

Sixty-first  
Legislative Assembly  
of North Dakota

## HOUSE BILL NO. 1098

Introduced by

Representative Wald

1 A BILL for an Act to amend and reenact sections 23-37-01, 23-37-02, 23-37-03, 23-37-04,  
2 23-37-05, 23-37-06, 23-37-07, 23-37-08, 23-37-09, 23-37-10, 23-37-11, 23-37-12, 23-37-13,  
3 23-37-14, 23-37-15, 23-37-16, 23-37-17, 23-37-18, 23-37-19, 23-37-20, 23-37-21, 23-37-22,  
4 23-37-23, 23-37-24, 23-37-25, 23-37-26, 23-37-27, 23-37-28, 23-37-29, and 23-37-30 of the  
5 North Dakota Century Code, relating to providing an effective date for petroleum release  
6 mediation.

### 7 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

8 **SECTION 1. AMENDMENT.** Section 23-37-01 of the North Dakota Century Code is  
9 amended and reenacted as follows:

10 **23-37-01. (~~Effective through July 31, 2014~~) Declaration of purpose.** The purpose of  
11 this chapter is to establish:

- 12 1. A petroleum tank release compensation fund; and  
13 2. A petroleum tank release compensation advisory board authorized to review claims  
14 against the fund.

15 **SECTION 2. AMENDMENT.** Section 23-37-02 of the North Dakota Century Code is  
16 amended and reenacted as follows:

17 **23-37-02. (~~Effective through July 31, 2014~~) Definitions.** As used in this chapter,  
18 unless the context otherwise requires:

- 19 1. "Actually incurred" means, in the case of corrective action expenditures, that the  
20 owner, the operator, the landowner, an insurer, or a contractor hired by the owner,  
21 operator, or the landlord has expended time and materials and that only that  
22 person is receiving reimbursement from the fund.  
23 2. "Administrator" means the manager of the state fire and tornado fund.  
24 3. "Board" means the petroleum release compensation board.

4. "Commissioner" means the insurance commissioner.
5. "Corrective action" means an action required by the department to minimize, contain, eliminate, remediate, mitigate, or clean up a release, including any remedial emergency measures. The term does not include the repair or replacement of equipment or preconstructed property.
6. "Dealer" means any person licensed by the tax commissioner to sell motor vehicle fuel or special fuels within the state.
7. "Department" means the state department of health.
8. "Fund" means the petroleum release compensation fund.
9. "Location" means a physical address or site that has contiguous properties. Noncontiguous properties within a municipality or other governmental jurisdiction are considered separate locations.
10. "Operator" means any person in control of, or having responsibility for, the daily operation of a tank under this chapter.
11. "Owner" means any person who holds title to, controls, or possesses an interest in the tank before the discontinuation of its use.
12. "Person" means an individual, trust, firm, joint stock company, federal agency, corporation, state, municipality, commission, political subdivision of a state, or any interstate body. The term also includes a consortium, a joint venture, a commercial entity, and the United States government.
13. "Petroleum" means any of the following:
  - a. Gasoline and petroleum products as defined in chapter 19-10.
  - b. Constituents of gasoline and fuel oil under subdivision a.
  - c. Oil sludge and oil refuse.
14. "Portable tank" means a storage tank along with its piping and wiring that is not stationary or affixed, including a tank that is on skids.
15. "Release" means any unintentional spilling, leaking, emitting, discharging, escaping, leaching, or disposing of petroleum from a tank into the environment whether occurring before or after the effective date of this chapter, but does not include discharges or designed venting allowed under federal or state law or under adopted rules.

