Florida House of Representatives - 2002 CS/HB 1541 By the Council for Smarter Government and Representative Ross

1	A bill to be entitled
2	An act relating to liability under the
3	drycleaning solvent cleanup program; amending
4	s. 376.01, F.S.; defining the term "nearby real
5	property owner"; amending s. 376.3078, F.S.;
6	adding a statement of intent; exempting certain
7	real property owners and others from claims for
8	property damage arising from contamination by
9	drycleaning solvents; amending s. 376.308,
10	F.S.; revising provisions governing the
11	statutory construction of immunity provisions;
12	amending s. 376.313, F.S.; revising provisions
13	governing immunity; amending s. 376.30781,
14	F.S.; correcting a cross reference; providing
15	an effective date.
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17	Be It Enacted by the Legislature of the State of Florida:
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19	Section 1. Subsection (47) is added to section
20	376.301, Florida Statutes, to read:
21	376.301 Definitions of terms used in ss.
22	376.30-376.319, 376.70, and 376.75When used in ss.
23	376.30-376.319, 376.70, and 376.75, unless the context clearly
24	requires otherwise, the term:
25	(47) "Nearby real property owner" means the individual
26	or entity that is vested with ownership, dominion, or legal or
27	rightful title to real property, or that has a ground lease in
28	real property, onto which drycleaning solvent has migrated
29	through soil or groundwater from a drycleaning or wholesale
30	supply facility eligible for site rehabilitation under s.
31	376.3078(3) or from a drycleaning or wholesale supply facility
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1 that is approved by the department for voluntary cleanup 2 pursuant to s. 376.3078(11). 3 Section 2. Subsections (1), (3), and (11) of section 4 376.3078, Florida Statutes, are amended to read: 5 376.3078 Drycleaning facility restoration; funds; б uses; liability; recovery of expenditures.--7 (1) FINDINGS.--In addition to the legislative findings 8 set forth in s. 376.30, the Legislature finds and declares 9 that: 10 (a) Significant quantities of drycleaning solvents 11 have been discharged in the past at drycleaning facilities as 12 part of the normal operation of these facilities. 13 (b) Discharges of drycleaning solvents at such drycleaning facilities have occurred and are occurring, and 14 pose a significant threat to the quality of the groundwaters 15 and inland surface waters of this state. 16 (c) Where contamination of the groundwater or surface 17 water has occurred, remedial measures have often been delayed 18 19 for long periods while determinations as to liability and the 20 extent of liability are made, and such delays result in the continuation and intensification of the threat to the public 21 22 health, safety, and welfare; in greater damage to the environment; and in significantly higher costs to contain and 23 24 remove the contamination. 25 (d) Adequate financial resources must be readily 26 available to provide for the expeditious supply of safe and 27 reliable alternative sources of potable water to affected 28 persons and to provide a means for investigation and 29 rehabilitation of contaminated sites without delay. (e) It is the intent of the Legislature to encourage 30 31 real property owners to undertake the voluntary cleanup of 2

property contaminated with drycleaning solvents and that the 1 2 immunity provisions of this section and all other available 3 defenses be construed in favor of real property owners. (f) Strong public interests are served by the 4 5 provisions of subsections (3) and (11) such as improving the marketability and use of, and ability to borrow funds as to, 6 7 property contaminated by drycleaning solvents and encouraging 8 the voluntary remediation of contaminated sites. The extent 9 to which claims or rights are affected by subsections (3) and (11) is offset by the remedies created in this section and the 10 11 limitations imposed by these subsections on such claims or 12 rights are reasonable when balanced against the public 13 interests served. The claims or right affected by subsections (3) and (11) are speculative and these subsections are 14 intended to prevent judicial interpretations allowing windfall 15 16 awards that thwart the public interest provisions of this 17 section. (3) REHABILITATION LIABILITY.--18 (a) In accordance with the eligibility provisions of 19 20 this section, no real property owner or nearby real property 21 owner or no person who owns or operates, or who otherwise 22 could be liable as a result of the operation of, a drycleaning facility or a wholesale supply facility shall be liable for or 23 subject to: 24 25 1. Claims of any person, except for any governmental 26 entity, for property damages of any kind, including, but not 27 limited to, diminished value of real property or improvements, 28 lost or delayed rent or sale or use of real property or 29 improvements, or stigma to real property or improvements caused by drycleaning solvent contamination; 30 31

