the order is issued may appeal the order as provided 15 in chapter 17A. On appeal, the administrative law judge may 16 affirm, modify, or vacate the order of the state fire marshal. 17 2. However, if it is determined by the state fire marshal 18 that an emergency exists respecting any matter affecting or 19 likely to affect the public health, the state fire marshal may 20 issue any order necessary to terminate the emergency without 21 notice and without hearing. The order is binding and 22 effective immediately and until the order is modified or 23 vacated at an administrative hearing or by a district court. 24 The state fire marshal may request the attorney general 3. 25 to institute legal proceedings pursuant to section 101.48. 26 Sec. 8. NEW SECTION. 101.48 PENALTIES -- BURDEN OF 27 PROOF.

1. A person who violates this division or a rule or order adopted or issued pursuant to this division is subject to a civil penalty not to exceed one hundred dollars for each day during which the violation continues, up to a maximum of ten thousand dollars. However, if a person violates this division by failing to register a liquefied petroleum gas storage tank under section 101.43, and if the tank is registered within thirty days after the state fire marshal issues a cease and

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1 desist order pursuant to section 101.47, subsection 1, the 2 civil penalty under this section shall not accrue. The civil 3 penalty is an alternative to a criminal penalty provided under 4 this section.

5 2. A person who knowingly fails to register under section 6 101.43 or makes a false statement, representation, or 7 certification in a record, report, or other document filed or 8 required to be maintained under this division, or violates an 9 order issued under this division, is guilty of an aggravated 10 misdemeanor.

11 3. The attorney general, at the request of the state fire 12 marshal, shall institute any legal proceeding, including an 13 action for an injunction, necessary to enforce the penalty 14 provisions of this division or to obtain compliance with the 15 provisions of this division or rules adopted or order issued 16 pursuant to this division. In any action, previous findings 17 of fact of the state fire marshal after notice and hearing are 18 conclusive if supported by substantial evidence in the record 19 when the record is viewed as a whole.

4. In all proceedings with respect to an alleged violation
21 of this division or a rule adopted or order issued by the
22 state fire marshal pursuant to this division, the burden of
23 proof is upon the state fire marshal.

5. If the attorney general has instituted legal proceedings in accordance with this section, all related issues which could otherwise be raised by the alleged violator in a proceeding for judicial review under section 101.49 shall be raised in the legal proceedings instituted in accordance y with this section.

30 Sec. 9. <u>NEW SECTION</u>. 101.49 JUDICIAL REVIEW.

31 Except as provided in section 101.48, subsection 5, 32 judicial review of an order or other action of the state fire 33 marshal pursuant to this division or rule adopted pursuant to 34 this division may be sought in accordance with chapter 17A. 35 Notwithstanding chapter 17A, petitions for judicial review may

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be filed in the district court of the county in which the
 alleged offense was committed or the final order was entered.
 Sec. 10. <u>NEW SECTION</u>. 101.50 LIQUEFIED PETROLEUM GAS
 4 STORAGE TANK REGISTRATION FUND.

5 1. A liquefied petroleum gas storage tank registration 6 fund is created as a separate fund in the state treasury under 7 the control of the department of public safety, division of 8 fire protection. Interest, fees, and other moneys earned by 9 the fund shall be deposited in the fund. Moneys credited to 10 the fund shall be administered by the department of public 11 safety and expended by the division of fire protection for the 12 purposes of administering this chapter.

13 2. Notwithstanding section 8.33, moneys credited to the 14 fund which remain unobligated or unexpended at the close of 15 the fiscal year shall not revert to the general fund of the 16 state.

17 Sec. 11. EFFECTIVE DATE. This Act, being deemed of 18 immediate importance, takes effect upon enactment.

19

EXPLANATION

20 This bill relates to the regulation of liquefied petroleum 21 gas storage tanks.

22 The bill requires an owner or operator of a liquefied 23 petroleum gas storage tank existing on or before July 1, 2003, 24 to register the tank by notifying the state fire marshal in 25 writing by May 1, 2004, of the existence of each tank. The 26 bill requires an owner or operator who brings into use a 27 liquefied petroleum gas storage tank after July 1, 2003, to 28 register the tank by notifying the state fire marshal in 29 writing within 30 days of the existence of the tank. The bill 30 requires a \$10 registration fee for each tank and requires 31 proof of financial responsibility for the period of 32 registration to accompany the notice. The bill requires a 33 renewal of the registration on an annual basis. The bill 34 provides that all registration fees collected shall be 35 retained by the department of public safety, deposited in a

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1 liquefied petroleum gas storage tank registration fund, and 2 appropriated for the use of the state fire marshal in 3 performance of the duties set forth in the bill.

The bill requires a person who sells or constructs a tank 4 5 intended to be used as a liquefied petroleum gas storage tank 6 to notify the purchaser of the tank in writing of the state 7 fire marshal registration and notification requirements 8 applicable to the purchaser. The bill provides that it is 9 unlawful to make, cause to be made, or receive a deposit of 10 liquefied petroleum gas in a liquefied petroleum gas storage ll tank which has not been registered with the state fire 12 marshal. The bill provides that the state fire marshal shall 13 furnish the owner or operator of a liquefied petroleum gas 14 storage tank with a numbered registration sticker for each 15 liquefied petroleum gas storage tank registered with the state 16 fire marshal. The bill provides that a late registration 17 penalty of \$25 is imposed in addition to the registration fee 18 for a tank registered after the required date. The bill 19 provides that a liquefied petroleum gas storage tank which is 20 subject to regulation by or registration with either the 21 federal department of transportation or state department of 22 transportation, or both, is exempt from the state fire marshal 23 registration requirements.

