



2015-2016 General Assembly

# SENATE BILL 513: North Carolina Farm Act of 2015, Sec. 20: Clarify Reimbursement of Third-Party Claims From the Commercial and Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Funds

**Committee:**  
**Introduced by:**  
**Analysis of:** Sec. 20 of S.L. 2015-263

**Date:**  
**Prepared by:** Chris Saunders  
Staff Attorney

**SUMMARY:** *Sec. 20 of S.L. 2015-263 provides guidance for the use of Commercial or Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Funds for payment of compensation to third parties for bodily injury and property damage in excess of \$100,000 per occurrence. There is, however, a rule (15A NCAC 02P .0403) that defines the terms "third-party bodily injury" and "third-party property damage." This section codifies the limitations of 15A NCAC 02P .0403 into statute, and makes other conforming changes.*

*This section became effective September 30, 2015, and applies to claims for reimbursement pending or submitted on or after that date.*

**BILL ANALYSIS:** Section 20 of S.L. 2015-263 provides guidance for the use of Commercial or Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Funds for payment of compensation to third parties for bodily injury and property damage in excess of \$100,000 per occurrence. There is, however, a rule (15A NCAC 02P .0403) that provides additional guidance:

- The term "third-party bodily injury" means specific physical bodily injury proximately resulting from exposure, explosion, or fire caused by the presence of a petroleum release and which is incurred by a person other than the owner or operator, or employees or agents of an owner or operator.
- The term "third-party property damage" means actual physical damage or damage due to specific loss of normal use of property owned by a person other than the owner or operator of an underground storage tank from which a release has occurred.

This section codifies the limitations of 15A NCAC 02P .0403 into statute, and makes other conforming changes.

**EFFECTIVE DATE:** This section became effective September 30, 2015, and these changes are effective for claims for reimbursement pending or submitted on or after that date.

*Jennifer McGinnis, Staff Attorney, substantially contributed to this summary.*

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