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2. Administrative or judicial action brought by or on 1 2 behalf of any state or local government or agency thereof or 3 by or on behalf of any person to compel rehabilitation or pay for the costs of rehabilitation of environmental contamination 4 5 resulting from the discharge of drycleaning solvents; orб 7 Subject to The delays that may occur as a result of the 8 prioritization of sites under this section for any qualified site, costs for activities described in paragraph (2)(b) shall 9 be absorbed at the expense of the drycleaning facility 10 restoration funds, without recourse to reimbursement or 11 12 recovery from the real property owner, nearby real property 13 owner, or the owner or operator of the drycleaning facility or 14 the wholesale supply facility. Notwithstanding any other provisions of chapter 376 to the contrary, the provisions of 15 16 this subsection shall apply to causes of action accruing on or after the effective date of this act, and shall apply 17 retroactively to causes of action accruing before the 18 effective date of this act, for which no lawsuit has been 19 20 filed. (b) The real property owner shall provide the 21 22 following documents to any nearby real property owner upon 23 request: 24 1. An authentic copy of the department's order of 25 eligibility for the drycleaning solvent contamination, 26 suitable for recordation in the public records of any county; 27 and 28 2. All other reasonably available public records regarding the drycleaning solvent contamination, including, 29 but not limited to, copies of any soil or groundwater tests 30 and site assessment reports. 31

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1 2 The department shall assist the real property owner to provide such documentation. The real property owner shall record an 3 authentic copy of the order of eligibility or other 4 5 documentation at the request of any nearby real property owner 6 in the appropriate public records for the nearby real 7 property. 8 (c)(a) With regard to drycleaning facilities or wholesale supply facilities that have operated as drycleaning 9 10 facilities or wholesale supply facilities on or after October 11 1, 1994, any such drycleaning facility or wholesale supply facility at which there exists contamination by drycleaning 12 13 solvents shall be eligible under this subsection regardless of when the drycleaning contamination was discovered, provided 14 that the drycleaning facility or the wholesale supply 15 16 facility: 1. Has been registered with the department; 17 18 2. Is determined by the department to be in compliance 19 with the department's rules regulating drycleaning solvents, 20 drycleaning facilities, or wholesale supply facilities on or after November 19, 1980; 21 22 3. Has not been operated in a grossly negligent manner at any time on or after November 19, 1980; 23 24 4. Has not been identified to qualify for listing, nor is listed, on the National Priority List pursuant to the 25 26 Comprehensive Environmental Response, Compensation, and 27 Liability Act of 1980 as amended by the Superfund Amendments 28 and Reauthorization Act of 1986, and as subsequently amended; 29 Is not under an order from the United States 5. Environmental Protection Agency pursuant to s. 3008(h) of the 30 31 Resource Conservation and Recovery Act as amended (42 U.S.C.A. 5

s. 6928(h)), or has not obtained and is not required to obtain 1 2 a permit for the operation of a hazardous waste treatment, 3 storage, or disposal facility, a postclosure permit, or a permit pursuant to the federal Hazardous and Solid Waste 4 5 Amendments of 1984; б 7 and provided that the real property owner or the owner or 8 operator of the drycleaning facility or the wholesale supply facility has not willfully concealed the discharge of 9 drycleaning solvents and has remitted all taxes due pursuant 10 11 to ss. 376.70 and 376.75, has provided documented evidence of contamination by drycleaning solvents as required by the rules 12 13 developed pursuant to this section, has reported the 14 contamination prior to December 31, 1998, and has not denied the department access to the site. 15 16 (d) (b) With regard to drycleaning facilities or wholesale supply facilities that cease to be operated as 17 drycleaning facilities or wholesale supply facilities prior to 18 19 October 1, 1994, such facilities, at which there exists 20 contamination by drycleaning solvents, shall be eligible under this subsection regardless of when the contamination was 21 22 discovered, provided that the drycleaning facility or wholesale supply facility: 23 24 1. Was not determined by the department, within a reasonable time after the department's discovery, to have been 25 26 out of compliance with the department rules regulating 27 drycleaning solvents, drycleaning facilities, or wholesale 28 supply facilities implemented at any time on or after November 19, 1980; 29 Was not operated in a grossly negligent manner at 30 2. 31 any time on or after November 19, 1980; 6

