

**2024 -- S 2332 SUBSTITUTE A**

LC004680/SUB A

**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2024**

**A N A C T**

**RELATING TO WATERS AND NAVIGATION -- OIL SPILL PREVENTION,  
ADMINISTRATION AND RESPONSE FUND**

Introduced By: Senators DiMario, Euer, Pearson, Bissaillon, Britto, LaMountain,  
Valverde, Kallman, Miller, and DiPalma

Date Introduced: February 12, 2024

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 42-6.2-3.1 of the General Laws in Chapter 42-6.2 entitled "2021 Act  
2 on Climate" is hereby amended to read as follows:

3 **42-6.2-3.1. Funding for the council.**

4 There is hereby established a restricted receipt account in the general fund of the state and  
5 housed in the budget of the department of administration entitled "RGGI-executive climate change  
6 coordinating council projects." The express purpose of this account is to record receipts and  
7 expenditures allocated pursuant to [§ §§ 23-82-6\(a\)\(7\), 23-82-6\(a\)\(8\), 46-12.9-11\(a\), and 46-12.9-](#)  
8 [11\(b\).](#)

9 The Rhode Island executive climate change coordinating council shall report annually to  
10 the governor and general assembly within one hundred twenty (120) days of the end of each  
11 calendar year how the funds were used to achieve the statutory objectives of the 2021 Act on  
12 Climate.

13 SECTION 2. Section 46-12.7-13 of the General Laws in Chapter 46-12.7 entitled "Oil Spill  
14 Prevention, Administration and Response Fund" is hereby amended to read as follows:

15 **46-12.7-13. Preventative uses of the fund.**

16 (a) Recognizing the importance of the development of readiness and response programs,  
17 the legislature may allocate not more than two hundred fifty thousand dollars (\$250,000) per annum  
18 of the amount then currently in the fund to be devoted to research and development in the causes,

1 effects and removal of pollution caused by oil, petroleum products and their by-products on the  
2 marine environment and the monitoring of baseline environmental and economic conditions.

3 (b) The two hundred fifty thousand dollars (\$250,000) per annum allocated for research,  
4 development, and monitoring shall be allocated to the Department of Environmental Management  
5 and expended consistent with the purposes of § 46-23.2-3 entitled “The Comprehensive Watershed  
6 and Marine Monitoring Act of 2004.”

7 (c) The remaining moneys in the fund which the legislature may allocate to research,  
8 development, and monitoring shall be used for purposes approved by the director. Such purpose  
9 may include, but shall not be limited to:

10 (1) Sensitive area data management and mapping;

11 (2) Scientific research and monitoring which is directly relevant to state legislation; ~~and~~

12 (3) Development of more effective removal and containment technologies, appropriate for  
13 the cleanup and containment of refined fuel oils; ~~and~~

14 (4) Supporting the executive climate change coordinating council (EC4) efforts to reduce  
15 climate emissions and meet the act on climate goals.

16 SECTION 3. Sections 46-12.9-5 and 46-12.9-11 of the General Laws in Chapter 46-12.9  
17 entitled "Rhode Island Underground Storage Tank Financial Responsibility Act" are hereby  
18 amended to read as follows:

19 **46-12.9-5. Purpose of fund Purposes of fund.**

20 (a) The ~~purpose~~ purposes of the fund shall be to:

21 (1) facilitate Facilitate the clean-up of releases from leaking underground storage tanks,  
22 underground storage tank systems, including those located on sites in order to protect the  
23 environment, including drinking water supplies and public health; ~~and~~

24 (2) Support projects and initiatives to reduce emissions and meet the act on climate goals  
25 as directed by the executive climate change coordinating council (EC4).

26 (b) The fund shall provide reimbursement to responsible parties for the eligible costs  
27 incurred by them as a result of releases of certain petroleum from underground storage tanks or  
28 underground storage tank systems as provided herein. Monies in the fund shall be dispensed only  
29 upon the order of the department for the following purposes:

30 (1) The fund shall pay not more than one million dollars (\$1,000,000) per incident, and up  
31 to two million dollars (\$2,000,000) in the aggregate, for damages of eligible costs, as defined in  
32 regulations promulgated hereunder and, as further defined in § 46-12.9-3, excluding legal costs and  
33 expenses, incurred by a responsible party as a result of a release of petroleum from an underground  
34 storage tank or underground storage tank system; provided, however, that a responsible party may

1 be responsible for the first twenty thousand dollars (\$20,000) of said eligible costs;

2 (2) Reimbursement for any third-party claim including, but not limited to, claims for bodily  
3 injury, property damage, and damage to natural resources that are asserted against a responsible  
4 party and that have arisen as a result of a release of petroleum from an underground storage tank  
5 or underground storage tank system, in an amount not to exceed one million dollars (\$1,000,000)  
6 for each release as set forth in subsection (b)(1); provided, that such claims are found by the  
7 department to be justified, reasonable, related to the release of petroleum, and not excessive or  
8 spurious in nature;

9 (3) Costs incurred by the department in carrying out the investigative, remedial, and  
10 corrective action activities at sites of a petroleum release associated with an underground storage  
11 tank or underground storage tank system where the responsible party fails to comply with an order  
12 of the department to undertake such activities. In the event of such failure or documented inability  
13 to comply, the department may access the fund to perform the ordered work and may proceed to  
14 recover from the responsible party, on behalf of the fund, any amount expended from the fund by  
15 the department;