The bill requires a person who registers a liquefied petroleum gas storage tank to furnish proof of financial responsibility for accidents occurring after the effective date of the proof, arising out of the ownership, maintenance, a or use of liquefied petroleum gas storage tanks. The proof shall be given through the existence of a liability policy with liability limits not less than \$1 million per incident and \$2 million in the aggregate. The bill provides the procedure and requirements for furnishing proof of financial responsibility. The bill provides that when an insurance a carrier has certified a liability policy, the liability policy shall not be canceled or terminated until at least 10 days

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1 after a notice of cancellation or termination of the certified 2 liability policy is filed in the office of the state fire 3 marshal, except that a liability policy subsequently procured 4 and certified with the same or greater coverage shall, on the 5 effective date of its certification, serve to terminate the 6 liability policy previously issued.

7 The bill provides that, except as otherwise provided, the 8 state fire marshal shall, upon request, consent to the 9 immediate cancellation of a liability policy as proof of 10 financial responsibility in the event of the death of an ll individual on whose behalf such proof was filed and in the 12 event of transfer of ownership upon substitution of such proof 13 on behalf of the new owner. The bill provides that the state 14 fire marshal shall not consent to the cancellation of a 15 liability policy in the event an action for damages upon a 16 liability covered by such proof is then pending or a judgment 17 upon any such liability is unsatisfied, or in the event the 18 person who has filed such liability policy has within one year 19 immediately preceding such request been involved in an 20 accident involving a registered tank covered by the liability 21 policy resulting in injury or damage to the person or property 22 of others. The bill provides that a person whose liability 23 policy has been canceled or terminated shall not display their 24 registration stickers and shall immediately return their 25 registration stickers to the state fire marshal.

The bill provides that the state fire marshal shall inspect and investigate the facilities and records of owners and operators of liquefied petroleum gas storage tanks with a capacity of 7,000 or more gallons, as necessary to determine compliance. The bill provides that the state fire marshal may, at reasonable times, enter an establishment or other place where a liquefied petroleum gas storage tank is located and inspect and obtain samples of liquefied petroleum gas and conduct monitoring or testing of the tanks, associated sequipment, contents, or surrounding soils or air. The bill

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1 provides that if the state fire marshal obtains a sample, 2 prior to leaving the premises the state fire marshal shall 3 give the owner, operator, or agent in charge a receipt 4 describing the sample obtained and, if requested, a portion of 5 each sample equal in volume or weight to the portion retained. 6 The bill provides that if the state fire marshal causes the 7 sample to be analyzed, a copy of the results of the analysis 8 shall be furnished promptly to the owner, operator, or agent 9 in charge. The bill provides that documents or information 10 obtained from a person shall be available to the public unless 11 a showing satisfactory to the state fire marshal that public 12 disclosure of documents or information, or a particular part 13 of the documents or information to which the state fire 14 marshal has access, would divulge commercial or financial 15 information entitled to protection as a trade secret.

The bill requires the state fire marshal to maintain an accurate inventory of liquefied petroleum gas storage tanks and to take any action allowed by law which, in the judgment of the state fire marshal, is necessary to enforce or secure compliance. The bill requires the state fire marshal to conduct investigations of complaints received directly or referred by other agencies, and conduct other investigations aleemed necessary. The bill provides that if the owner, operator, or agent in charge of any property refuses admittance, or if prior to such refusal the state fire marshal demonstrates the necessity for a warrant, the state fire marshal may make application under oath or affirmation to the district court of the county in which the property is located provides for the issuance of a search warrant.

The bill provides that if substantial evidence exists that a person has violated or is violating a provision of this bill, the state fire marshal may issue an order directing the person to desist in the practice which constitutes the violation and to take corrective action as necessary to ensure that the violation will cease. The bill provides that the

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1 order may also include an appropriate administrative penalty. 2 The bill provides that the person to whom the order is issued 3 may appeal the order as provided in Code chapter 17A. The 4 bill provides that if it is determined by the state fire 5 marshal that an emergency exists respecting any matter 6 affecting or likely to affect the public health, the state 7 fire marshal may issue any order necessary to terminate the 8 emergency without notice and without hearing. The bill 9 provides that the state fire marshal may request the attorney 10 general to institute legal proceedings.

The bill provides that a person who violates a provision of 11 12 this bill is subject to a civil penalty not to exceed \$100 for 13 each day during which the violation continues, up to a maximum 14 of \$10,000. However, if an unregistered tank is registered 15 within 30 days after the state fire marshal issues a cease and 16 desist order, the civil penalty shall not accrue. The bill 17 provides that a civil penalty is an alternative to a criminal 18 penalty. The bill provides that a person who knowingly fails 19 to register a tank or makes a false statement, representation, 20 or certification in a record, report, or other document filed 21 or required to be maintained, or violates an order issued by 22 the state fire marshal, is guilty of an aggravated 23 misdemeanor. The bill provides that the attorney general, at 24 the request of the state fire marshal, shall institute any 25 legal proceedings, including an action for an injunction, 26 necessary to enforce penalty provisions or to obtain 27 compliance.

The bill provides that a liquefied petroleum gas storage tank registration fund is created as a separate fund in the state treasury under the control of the department of public safety, division of fire protection. The bill provides that moneys credited to the fund shall be administered by the administered by the department of public safety and expended by the division of fire protection for the purposes of administering the provisions of the bill.

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