- 1           16. "Tank" means any one or a combination of containers, vessels, and enclosures,  
2           whether aboveground or underground, including associated piping or  
3           appurtenances used to contain an accumulation of petroleum. The term does not  
4           include:
- 5           a. Tanks owned by the federal government.
  - 6           b. Tanks used for the transportation of petroleum.
  - 7           c. A pipeline facility, including gathering lines, regulated under:
    - 8               (1) The Natural Gas Pipeline Safety Act of 1968.
    - 9               (2) The Hazardous Liquid Pipeline Safety Act of 1979.
    - 10              (3) An interstate pipeline facility regulated under state laws comparable to
    - 11               the provisions of law in paragraph 1 or 2.
  - 12          d. An underground farm or residential tank with a capacity of one thousand one  
13           hundred gallons [4163.94 liters] or less or an aboveground farm or residential  
14           tank of any capacity used for storing motor fuel for noncommercial purposes.  
15           However, the owner of an aboveground farm or residential tank may, upon  
16           application, register the tank and be eligible for reimbursement under this  
17           chapter.
  - 18          e. A tank used for storing heating oil for consumptive use on the premises where  
19           stored.
  - 20          f. A surface impoundment, pit, pond, or lagoon.
  - 21          g. A flowthrough process tank.
  - 22          h. A liquid trap or associated gathering lines directly related to oil or gas  
23           production or gathering operations.
  - 24          i. A storage tank situated in an underground area such as a basement, cellar,  
25           mine working, drift, shaft, or tunnel if the storage tank is situated upon or  
26           above the surface of the floor.
  - 27          j. A tank used for the storage of propane.
  - 28          k. A tank used to fuel rail locomotives or surface coal mining equipment.
  - 29          l. An aboveground tank used to feed diesel fuel generators. Upon application,  
30           the owner or operator of an aboveground tank used to feed diesel fuel

generators may register the tank and is eligible for reimbursement under this chapter.

m. A portable tank.

n. A tank with a capacity under one thousand three hundred twenty gallons [4996.728 liters] used to store lubricating oil.

17. "Tank integrity test" means a test to determine that a tank is sound and not leaking. For an underground tank, the term means a certified third-party test that meets environmental protection agency leak detection requirements. For an aboveground tank, the term means a test conducted according to steel tank institute SP 001 or American petroleum institute 653.

18. "Third party" means a person who is damaged by the act of a registered owner, operator, or dealer requiring corrective action or a person who suffers bodily injury or property damage caused by a petroleum release.

**SECTION 3. AMENDMENT.** Section 23-37-03 of the North Dakota Century Code is amended and reenacted as follows:

**23-37-03. ~~(Effective through July 31, 2011)~~ Petroleum release compensation board.** The petroleum release compensation advisory board consists of five members appointed by the governor, three of whom are active in petroleum marketing, one of whom is active in the petroleum, crude oil, or refining industry, and one of whom is active in the insurance industry. A member active in petroleum marketing must be appointed from a list of three recommended by the North Dakota retail petroleum marketers association. A member active in the petroleum, crude oil, or refining industry must be appointed from a list of three recommended by the North Dakota petroleum council. A member active in the insurance industry must be appointed from a list of three recommended by the North Dakota professional insurance agents association. Members must be appointed to terms of three years with the terms arranged so that the term of at least one member, but no more than two members, expires June thirtieth of each year. A member shall hold office until a successor is duly appointed and qualified. Each member of the board is entitled to receive sixty-two dollars and fifty cents per diem for each day actually spent in the performance of official duties, plus mileage and expenses as are allowed to other state officers.

1           **SECTION 4. AMENDMENT.** Section 23-37-04 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3           **23-37-04. (~~Effective through July 31, 2011~~) Administration of fund - Staff.** The  
4 administrator shall administer the fund according to this chapter. The administrator shall  
5 convene the board as may be necessary to keep the board apprised of the fund's general  
6 operations. However, the board shall meet at least once each half of each calendar year to  
7 review and to advise the administrator regarding the administration of the fund, the fund's  
8 general operations, and to hear and decide denials of claims by the administrator which may be  
9 appealed to the board, and to discuss all claims against the fund. The administrator may  
10 employ any assistance and staff necessary to administer the fund within the limits of legislative  
11 appropriation. A claimant aggrieved by a decision of the administrator regarding a claim upon  
12 the fund may appeal the decision to the board. The board may sustain, modify, or reverse the  
13 decision of the administrator. The claimant or the administrator may appeal the board's  
14 decision to the commissioner. The decision of the commissioner may be appealed under  
15 chapter 28-32.