Has not been identified to qualify for listing, nor 1 3. 2 is listed, on the National Priority List pursuant to the 3 Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments 4 5 and Reauthorization Act of 1986, and as subsequently amended; б and 7 Is not under an order from the United States 4. 8 Environmental Protection Agency pursuant to s. 3008(h) of the 9 Resource Conservation and Recovery Act, as amended, or has not obtained and is not required to obtain a permit for the 10 11 operation of a hazardous waste treatment, storage, or disposal facility, a postclosure permit, or a permit pursuant to the 12 13 federal Hazardous and Solid Waste Amendments of 1984; 14 15 and provided that the real property owner or the owner or 16 operator of the drycleaning facility or the wholesale supply facility has not willfully concealed the discharge of 17 drycleaning solvents, has provided documented evidence of 18 19 contamination by drycleaning solvents as required by the rules 20 developed pursuant to this section, has reported the contamination prior to December 31, 1998, and has not denied 21 22 the department access to the site. (e)(c) For purposes of determining eligibility, a 23 drycleaning facility or wholesale supply facility was operated 24 25 in a grossly negligent manner if the department determines 26 that the owner or operator of the drycleaning facility or the 27 wholesale supply facility: 28 1. Willfully discharged drycleaning solvents onto the 29 soils or into the waters of the state after November 19, 1980, with the knowledge, intent, and purpose that the discharge 30 31 7

1 would result in harm to the environment or to public health or 2 result in a violation of the law;

2. Willfully concealed a discharge of drycleaning
solvents with the knowledge, intent, and purpose that the
concealment would result in harm to the environment or to
public health or result in a violation of the law; or

3. Willfully violated a local, state, or federal law
or rule regulating the operation of drycleaning facilities or
wholesale supply facilities with the knowledge, intent, and
purpose that the act would result in harm to the environment
or to public health or result in a violation of the law.

12 (f) (d) 1. With respect to eligible drycleaning solvent 13 contamination reported to the department as part of a 14 completed application as required by the rules developed pursuant to this section by June 30, 1997, the costs of 15 16 activities described in paragraph (2)(b) shall be absorbed at the expense of the drycleaning facility restoration funds, 17 less a \$1,000 deductible per incident, which shall be paid by 18 19 the applicant or current property owner. The deductible shall 20 be paid within 60 days after receipt of billing by the 21 department.

22 2. For contamination reported to the department as part of a completed application as required by the rules 23 developed under this section, from July 1, 1997, through 24 September 30, 1998, the costs shall be absorbed at the expense 25 26 of the drycleaning facility restoration funds, less a \$5,000 27 deductible per incident. The deductible shall be paid within 28 60 days after receipt of billing by the department. 29 3. For contamination reported to the department as part of a completed application as required by the rules 30

31 developed pursuant to this section from October 1, 1998,

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1 through December 31, 1998, the costs shall be absorbed at the 2 expense of the drycleaning facility restoration funds, less a 3 \$10,000 deductible per incident. The deductible shall be paid 4 within 60 days after receipt of billing by the department.

5 4. For contamination reported after December 31, 1998,
6 no costs will be absorbed at the expense of the drycleaning
7 facility restoration funds.

8 (g)(e) The provisions of this subsection shall not
9 apply to any site where the department has been denied site
10 access to implement the provisions of this section.

11 (h)(f) In order to identify those drycleaning facilities and wholesale supply facilities that have 12 13 experienced contamination resulting from the discharge of 14 drycleaning solvents and to ensure the most expedient rehabilitation of such sites, the owners and operators of 15 drycleaning facilities and wholesale supply facilities are 16 encouraged to detect and report contamination from drycleaning 17 solvents related to the operation of drycleaning facilities 18 19 and wholesale supply facilities. The department shall 20 establish reasonable guidelines for the written reporting of drycleaning contamination and shall distribute forms to 21 registrants under s. 376.303(1)(d), and to other interested 22 parties upon request, to be used for such purpose. 23

24 <u>(i)(g)</u> A report of drycleaning solvent contamination 25 at a drycleaning facility or wholesale supply facility made to 26 the department by any person in accordance with this 27 subsection, or any rules promulgated pursuant hereto, may not 28 be used directly as evidence of liability for such discharge 29 in any civil or criminal trial arising out of the discharge. 30

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1 (j)(h) The provisions of this subsection shall not
2 apply to drycleaning facilities owned or operated by the state
3 or Federal Government.

