

Real Estate and Petroleum Underground Storage Tanks



**State of Idaho
Department of Environmental
Quality**

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An Underground Storage Tank is on the Property

What Do I Need to Know?

This publication was developed by the Idaho Department of Environmental Quality (DEQ) to assist real estate professionals who deal with underground storage tanks (USTs) on residential and commercial properties in Idaho. USTs are buried beneath the ground, and often, there are no visible indications that one is present. Real estate professionals may feel uneasy when listing or showing a property that may have, has, or had USTs on the premises. DEQ regulates USTs at commercial properties and maintains an online database listing of these properties; residential properties are another matter.

DEQ does not regulate the operation and maintenance of residential/home heating oil USTs. No regulations or rules address heating oil USTs on residential property unless a leak has been confirmed. DEQ does not maintain a database listing residential heating oil USTs and does not know the locations of these USTs across the state.

DEQ does not maintain a database listing of residential heating oil tanks and does not know the whereabouts of these tanks across the state.

The information presented may help your clients and you:

- Answer questions about USTs.
- Understand various options a seller or buyer has when an UST is on a property.
- Help a client find an UST technician or contractor.
- Obtain more information on USTs.

What Is a Regulated UST?

USTs are regulated because petroleum or other hazardous substances may leak from them into the soil and contaminate ground water or surface waters.

A regulated UST includes the tank and any underground piping connected to the tank that is buried at least 10% underground. The regulations apply only to USTs storing either petroleum or certain hazardous substances. **In this publication, we address only USTs that store petroleum.** For questions about the storage of other substances, contact DEQ (our regional offices are listed at the end of this publication).

Certain kinds of USTs are not covered by these regulations:

- Farm and residential tanks of 1,100 gallons or less capacity, holding motor fuel used for noncommercial purposes.
- USTs with a storage capacity of 110 gallons or less.
- Tanks storing heating oil used on the premises where it is stored.
- Tanks on or above the floor of underground areas, such as basements.
- Septic tanks and systems for collecting storm water and wastewater.
- Emergency spill and overfill tanks that are immediately emptied after use.

Residential/Home Heating Oil USTs are Not Regulated?

DEQ does not regulate the operation and maintenance of residential/home heating oil USTs. Thousands of unused underground residential heating oil tanks exist and many still contain heating oil. These tanks, typically 100 to 500 gallons in size, are made of 12-gauge steel (about 1/8 inch thick). They average 30 years before corrosion makes them prone to leaking, but the life of individual tanks varies widely depending on the properties of the surrounding soil.

A leaking underground residential/home heating oil UST—or even an empty one—can cause problems:

- The property owner can be held liable for damage caused by contamination from the UST.
- Leaks can contaminate soil on the property and neighboring property.
- Leaks can contaminate ground water and possibly the residents' well water.
- Cave-ins can occur when tanks deteriorate from corrosion and the tank walls collapse.
- Most lending institutions and buyers require closure of unused heating oil tanks before finalizing a residential sale.

If a release from a home heating oil tank is found or occurs, the current property owner is responsible for the cleanup.

Although a residential/home heating oil UST may not be regulated for operation and maintenance purposes, if a release is found or occurs, the current property owner is responsible for the cleanup under state cleanup rules.

Who Is the UST Regulatory Authority?

DEQ has the primary authority to regulate the operation and maintenance and cleanup of USTs. Other health and safety regulations at the local level may apply to an UST; contact your county permits division and the local fire department for further information.

Listing or Assisting Clients in Purchasing a Property with USTs

A real estate professional should consider the following when listing or assisting clients in purchasing a property that has or had an UST.

One or More USTs on the Property?

Any property may contain USTs. USTs have been found in many unusual places, and some USTs have no visible sign of their presence below ground. Many converted properties, such as flower shops, used car lots, and restaurants, were previously service stations.

USTs are commonly found at service stations; convenience stores; residences; hospitals; schools; trucking and busing terminals; railroad yards; airfields; auto dealerships; marinas; government facilities; auto repair shops; race tracks; farms and ranches; factories; and retail facilities.

A walk-through of a property may uncover indications of abandoned USTs, such as the following:

- Most residential USTs are easy to find. Follow the fuel lines from the house, or use a hand probe or metal detector if the location of the UST is unknown.
- Usually found outside of structures, vent piping is 2 to 12 feet tall and made of 1½ to 2-inch steel piping. The piping may have a cap on top that looks like a mushroom.
- Fill piping is normally directly over the top of an UST. A fill pipe can be 2 to 4 inches in diameter.



Atmospheric Vent Tubes

- Especially on former farm and gas station sites, the fuel dispenser may still be standing. These units can be large like the one you use to fill your car with or a small pipe with an electric motor and hose attached.
- Abandoned piping is found in many buildings where the heat source has changed. The piping may be copper or steel, and two pipes are normally associated with a heating oil system. If abandoned piping goes out through a wall, it is possible an UST is on the other side.



To investigate a commercial property for USTs, contact DEQ. DEQ maintains information on a large number of active and closed UST sites across the state. DEQ's UST Database can be found at the DEQ website: www.deq.idaho.gov

DEQ does not maintain a list of residential/home heating USTs.

If DEQ Has No Record of an UST on the Property, How Can a Property Be Investigated for USTs?