16           **SECTION 5. AMENDMENT.** Section 23-37-05 of the North Dakota Century Code is  
17 amended and reenacted as follows:

18           **23-37-05. (~~Effective through July 31, 2011~~) Adoption of rules.** The administrator  
19 shall adopt rules regarding the practices and procedures of the fund, the form and procedure for  
20 applications for compensation from the fund, procedures for investigation of claims, procedures  
21 for determining the amount and type of costs that are eligible for reimbursement from the fund,  
22 procedures for persons to perform services for the fund, procedures for appeals to the board by  
23 claimants aggrieved by an adverse decision of the administrator, and any other rules as may be  
24 appropriate to administer this chapter.

25           **SECTION 6. AMENDMENT.** Section 23-37-06 of the North Dakota Century Code is  
26 amended and reenacted as follows:

27           **23-37-06. (~~Effective through July 31, 2011~~) Release discovery.** If the department  
28 has reason to believe a release has occurred, it shall notify the administrator. The department  
29 shall direct the owner or operator to take reasonable and necessary corrective actions as  
30 provided under federal or state law or under adopted rules.

1           **SECTION 7. AMENDMENT.** Section 23-37-07 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3           **23-37-07. (~~Effective through July 31, 2011~~) Owner or operator not identified.** The  
4 department may cause legal action to be brought to compel performance of a corrective action  
5 if an identified owner or operator fails or refuses to comply with an order of the department, or  
6 the department may engage the services of qualified contractors for performance of a corrective  
7 action if an owner or operator cannot be identified.

8           **SECTION 8. AMENDMENT.** Section 23-37-08 of the North Dakota Century Code is  
9 amended and reenacted as follows:

10          **23-37-08. (~~Effective through July 31, 2011~~) Imminent hazard.** Upon receipt of  
11 information that a petroleum release has occurred which may present an imminent or  
12 substantial endangerment of health or the environment, the department may take such  
13 emergency action as it determines necessary to protect health or the environment.

14          **SECTION 9. AMENDMENT.** Section 23-37-09 of the North Dakota Century Code is  
15 amended and reenacted as follows:

16          **23-37-09. (~~Effective through July 31, 2011~~) Duty to notify.** This chapter does not  
17 limit any person's duty to notify the department and to take action related to a release.  
18 However, payment for corrective actions required as a result of a petroleum release is governed  
19 by this chapter.

20          **SECTION 10. AMENDMENT.** Section 23-37-10 of the North Dakota Century Code is  
21 amended and reenacted as follows:

22          **23-37-10. (~~Effective through July 31, 2011~~) Providing of information.** Any person  
23 whom the administrator or the department has reason to believe is an owner or operator, the  
24 owner of real property where corrective action is ordered to be taken, or any person who may  
25 have information concerning a release shall, if requested by the administrator or the  
26 department, or any member, employee, or agent of the administrator or the department, furnish  
27 to the administrator or the department any information that person has or may reasonably  
28 obtain that is relevant to the release.

29          **SECTION 11. AMENDMENT.** Section 23-37-11 of the North Dakota Century Code is  
30 amended and reenacted as follows:

1           **23-37-11. (~~Effective through July 31, 2011~~) Examination of records.** Any employee  
2 of the administrator or the department may, upon presentation of official credentials:

- 3           1. Examine and copy books, papers, records, memoranda, or data of any person who  
4           has a duty to provide information to the administrator or the department under  
5           section 23-37-10; and
- 6           2. Enter upon public or private property for the purpose of taking action authorized by  
7           this section, including obtaining information from any person who has a duty to  
8           provide the information under section 23-37-10, conducting surveys and  
9           investigations, and taking corrective action.

10           **SECTION 12. AMENDMENT.** Section 23-37-12 of the North Dakota Century Code is  
11 amended and reenacted as follows:

12           **23-37-12. (~~Effective through July 31, 2011~~) Responsibility for cost.** The owner or  
13 operator is liable for the cost of the corrective action required by the department, including the  
14 cost of investigating the releases. This chapter does not create any new cause of action for  
15 damages on behalf of third parties for release of petroleum products against the fund or  
16 licensed dealers.