4 (k)(i) Due to the value of Florida's potable water, it 5 is the intent of the Legislature that the department initiate and facilitate as many cleanups as possible utilizing the 6 7 resources of the state, local governments, and the private 8 sector. The department is authorized to adopt necessary rules 9 and enter into contracts to carry out the intent of this subsection and to limit or prevent future contamination from 10 11 the operation of drycleaning facilities and wholesale supply 12 facilities.

13 <u>(1)(j)</u> It is not the intent of the Legislature that 14 the state become the owner or operator of a drycleaning 15 facility or wholesale supply facility by engaging in 16 state-conducted cleanup.

(m) (m) (k) The owner, operator, and either the real 17 property owner or agent of the real property owner may apply 18 19 for the Drycleaning Contamination Cleanup Program by jointly 20 submitting a completed application package to the department 21 pursuant to the rules that shall be adopted by the department. 22 If the application cannot be jointly submitted, then the applicant shall provide notice of the application to other 23 interested parties. After reviewing the completed application 24 package, the department shall notify the applicant in writing 25 26 as to whether the drycleaning facility or wholesale supply 27 facility is eligible for the program. If the department denies 28 eligibility for a completed application package, the notice of denial shall specify the reasons for the denial, including 29 specific and substantive findings of fact, and shall 30 31 constitute agency action subject to the provisions of chapter

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1 120. For the purposes of ss. 120.569 and 120.57, the real property owner and the owner and operator of a drycleaning facility or wholesale supply facility which is the subject of a decision by the department with regard to eligibility shall be deemed to be parties whose substantial interests are determined by the department's decision to approve or deny eligibility.

(n)(l) Eligibility under this subsection applies to 8 9 the drycleaning facility or wholesale supply facility, and attendant site rehabilitation applies to such facilities and 10 to any place where drycleaning solvent contamination migrating 11 12 from the eligible facility is found to be located. A 13 determination of eligibility or ineligibility shall not be 14 affected by any conveyance of the ownership of the drycleaning facility, wholesale supply facility, or the real property on 15 16 which such facility is located. Nothing contained in this chapter shall be construed to allow a drycleaning facility or 17 wholesale supply facility which would not be eligible under 18 19 this subsection to become eligible as a result of the 20 conveyance of the ownership of the ineligible drycleaning 21 facility or wholesale supply facility to another owner.

22 (o)(m) If funding for the drycleaning contamination 23 rehabilitation program is eliminated, the provisions of this 24 subsection shall not apply.

25 <u>(p)(n)</u>1. The department shall have the authority to 26 cancel the eligibility of any drycleaning facility or 27 wholesale supply facility that submits fraudulent information 28 in the application package or that fails to continuously 29 comply with the conditions of eligibility set forth in this 30 subsection, or has not remitted all fees pursuant to s. 31

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376.303(1)(d), or has not remitted the deductible payments
 pursuant to paragraph(f)(d).

3 2. If the program eligibility of a drycleaning 4 facility or wholesale supply facility is subject to 5 cancellation pursuant to this section, then the department б shall notify the applicant in writing of its intent to cancel 7 program eligibility and shall state the reason or reasons for 8 cancellation. The applicant shall have 45 days to resolve the reason or reasons for cancellation to the satisfaction of the 9 department. If, after 45 days, the applicant has not resolved 10 11 the reason or reasons for cancellation to the satisfaction of the department, the order of cancellation shall become final 12 13 and shall be subject to the provisions of chapter 120.