16 (4) Nothing contained in this chapter shall be construed to prevent subrogation by the state  
17 of Rhode Island against any responsible party, other than the owner and/or operator, for all sums  
18 of money that the fund shall be obligated to pay hereunder, plus reasonable attorney's fees and  
19 costs of litigation and such right of subrogation is hereby created; and

20 (5) Eligible costs incurred by the department to support the fund, including, but not limited  
21 to, all personnel support to process and review claims in order to formulate recommendations for  
22 reimbursement for consideration; provided, however, that no more than five hundred and fifty  
23 thousand dollars (\$550,000) shall be dispensed from the fund for administrative purposes during  
24 any fiscal year. The department shall directly access the fund, pursuant to the limits set forth in  
25 subsection (b)(1) of this section, to pay for such expenses.

26 (6) [Deleted by P.L. 2016, ch. 148, § 1 and P.L. 2016, ch. 160, § 1].

27 [\(7\) Projects and initiatives that have been approved by the executive climate change](#)  
28 [coordinating council, and have been determined to reduce emissions and support the act on climate.](#)

29 **46-12.9-11. Fundings.**

30 (a) There is hereby imposed an environmental protection regulatory fee of one cent (\$0.01)  
31 per gallon payable of motor fuel, to be collected by distributors of motor fuel when the product is  
32 sold to owners and/or operators of underground storage tanks. Each distributor shall be responsible  
33 to the tax administrator for the collection of the regulatory fee, and if the distributor is unable to  
34 recover the fee from the person who ordered the product, the distributor shall nonetheless remit to

1 the tax administrator the regulatory fee associated with the delivery. In accordance with the  
2 regulations to be promulgated hereunder, the fee shall be collected, reported, and paid to the Rhode  
3 Island division of taxation as a separate, line-item entry, on a quarterly tax report by those persons  
4 charged with the collection, reporting, and payment of motor fuels taxes. This fee shall be  
5 administered and collected by the division of taxation. Notwithstanding the provisions of this  
6 section, the fee shall not be applicable to purchases by the United States government.

7 (b)(1) Of the one-cent-per-gallon (\$0.01) environmental protection regulatory fee collected  
8 by distributors of motor fuel and paid to the Rhode Island division of taxation, one-half cent  
9 (\$0.005) shall be deposited in the intermodal surface transportation fund to be distributed pursuant  
10 to § 31-36-20 and one-half cent (\$0.005) shall be paid to the fund. All environmental protection  
11 regulatory fees paid to the department shall be received by the department, which shall keep such  
12 money in a distinct, interest-bearing, restricted-receipt account to the credit of, and for the exclusive  
13 use of, the fund provided that for the period January 1, 2008, through June 30, 2008, all revenues  
14 generated by the environmental protection regulatory fee, up to a maximum of two million dollars  
15 (\$2,000,000), shall be deposited into the general fund. In fiscal year 2009, all revenues generated  
16 by the environmental protection regulatory fee, up to a maximum equivalent to two million two  
17 hundred thirty-seven thousand five hundred dollars (\$2,237,500), shall be deposited into the  
18 intermodal surface transportation fund. All fees collected may be invested as provided by law and  
19 all interest received on such investment shall be credited to the fund.

20 (2) Commencing in fiscal year 2025, revenues generated by the environmental protection  
21 regulatory fee, up to a maximum equivalent of two million dollars (\$2,000,000), shall be allocated  
22 to the executive climate change coordinating council (EC4) and in subsequent fiscal years, up to a  
23 maximum of one million dollars (\$1,000,000) shall be allocated.

24 (c) When the fund reaches the sum of eight million dollars (\$8,000,000), the imposition of  
25 the fee set forth in this chapter shall be suspended, and the division of taxation shall notify all  
26 persons responsible for the collection, reporting, and payments of the fee of the suspension. In the  
27 event that the account balance of the fund subsequently is reduced to a sum less than five million  
28 dollars (\$5,000,000) as a result of fund activity, the fee shall be reinstated by the division of  
29 taxation, following proper notice thereof, and once reinstated, the collection, reporting, and  
30 payment of the fee shall continue until the account balance again reaches the sum of eight million  
31 dollars (\$8,000,000).

32 (d) Upon the determination by the department that the fund has reached a balance sufficient  
33 to satisfy all pending or future claims, the department shall recommend to the general assembly the  
34 discontinuation of the imposition of the fee created in this section.

1 SECTION 4. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO WATERS AND NAVIGATION -- OIL SPILL PREVENTION,  
ADMINISTRATION AND RESPONSE FUND

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1           This act would provide that the funds allocated to the Rhode Island Underground Storage  
2 Tank Financial Responsibility Act be used to support the Executive Climate Change Coordinating  
3 Council (EC4) efforts to reduce climate emissions and meet the Act on Climate goals and allocate,  
4 in fiscal year 2025, the sum of two million dollars (\$2,000,000) to the Executive Climate Change  
5 Coordinating Council (EC4) and up to one million dollars (\$1,000,000) per fiscal year thereafter  
6 for that purpose. This act would also authorize the use of funds from the oil spill prevention,  
7 administration and response fund to support the efforts of the EC4

8           This act would take effect upon passage.

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