17           **SECTION 13. AMENDMENT.** Section 23-37-13 of the North Dakota Century Code is  
18 amended and reenacted as follows:

19           **23-37-13. (~~Effective through July 31, 2011~~) Liability avoided.** No owner or operator  
20 may avoid liability by means of a conveyance of any right, title, or interest in real property or by  
21 any indemnification, hold harmless agreement, or similar agreement. However, this chapter  
22 does not:

- 23           1. Prohibit a person who may be liable from entering into an agreement by which the  
24           person is insured or is a member of a risk retention group, and is thereby  
25           indemnified for part or all of the liability;
- 26           2. Prohibit the enforcement of an insurance, hold harmless, or indemnification  
27           agreement; or
- 28           3. Bar a claim for relief brought by a person who may be liable or by an insurer or  
29           guarantor, whether by right of subrogation or otherwise.

30           **SECTION 14. AMENDMENT.** Section 23-37-14 of the North Dakota Century Code is  
31 amended and reenacted as follows:

1           **23-37-14. (~~Effective through July 31, 2014~~) Other remedies.** This chapter does not  
2 limit the powers of the administrator or department, or preclude the pursuit of any other  
3 administrative, civil, injunctive, or criminal remedies by the administrator or department or any  
4 other person. Administrative remedies need not be exhausted in order to proceed under this  
5 chapter. The remedies provided by this chapter are in addition to those provided under existing  
6 statutory or common law.

7           **SECTION 15. AMENDMENT.** Section 23-37-15 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9           **23-37-15. (~~Effective through July 31, 2014~~) Revenue to the fund.** Revenue from the  
10 following sources must be deposited in the state treasury and credited to the fund:

- 11           1. Any registration fees collected under section 23-37-17;
- 12           2. Any money recovered by the fund under section 23-37-23, and any money paid  
13           under an agreement, stipulation, or settlement;
- 14           3. Any interest attributable to investment of money in the fund; and
- 15           4. Any money received by the administrator in the form of gifts, grants,  
16           reimbursements, or appropriations from any source intended to be used for the  
17           purposes of the fund.

18           **SECTION 16. AMENDMENT.** Section 23-37-16 of the North Dakota Century Code is  
19 amended and reenacted as follows:

20           **23-37-16. (~~Effective through July 31, 2014~~) Penalty.** A tank owner violating section  
21 23-37-17 is guilty of a class B misdemeanor unless another penalty is specifically provided.

22           **SECTION 17. AMENDMENT.** Section 23-37-17 of the North Dakota Century Code is  
23 amended and reenacted as follows:

24           **23-37-17. (~~Effective through July 31, 2014~~) Registration fee.**

- 25           1. An owner or operator of a tank shall pay an annual registration fee of fifty dollars  
26           for each aboveground or underground tank owned or operated by that person. If  
27           on the first day of July in any year the amount of money in the petroleum release  
28           compensation fund is less than six million dollars, the annual registration fee of fifty  
29           dollars is increased to one hundred dollars. If on the first day of July in any year  
30           the amount of money in the petroleum release compensation fund is five million  
31           five hundred thousand dollars or more and the annual registration fee has been



increased to one hundred dollars, the fee must be reduced to fifty dollars. Annual registration fees must be reduced to five dollars if on the first day of July in any year the amount of money in the fund exceeds nine million dollars. Annual registration fees must continue at the fee of five dollars until the money in the fund does not exceed nine million dollars.

