



MEMORANDUM

TO: Certified Underground Storage Tank System Technicians and Removers, Companies that employ Certified UST System Technicians and Removers, Environmental Consultants, and Oil Spill Contractors

FROM: Christopher H. Ralston, Program Manager, Oil Control Program *CHR*

DATE: July 28, 2022

RE: **Changes to the Regulations Governing the Residential Heating Oil Tank System Site Rehabilitation Reimbursement Program (COMAR 26.10.14)**

Beginning in 1993, the Oil Contaminated Site Environmental Cleanup Fund was established by state law to fund the Residential Heating Oil Tank System Site Rehabilitation Reimbursement Program. The purpose of the program is to assist heating oil storage tank system owners for eligible site rehabilitation costs; however, the law still requires the owner of the tank to be responsible for the restoration of any spill located on their property. Eligibility includes site rehabilitation costs associated with residential aboveground and underground heating oil tank systems.

On June 13, 2022, the new Oil Pollution Control and Storage Tank Management regulations (i.e., Code of Maryland Regulations [COMAR] 26.10) became effective. While there were several changes to COMAR 26.10.14, the following are a few key changes that merit specific attention:

- Identifying certain exclusions (COMAR 26.10.14.02);
- Identifying eligible and ineligible expenses (COMAR 26.10.14.05);
- Requiring certain property tax information to be submitted (COMAR 26.10.14.06); and
- Establishing reimbursement allocation limits for the program (COMAR 26.10.14.08).

The Maryland Department of the Environment (MDE or the Department) will be updating its fact sheets, webpages, applications, and instructions related to the program over the coming weeks, but this memorandum provides a summary of the changes for your convenience. **Please review and become familiar with the changes to the program, particularly the new reimbursement allocation limits.**

Exclusions (COMAR 26.10.14.02)

The following costs are ones that the program **will not** provide reimbursement for:

- Site rehabilitation costs resulting from a non-residential heating oil tank system source;
- Costs resulting from a residential heating oil tank system closure in place, upgrade, or replacement;
- Costs resulting from retrofitting a residential heating oil tank or associated piping;
- Costs resulting from a residential heating oil tank system removal unless allowed by COMAR 26.10.14.05;
- A third-party claim; and

- Site rehabilitation costs that have been paid or are payable under an insurance policy.

Eligible Expenses (COMAR 26.10.14.05A)

MDE **may** reimburse a residential owner of a residential heating oil tank system for the following site rehabilitation costs if MDE determines the activities were cost effective, reasonable, and consistent with an application:

- Soil treatment, including:
 - Excavation, transportation, and proper disposal of oil-contaminated soil; or
 - On-site treatment, such as soil vapor extraction;
- Procurement and installation of groundwater remediation equipment, including soil vapor extraction equipment;
- Subsurface investigation, well bailing, recovery system design, operation, monitoring, or a combination of these activities;
- Private supply well replacement;
- Odor abatement activities, such as forced venting and oil saturated material removal and proper disposal, replacement, or restoration to a degree as determined by the Department to return a residence to a habitable condition;
- Closure of a heating oil tank by removal, if MDE determines removal of the heating oil tank is necessary to accomplish soil treatment; and
- Other site rehabilitation activities performed by a residential owner under the direction and approval of MDE to remediate a spill, release, or discharge of oil from a residential heating oil tank system

Ineligible Expenses (COMAR 26.10.14.05B)

MDE **may not** reimburse a residential owner of a residential heating oil tank system for the following costs:

- Closure in place of an underground residential heating oil tank;
- Installation of a new or replacement residential heating oil tank;
- Third-party contractor mobilization or demobilization of equipment, materials, and personnel at a site;
- Preparation of a complete application, including preparing or obtaining support documentation; and
- Performance of activities that are not related to remediation of oil-contaminated soil, groundwater, or surface water at a site so as to mitigate threats to public health, safety, and welfare or the environment, as determined by MDE.

Property Tax Information (COMAR 26.10.14.06B(4)) and Reimbursement Allocation Limits (COMAR 26.10.14.08B)

Beginning July 1, 2022, the new regulations **require** an applicant to submit a printout from the State Department of Assessments and Taxation (SDAT) [website](#) that shows the subject property's value. Alternatively, the applicant could submit the most recent property tax assessment.

The new regulations also established **reimbursement allocation limits** for the program that are stated to be effective beginning July 1, 2022. The limits are based upon the residential property value as established by SDAT. The following are the limits:

- If the value of the residential property is less than or equal to \$300,000, the reimbursement allocation is:
 - 100% of the eligible site rehabilitation costs; and
 - Up to a total of \$20,000, less the \$500 deductible;
- If the value of the residential property is greater than \$300,000 and less than or equal to \$600,000, the reimbursement allocation is:
 - 50% of the eligible site rehabilitation costs; and
 - Up to a total of \$10,000, less the \$500 deductible; or
- If the value of the residential property is greater than \$600,000, the reimbursement allocation is:
 - 25% of eligible site rehabilitation costs; and
 - Up to a total of \$5,000, less the \$500 deductible.

While the effective regulations state July 1, 2022 as the date that the reimbursement allocation limits and submission of the SDAT documentation are to go into effect, MDE will begin enforcing these requirements for applications received on or after **October 1, 2022**, in order to more fully communicate the changes and to allow additional time to submit any applications that may have been process.

*Please note that an application may be submitted prior to work being completed at a property or even incurring any expenses. In some instances, it may be acceptable to submit an application for work that is proposed to occur and/or has been directed by MDE.

Reimbursement

MDE continues to process approved applications as funds become available. Please note that the funding received each quarter **may not** be sufficient to reimburse applications submitted and approved within any quarter or calendar year.

Contact information

If you have any questions, you may contact Chris Ralston, Program Manager of the Oil Control Program at MDE, at chris.ralston@maryland.gov or the Land and Material Administration's Operational and Administrative Services Program at (410) 537-3676; (800) 633-6101 x3676.