



If you own or operate a petroleum storage tank in Nevada
**You Should Know the Answers to the Most
Frequently Asked Questions about the
State of Nevada Petroleum Fund**

1. How often must I renew my enrollment in the Petroleum Fund (the Fund)?

Every year before October 1st, the Nevada Division of Environmental Protection (NDEP) will send you an invoice for \$100 per tank system. NDEP must receive your payment on or before Oct. 1st. Our fiscal year starts Oct. 1 and ends Sept. 30.

2. What happens if I pay late one year or forget to enroll for a year or two?

During this time you're not enrolled in the Fund. According to Nevada State law, the Fund cannot grant coverage for a leaking petroleum tank system that is not enrolled at the time of release discovery. If your enrollment lapses you can be readmitted to the Fund only after you: (a) remit the \$100 tank registration fee to the Fund and (b) submit NDEP-approved documentation that the tank and product lines are not currently leaking. Please Note: A 20% reduction to Fund coverage may be applied to UST systems for which a release is discovered during the same fiscal year a lapse in enrollment occurs.

3. What happens if I sell my facility? Is the new owner automatically enrolled?

No. The new owner must enroll the facility with the Fund. Start enrollment by phoning (775) 687-9504.

4. What does Fund enrollment entitle me to?

Your enrollment entitles you to submit a claim for Fund coverage upon discovery of an accidental release from the enrolled tank system. The tank system includes the petroleum tank and its associated equipment such as the turbine pump and product piping; however, the Fund does not cover costs related to tank and piping removal, replacement, or repair of these systems.

5. How much coverage does the Fund provide?

If the Fund agrees to full coverage, the Fund will pay up to \$1 million less a 10% applicable co-payment for each leaking regulated tank system. However, be aware that your coverage may be reduced or denied under certain circumstances.

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6. Under what circumstances may NDEP reduce or deny coverage?

A. NDEP will recommend coverage be reduced by as much as 40% if you do not comply with applicable state and federal regulations. For operators of underground storage tank systems (USTs) this includes maintaining financial responsibility requirements, leak detection requirements, and leaking underground storage tank (LUST) regulations for release reporting, response, and corrective actions.

B. NDEP will not cover releases:

- i. for tanks not enrolled with the Fund at the time of release discovery
- ii. due to product overfills and spills
- iii. due to negligence
- iv. that were intentional
- v. occurring above the shear valve, located at the base of the above-ground product dispenser

7. If my tank systems are in compliance with all regulations, do I have to pay anything at all when a leak occurs, if I am granted coverage?

Yes. You must pay a minimum 10% co-payment of clean-up costs. That can amount to tens of thousands of dollars in your share of clean-up costs

8. Does the Petroleum Fund pay for any and all clean-up activities?

No. The Fund only reimburses for eligible activities approved by your implementing regulatory agency that exceed a total amount of \$5,000 per UST system. You, your environmental consultant, and regulatory case officer should work together to conduct and document all clean-up activities.

9. Can you summarize what I should do when I suspect a release?

- a. Identify the source and discontinue use of equipment associated with the product release. Report the suspected release to NDEP within 24 hours at (888) 331-6337.
- b. Keep your invoices and receipts for all assessment and remediation activities.
- c. NDEP will evaluate the application and facility records to determine if, and to what extent, coverage can be granted. You'll then be notified of the NDEP's recommendation.
- d. With the assistance of a state certified environmental manager (CEM), submit a workplan to the appropriate agency for regulatory approval.
- e. Submit a Not-to-Exceed-Cost-Proposal (NTEP) to the appropriate agency for review.

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- f. Submit your initial claim to NDEP within 12 months of release discovery to become eligible for Fund reimbursement.
- g. NDEP will present its reimbursement recommendation to Nevada's Board to Review Claims (Board). Board meetings take place four times each year.
- h. Shortly after the Board approves of your request, you are issued a reimbursement check.

10. Will I have to report reimbursements received from the Petroleum Fund as income?

Recipients of Petroleum Fund reimbursements of \$600 or more will be issued a federal 1099 form by the State of Nevada Controller's office. You and your tax advisor will have to determine if and how to report your reimbursement to the Internal Revenue Service (IRS).

11. Sounds complicated. Where can I get more information?

Contact our office at any time. Reach the NDEP's Petroleum Fund Branch at (775) 687-9368. We have information packets and guidelines that you'll need. You may also visit our website for information and forms (<http://ndep.nv.gov/bca/fundhome.htm>). Finally, remember that your CEM will be your guide to a well-done project that will have you reimbursed as soon as possible.



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Thank you for your efforts.
Your contributions to a clean
environment strengthen Nevada's
foundation for a better
tomorrow!