2. An owner or operator of an existing tank that is discovered at a location that currently and previously has had tanks registered with the fund on or before July 1, 2007, shall pay seventy-five dollars for each aboveground tank and one hundred twenty-five dollars for each underground tank owned or operated by that person for each previous year that the tank was required to be registered for which a fee was not paid. The payment includes the fees and the penalty for the failure to register.
3. An owner or operator of an existing tank at a location that was not previously and continuously registered with the fund, whether the registration was required by law or not, on or before July 1, 2007, must provide the fund with a phase two environmental study conducted by a qualified firm according to American society for testing materials standards. A tank integrity test must also be performed. The environmental study and tank integrity test must be reviewed by the commissioner along with the application for registration with the fund. If the commissioner rejects the application, the applicant is denied eligibility to the fund. However, if the site is remediated and the leaking tank is replaced, the applicant may reapply for registration with the fund. A new installation that is using a used tank must provide tank integrity test results for the used tank. Use of a synthetic liner in an aboveground dike system negates the need for a tank integrity test. The owner or operator of a new tank at a new site or a new tank at an existing site that had a tank registered at the site previously need only pay the required fees for registration with the fund.
4. If accepted for registration with the fund, the owner or operator of the tank shall pay seventy-five dollars for each aboveground tank and one hundred twenty-five dollars for an underground tank for each underground tank for each previous year that the tank was required to be registered for which a fee was not paid, regardless of ownership in each of those years.

- 1           5.    The registration fees collected under this section must be paid to the fund  
2                    administrator for deposit in the state treasury for the dedicated credit to the  
3                    petroleum release compensation fund.

4           **SECTION 18. AMENDMENT.** Section 23-37-18 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6           **23-37-18. ~~(Effective through July 31, 2011)~~ Reimbursement for corrective action.**

- 7           1.    The administrator shall reimburse an eligible owner or operator for ninety percent  
8                    of the costs of corrective action, including the investigation, which are greater than  
9                    five thousand dollars and less than one million dollars per occurrence and two  
10                  million dollars in the aggregate. An eligible tank owner or operator may not be  
11                  liable for more than twenty thousand dollars out-of-pocket expenses for any one  
12                  release. A reimbursement may not be made unless the administrator determines  
13                  that:
- 14                  a.    At the time the release was discovered the owner or operator and the tank  
15                          were in compliance with state and federal rules and rules applicable to the  
16                          tank, including rules relating to financial responsibility which were in effect at  
17                          the time of the release;
- 18                  b.    The department was given notice of the release as required by federal and  
19                          state law;
- 20                  c.    The owner or operator has paid the first five thousand dollars of the cost of  
21                          corrective action; and
- 22                  d.    The owner or operator, to the extent possible, fully cooperated with the  
23                          department and the administrator in responding to the release.
- 24           2.    The fund shall compensate third parties for corrective action taken for a petroleum  
25                    release if the provisions of subdivisions a, b, c, and d of subsection 1 were met at  
26                    the time the release was discovered. Compensation for third-party corrective  
27                    action includes compensation for costs incurred in returning the real estate to that  
28                    level deemed duly remediated by the department.
- 29           3.    The fund shall reimburse the tank owner, operator, or dealer for bodily injuries to a  
30                    third party caused by a petroleum release if the provisions of subdivisions a, b, c,

and d of subsection 1 were met at the time the release was discovered in an amount determined by:

- a. Findings reduced to judgment in federal or state district court within the state of North Dakota or such other court having jurisdiction over the matter in a proceeding in which the fund has been made a party;
- b. Findings by an arbitration panel agreed upon in writing by the parties in a proceeding in which the fund has been made a party; or
- c. A written settlement entered into by the parties in which the commissioner or the commissioner's agent has participated. The settlement must be reviewed and approved by the commissioner.

4. In any civil action against the owner, operator, or dealer for damages resulting from a petroleum release, if the pre-leak condition of real estate is an issue and if there is no reasonable means of determining the pre-leak condition of real estate, the condition is that which exists at the time the department determines the real estate has been duly remediated.

5. The fund may not compensate for attorney's fees of owners, operators, or dealers, nor may the fund compensate for exemplary damages, criminal fines, or administrative penalties.

6. A third party accepting monetary compensation directly from the fund for damages due to a release caused by a tank owner, operator, or dealer covered by the fund is deemed to have waived any cause of action against the fund or against the tank owner, operator, or dealer.

7. The fund shall reimburse the department for all costs, attorney's fees, and other legal expenses relating to administrative and adjudicative proceedings under this chapter and any subsequent legal proceeding. Any monies reimbursed must be deposited in the department's operating fund in the state treasury and must be spent subject to appropriation by the legislative assembly.