14 (q)(o) A real property owner shall not be subject to 15 administrative or judicial action brought by or on behalf of 16 any person or local or state government, or agency thereof, 17 for gross negligence or violations of department rules prior 18 to January 1, 1990, which resulted from the operation of a 19 drycleaning facility, provided that the real property owner 20 demonstrates that:

1. The real property owner had ownership in the
 property at the time of the gross negligence or violation of
 department rules and did not cause or contribute to
 contamination on the property;

25 2. The real property owner was a distinct and separate 26 entity from the owner and operator of the drycleaning 27 facility, and did not have an ownership interest in or share 28 in the profits of the drycleaning facility;

3. The real property owner did not participate in the operation or management of the drycleaning facility;

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1 4. The real property owner complied with all discharge 2 reporting requirements, and did not conceal any contamination; 3 and 4 The department has not been denied access. 5. 5 б The defense provided by this paragraph does not apply to any 7 liability under a federally delegated program. 8 (r)(p) A person whose property becomes contaminated 9 due to geophysical or hydrologic reasons from the operation of a nearby drycleaning or wholesale supply facility and whose 10 11 property has never been occupied by a business that utilized 12 or stored drycleaning solvents or similar constituents is not 13 subject to administrative or judicial action brought by or on 14 behalf of another to compel the rehabilitation of or the payment of the costs for the rehabilitation of sites 15 16 contaminated by drycleaning solvents, provided that the 17 person: Does not own and has never held an ownership 18 1. 19 interest in, or shared in the profits of, the drycleaning 20 facility operated at the source location; 21 2. Did not participate in the operation or management 22 of the drycleaning facility at the source location; and 3. Did not cause, contribute to, or exacerbate the 23 release or threat of release of any hazardous substance 24 25 through any act or omission. 26 27 The defense provided by this paragraph does not apply to any 28 liability under a federally delegated program. 29 (s)(q) Nothing in this subsection precludes the department from considering information and documentation 30 31 provided by private consultants, local government programs, 13

1 federal agencies, or any individual which is relevant to an 2 eligibility determination if the department provides the 3 applicant with reasonable access to the information and its 4 origin.

5 (11) VOLUNTARY CLEANUP. -- A real property owner is б authorized to conduct site rehabilitation activities at any 7 time pursuant to department rules, either through agents of 8 the real property owner or through responsible response action 9 contractors or subcontractors, whether or not the facility has been determined by the department to be eligible for the 10 11 drycleaning solvent cleanup program. A real property owner or 12 any other person who that conducts site rehabilitation may not 13 seek cost recovery from the department or the Water Quality 14 Assurance Trust Fund for any such rehabilitation activities. A real property owner who that voluntarily conducts such site 15 16 rehabilitation, whether commenced before or on or after October 1, 1995, shall be immune from, and shall have no 17 liability for claims of any person, except for any 18 19 governmental entity, for property damages of any kind, 20 including, but not limited to, diminished value of real property or improvements, lost or delayed rent or sale or use 21 22 of real property or improvements, or stigma to real property 23 or improvements caused by drycleaning solvent contamination or 24 administrative or judicial action brought by or on behalf of 25 liability to any person, state or local government, or agency 26 thereof to compel or enjoin site rehabilitation or pay for the 27 cost of rehabilitation of environmental contamination, or to 28 pay any fines or penalties regarding rehabilitation, as soon 29 as the real property owner: 30

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1 (a) Conducts contamination assessment and site 2 rehabilitation consistent with state and federal laws and 3 rules; 4 (b) Conducts such site rehabilitation in a timely 5 manner according to a rehabilitation schedule approved by the б department; and 7 (c) Does not deny the department access to the site. 8 Upon completion of such site rehabilitation activities in accordance with the requirements of this subsection, the 9 department shall render a site rehabilitation completion 10 11 order. 12 13 The immunity set forth in this subsection shall also apply to 14 any nearby real property owner. The real property owner shall 15 provide upon request from any nearby real property owner all 16 reasonably available documentation in the public records in reference to the drycleaning solvent contamination, including, 17 but not limited to, copies of any soil or groundwater tests 18 19 and site assessment reports, and a copy of the department's 20 approved voluntary cleanup agreement. The department shall assist the real property owner to provide such documentation. 21 22 This immunity shall continue to apply to any real property owner who transfers, conveys, leases, or sells property on 23 24 which a drycleaning facility is located so long as the 25 voluntary cleanup activities continue. Notwithstanding any 26 other provisions of chapter 376 to the contrary, the 27 provisions of this subsection shall apply to causes of action 28 accruing on or after the effective date of this act, and shall 29 apply retroactively to causes of action accruing before the effective date of this act, for which no lawsuit has been 30 31 filed.

