



House of Representatives

General Assembly

File No. 110

January Session, 2009

House Bill No. 6501

House of Representatives, March 19, 2009

The Committee on General Law reported through REP. SHAPIRO of the 144th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT ELIMINATING SURETY BOND REQUIREMENTS FOR RESIDENTIAL UNDERGROUND HEATING OIL TANK REMOVAL OR REPLACEMENT CONTRACTORS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 20-420 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

4 (a) No person shall hold himself or herself out to be a contractor or
5 salesperson without first obtaining a certificate of registration from the
6 commissioner as provided in this chapter, except that an individual or
7 partner, or officer or director of a corporation registered as a contractor
8 shall not be required to obtain a salesperson's certificate. No certificate
9 shall be given to any person who holds himself or herself out to be a
10 contractor that performs radon mitigation unless such contractor
11 provides evidence, satisfactory to the commissioner, that the contractor
12 is certified as a radon mitigator by the National Radon Safety Board or
13 the National Environmental Health Association. No certificate shall be

14 given to any person who holds himself or herself out to be a contractor
15 that performs removal or replacement of any residential underground
16 heating oil storage tank system unless such contractor provides
17 evidence, satisfactory to the commissioner, that the contractor (1) has
18 completed a hazardous material training program approved by the
19 Department of Environmental Protection, and (2) has presented
20 evidence of liability insurance coverage of one million dollars, [, and
21 (3) has presented evidence of a surety bond in an amount not less than
22 two hundred fifty thousand dollars.]

23 Sec. 2. Section 22a-449k of the general statutes is repealed and the
24 following is substituted in lieu thereof (*Effective from passage*):

25 No person shall remove or replace or subcontract for the removal or
26 replacement of a residential underground heating oil storage tank
27 system if the person finds such removal or replacement will involve
28 remediation of contaminated soil or groundwater, the costs of which
29 are to be paid out of the residential underground heating oil storage
30 tank system clean-up subaccount established pursuant to subsection
31 (b) of section 22a-449c, unless the person is a registered contractor. To
32 become a registered contractor, a person shall provide to the
33 Commissioner of Environmental Protection, on forms prescribed by
34 said commissioner, (1) evidence of financial assurance in the form of
35 liability insurance [, a surety bond] coverage or liquid company assets
36 in an amount not less than [two hundred fifty thousand] one million
37 dollars, and (2) a written statement certifying that such person has had
38 any training required by law for such business and that such person
39 has (A) performed no fewer than three residential underground
40 petroleum storage tank system removals, or (B) has contracted for at
41 least three removals of residential underground petroleum storage
42 tank systems. Such person shall pay a registration fee of seven
43 hundred fifty dollars to the commissioner. Each contractor holding a
44 valid registration on July first shall, not later than August first of that
45 year, pay a renewal fee to the commissioner of three hundred seventy-
46 five dollars in order to maintain such registration. Any money
47 collected for registration pursuant to this section shall be deposited in

48 the Environmental Quality Fund. The commissioner may revoke a
49 registration for cause and, on and after the date the review board
50 establishes requirements for financial assurance, training and
51 performance standards under subsection (c) of section 22a-449d, may
52 reject any application for registration that does not meet such
53 requirements.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	20-420(a)
Sec. 2	<i>from passage</i>	22a-449k

GL *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note***State Impact:*** None***Municipal Impact:*** None

OLR Bill Analysis**HB 6501*****AN ACT ELIMINATING SURETY BOND REQUIREMENTS FOR RESIDENTIAL UNDERGROUND HEATING OIL TANK REMOVAL OR REPLACEMENT CONTRACTORS.*****SUMMARY:**

This bill eliminates the requirement that residential underground heating oil tank removal or replacement contractor certificate applicants must provide evidence of a surety bond to the Consumer Protection (DCP) and the Environmental Protection (DEP) departments. The bill increases from \$250,000 to \$1,000,000 the minimum liability insurance coverage or liquid company assets that contractors must to provide to DEP as evidence of financial assurance.

Under current law, no one may remove or replace residential underground heating oil storage tank systems involving remediation of contaminated soil or groundwater without obtaining a certificate from DCP. To obtain a certificate, registered contractors must provide evidence of (1) completion of a DEP-approved hazardous material training program, (2) liability insurance coverage of \$1,000,000, and (3) a surety bond of at least \$250,000.

EFFECTIVE DATE: Upon passage.

COMMITTEE ACTION

General Law Committee

Joint Favorable

Yea 17 Nay 0 (03/03/2009)