**SECTION 19. AMENDMENT.** Section 23-37-19 of the North Dakota Century Code is amended and reenacted as follows:

**23-37-19. (~~Effective through July 31, 2014~~) Application for reimbursement.** Any owner or operator who is a first-party claimant who proposes to take corrective action or has

undertaken corrective action in response to a release, the time of such release being unknown, may apply to the administrator for partial or full reimbursement under section 23-37-18. An owner or operator who is a first-party claimant may be reimbursed only for costs incurred after July 1, 1989, even if the releases were discovered before July 1, 1989, up to the maximum of twenty-five thousand dollars per location.

**SECTION 20. AMENDMENT.** Section 23-37-20 of the North Dakota Century Code is amended and reenacted as follows:

**23-37-20. (~~Effective through July 31, 2011~~) Administrator to determine costs.** A reimbursement for corrective actions taken by an owner, operator, or dealer may not be made from the fund until the administrator has determined that the costs for which reimbursement is requested were actually incurred and were reasonable. All necessary loss adjustment expenses must be included as a component of the loss and must be paid out of the fund.

**SECTION 21. AMENDMENT.** Section 23-37-21 of the North Dakota Century Code is amended and reenacted as follows:

**23-37-21. (~~Effective through July 31, 2011~~) Liability of responsible person.** The right to apply for reimbursement and the receipt of reimbursement does not limit the liability of an owner or operator for damages or costs incurred as the result of a release.

**SECTION 22. AMENDMENT.** Section 23-37-22 of the North Dakota Century Code is amended and reenacted as follows:

**23-37-22. (~~Effective through July 31, 2011~~) Reimbursement not subject to attachment.** The amount of reimbursement to be paid for corrective action that was done by a third party is not subject to legal process or attachment if actually paid to a third party who performed the corrective action.

**SECTION 23. AMENDMENT.** Section 23-37-23 of the North Dakota Century Code is amended and reenacted as follows:

**23-37-23. (~~Effective through July 31, 2011~~) Recovery of expenses.** Any reasonable and necessary expenses incurred by the fund, which exceed the coverage limits provided by section 23-37-18, in taking a corrective action, including costs of investigating a release, and in taking legal actions may be recovered in a civil action in district court brought by the administrator against an owner or operator. The certification of expenses by an approved agent

of the fund is prima facie evidence that the expenses are reasonable and necessary. Any expenses that are recovered under this section must be deposited in the fund.

**SECTION 24. AMENDMENT.** Section 23-37-24 of the North Dakota Century Code is amended and reenacted as follows:

**23-37-24. (~~Effective through July 31, 2011~~) Costs exceeding reimbursement.** If the cost of any extraordinary authorized action under this chapter exceeds amounts awarded to the administrator or the department from the federal government, the administrator may pay the department the cost of the corrective actions, including the cost of investigating a release, if the board finds that the cause was a petroleum substance, that an adequate amount exists in the fund to pay for the corrective action, that the occurrence was extraordinary in scope and size, and that a danger to the health and safety of citizens exists.

**SECTION 25. AMENDMENT.** Section 23-37-25 of the North Dakota Century Code is amended and reenacted as follows:

**23-37-25. (~~Effective through July 31, 2011~~) Coordination of benefits.** If an owner or operator has an insurance policy that provides the same coverage as the fund, the administrator of the fund shall pay the share of the covered loss or damage for which the fund is responsible. The share that must be paid from the fund is equal to the proportion that the applicable limit of coverage under the fund bears to the limits of insurance of all insurance coverage on the same basis.

**SECTION 26. AMENDMENT.** Section 23-37-26 of the North Dakota Century Code is amended and reenacted as follows:

**23-37-26. (~~Effective through July 31, 2011~~) Third-party damages - Participation in actions and review of settlements.**

1. An owner or operator who is sued for damages resulting from a release shall notify the administrator within fourteen days of being served with a summons and complaint. The owner or operator shall also advise the administrator if any insurer is defending the owner or operator and provide to the administrator the name of that insurer.
2. An owner or operator who, before litigation, enters into negotiations with a third party who claims to have been damaged by a release, or who receives a demand for payment of damages to a third party who claims to have been damaged by a

1 release, shall notify the administrator within fourteen days of the demand or the  
2 negotiations.