CS/HB 1541

Florida House of Representatives - 2002 405-179-02

1 Section 3. Subsection (6) of section 376.308, Florida 2 Statutes, is amended to read: 376.308 Liabilities and defenses of facilities.--3 4 (6) Nothing herein shall be construed to affect 5 cleanup program eligibility under ss. 376.305(6), 376.3071, б 376.3072, 376.3078, and 376.3079. Except as otherwise 7 expressly provided in this chapter, nothing in this chapter shall affect, void, or defeat any immunity of any real 8 9 property owner or nearby real property owner under s. 10 376.3078. 11 Section 4. Subsections (3) and (5) of section 376.313, 12 Florida Statutes, are amended to read: 13 376.313 Nonexclusiveness of remedies and individual 14 cause of action for damages under ss. 376.30-376.319.--15 (3) Notwithstanding any other provision of law Except 16 as provided in s. 376.3078(3) and (11), nothing contained in ss. 376.30-376.319 prohibits any person from bringing a cause 17 of action in a court of competent jurisdiction for all damages 18 19 resulting from a discharge or other condition of pollution 20 covered by ss. 376.30-376.319. Nothing in this chapter shall 21 prohibit or diminish a party's right to contribution from 22 other parties jointly or severally liable for a prohibited discharge of pollutants or hazardous substances or other 23 pollution conditions. Except as otherwise provided in 24 25 subsection (4) or subsection (5), in any such suit, it is not 26 necessary for such person to plead or prove negligence in any 27 form or manner. Such person need only plead and prove the fact 28 of the prohibited discharge or other pollutive condition and 29 that it has occurred. The only defenses to such cause of action shall be those specified in s. 376.308. 30 31

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1 (5)(a) In any civil action against the owner or 2 operator of a drycleaning facility or a wholesale supply 3 facility, or the owner of the real property on which such 4 facility is located, if such facility is not eligible under s. 5 376.3078(3) and is not involved in voluntary cleanup pursuant б to s. 376.3078(11), for damages arising from the discharge of 7 drycleaning solvents from a drycleaning facility or wholesale 8 supply facility, the provisions of subsection (3) shall not 9 apply if it can be proven that, at the time of the discharge the alleged damages resulted solely from a discharge from a 10 11 drycleaning facility or wholesale supply facility that was in 12 compliance with department rules regulating drycleaning 13 facilities or wholesale supply facilities. 14 (b) Any person bringing such an action must prove 15 negligence in order to recover damages under this subsection. For the purposes of this subsection, noncompliance with s. 16 376.303 or s. 376.3078, or any of the rules promulgated 17 pursuant thereto, or any applicable state or federal law or 18 19 regulation, as the same may hereafter be amended, shall be 20 prima facie evidence of negligence. Section 5. Paragraph (b) of subsection (4) of section 21 376.30781, Florida Statutes, is amended to read: 22 23 376.30781 Partial tax credits for rehabilitation of 24 drycleaning-solvent-contaminated sites and brownfield sites in 25 designated brownfield areas; application process; rulemaking authority; revocation authority.--26 (4) To claim the credit, each applicant must apply to 27 28 the Department of Environmental Protection for an allocation 29 of the \$2 million annual credit by December 31 on a form developed by the Department of Environmental Protection in 30 31 cooperation with the Department of Revenue. The form shall 17

include an affidavit from each applicant certifying that all 1 2 information contained in the application, including all records of costs incurred and claimed in the tax credit 3 4 application, are true and correct. If the application is 5 submitted pursuant to subparagraph (2)(a)2., the form must б include an affidavit signed by the real property owner stating 7 that it is not, and has never been, the owner or operator of 8 the drycleaning facility where the contamination exists. Approval of partial tax credits must be accomplished on a 9 first-come, first-served basis based upon the date complete 10 11 applications are received by the Division of Waste Management. 12 An applicant shall submit only one application per site per 13 year. To be eligible for a tax credit the applicant must: 14 (b) Have paid all deductibles pursuant to s. 15 376.3078(3)(f)(d) for eligible drycleaning-solvent-cleanup 16 program sites. 17 Section 6. This act shall take effect upon becoming a 18 law. 19 20 21 22 23 24 25 26 27 28 29 30 31