3 3. The administrator and the board shall review the conduct of any litigation or  
4 negotiation. The administrator may not assume any legal costs incurred by the  
5 defendant or plaintiff, but may participate in discovery, trial proceedings, or  
6 settlement negotiations of either disputed liability or damages that bear on the  
7 determination of a plaintiff's damages.

8 4. The administrator and the board shall review any settlement negotiations to  
9 determine the dollar amount of bodily injury or property damage actually,  
10 necessarily, and reasonably incurred by third parties which, if paid by the  
11 defendant, would be considered eligible costs.

12 **SECTION 27. AMENDMENT.** Section 23-37-27 of the North Dakota Century Code is  
13 amended and reenacted as follows:

14 **23-37-27. (~~Effective through July 31, 2011~~) Third-party damages - Documentation.**

15 1. An applicant's payments for third-party damages pursuant to a judgment entered in  
16 a court must include copies of the notice of entry of judgment and abstract of costs.

17 2. An applicant's payments for third-party damages made by agreement in settlement  
18 of litigation must include copies of the settlement agreement and such supporting  
19 documents as may be required by the administrator.

20 3. An applicant's payments for third-party damages made by agreement without  
21 reference to litigation must include copies of the settlement and such supporting  
22 documents as may be required by the administrator.

23 4. The administrator and the board may require a third party who claims bodily injury  
24 to be examined by a physician and require that the physician's report be submitted  
25 to the administrator. The administrator may require a third party who claims  
26 property damage to permit a property appraiser or claims adjuster retained by the  
27 administrator to inspect the property and report to the administrator.

28 5. The fund shall pay a judgment against an owner, operator, or dealer awarded to a  
29 third party as a result of a third-party claim and property damage against an owner,  
30 operator, or dealer registered by the fund.

6. The fund shall pay for corrective action as awarded to a third party in any judgment against an owner, operator, or dealer.

7. Liability of the tank owner, operator, dealer, or fund to third parties for corrective action or personal injuries and property damage may not exceed, per person, one million dollars. Maximum liability of the fund, including all claims by third parties, may not exceed, for any release site, the maximum provided in section 23-37-18.

8. A third party may not bring an action against any owner, operator, or dealer more than three years after a corrective action plan has been approved by the department if the owner, operator, or dealer fully implements and complies with the corrective action plan.

9. In investigating a release site or reviewing the implementation of any corrective action plan approved by the department, the department shall determine whether the release currently threatens public health or the environment. The department shall require, based on science and technology appropriate for the site, any monitoring, remediation, or other appropriate corrective action that is reasonably necessary to protect public health or the environment. The department may require corrective action at a release site at any time after a release occurs.

**SECTION 28. AMENDMENT.** Section 23-37-28 of the North Dakota Century Code is amended and reenacted as follows:

**23-37-28. ~~(Effective through July 31, 2011)~~ Matching federal funds.** The administrator and the board may annually allow the department a ten percent matching grant for federal leaking underground storage tank funds to be paid out of the fund if the moneys are available and the administrator and the board determine the allowance appropriate.

**SECTION 29. AMENDMENT.** Section 23-37-29 of the North Dakota Century Code is amended and reenacted as follows:

**23-37-29. ~~(Effective through July 31, 2011)~~ Fund appropriations.** Money in the fund is continuously appropriated to the administrator for the purpose of making reimbursements under this chapter.

**SECTION 30. AMENDMENT.** Section 23-37-30 of the North Dakota Century Code is amended and reenacted as follows:

- 1           **23-37-30. (~~Effective through July 31, 2011~~) Investment of fund.** Investment of the  
2 fund is under the supervision of the state investment board in accordance with chapter 21-10.  
3 The commissioner may purchase a contract for reinsurance of any risk to be paid by the fund.  
4 The administrator may investigate the purchase of insurance that reimburses an owner or  
5 operator for property damage claims by third parties other than claims for costs of corrective  
6 action.