DEQ may not have a record of your property of interest for the following reasons:

- The property owner never reported it to DEQ (required, if regulated).
- The UST on the property does not fully meet the definition of a regulated UST (i.e., farm UST is less than 1,100 gallons or is a residential/home heating oil UST (see above "Residential/Home Heating Oil USTs are Not Regulated?").
- The UST was removed or closed before the regulations.

To investigate a property for USTs, hire a contractor to conduct an UST home survey or an environmental site assessment of the entire property. Lenders often require a site assessment before making a loan on a property. If the owner or you suspect the property has or had USTs, and the property is listed without confirming this, you run the risk of spending time and money advertising a property, lining up a buyer, and then the deal falling through if the potential buyer requests a site assessment and discovers a UST and possible contamination.

The site assessment should be conducted by knowledgeable and experienced personnel. DEQ maintains a voluntary listing of companies that provide UST services; “*Underground Storage Tank Service Provider Directory*” available at the DEQ website: www.deq.idaho.gov

What about Possible Contamination from a Leaking UST?

The question of possible contamination from a leaking UST (past or present) will almost certainly come up in any transaction involving property that has or had an UST. DEQ’s online UST database lists property that had or currently has contamination. You may submit a Public Records Request through the DEQ website: www.deq.idaho.gov, to obtain more information on the status of the contamination. If DEQ doesn’t have a record of your property of interest, a thorough site assessment of the property should provide the UST owner with details on any contamination. Any past or newly discovered contamination must be disclosed to any potential buyer and reported to DEQ to determine if cleanup is necessary. DEQ will work with the property owner on developing a cleanup plan.

If an UST is Found, Should I Close it or Can it Still be Used?

Most likely, either the potential buyer or the lending institution will want an UST to be properly closed before a property sale occurs.

If the UST is regulated and the property owner wants to continue to use the UST, it may not be possible. If the UST was not upgraded by 1998, the UST can no longer be used and must be closed. Contact your DEQ regional office for more information about continued use of an UST.

How Do I Close an UST?

The steps described below are general guidance to closing an UST. Specific requirements must be followed by the property owner to properly close a regulated UST, contact your DEQ regional office for more information.

Because residential/home heating oil USTs are not regulated, DEQ strongly recommends these steps are followed, although they are not required, to close a residential/home heating oil UST. These steps may be required by the lending institution.

1. DEQ must be notified at least 30 days before the UST is scheduled for closure using the UST Notification Form available at the DEQ website: www.deq.idaho.gov. Contact the DEQ regional office again 48 hours before the scheduled closure date to confirm the date and time. DEQ must monitor the closure and complete sampling at the site. This step is not required for residential/home heating oil USTs.
2. To determine if oil remains in the UST, remove the fill pipe cap, insert a long stick to the bottom of the UST, and see if it comes out with oil on it. An UST may contain oil and

water, or primarily water (the water settles to the bottom, and the oil floats on top). Buy an inexpensive paste from a heating oil company or find one online that reacts with water by turning a color. Put some on the stick when checking for the UST's contents. If color appears, oil is present in the tank. Also, oil is in the tank if an odor from the fill pipe or stick is noticeable.

3. Talk to your local fire department and building department before undertaking UST closure. Ask about permits, inspections, or other requirements that may apply. Regulations and policies vary from place to place and may change in the future. DEQ recommends using an experienced professional UST technician when closing an UST.
4. The UST must be emptied of liquids, dangerous vapor levels, and accumulated sludge. These potentially hazardous actions must be carried out by trained and experienced personnel who carefully follow standard safety practices. After the tank has been properly emptied, it must be removed or closed in place.

Warning—Working on an UST can be dangerous. Under certain conditions, these tanks may explode. The excavation pit, handling the heavy UST, and using power equipment may also pose risks. **Never** enter an UST, even if it has been cut open.

5. **Closing in Place**—Before choosing this alternative, consider the future of your property. Potential buyers or lenders may require tank removal. Even if you properly close an UST in place and sample, a future lending institution may still require removal. The soil under the UST must be sampled for contamination, which is difficult when the UST is left in place and may actually cost more than removal. If you don't remove the tank and sell the property, you could be held liable later (see "Contamination" for more information). After step 4, the UST can be filled with an inert, solid material to prevent the UST from the following:
 - Shifting or floating up in high ground water
 - Caving in as it deteriorates
 - Filling with vapors
 - Being used in the future

Inert materials such as sand, gravel, or cement slurry are used to fill USTs. Each type of fill has advantages and disadvantages. Check them out before deciding which fill is right for your situation.

Semifluid materials, like cement slurry, injected into the UST do a better job of filling than sand or gravel. DEQ generally discourages using gravel as fill because it does not prevent future use of the tank for disposing hazardous liquids.

6. **Removing the UST**—DEQ recommends this method to close an UST:
 - You can find and clean up contamination from past leaks and spills. Cleanup is less costly than if the tank is left in place.
 - Many buyers and lending institutions require removing unused USTs as a condition to a property transaction.
 - Some fire departments require unused USTs be removed where possible.

The removed UST must be properly disposed. It cannot be illegally dumped, should not be stored at a residence, and must be cleaned before recycled as scrap metal. If the cleaned, intact UST will be recycled, ensure a recycler or landfill in the area will accept it.

7. To determine if spills or leaks from the UST have contaminated the surrounding environment, collect soil samples and have an environmental laboratory perform the proper analysis. Contact your DEQ regional office for more information about sampling.
8. Submit the sampling results to DEQ. DEQ will determine if a release from the UST has occurred.

Procuring Services and Costs

Many companies provide UST services, such as pumping, cleaning, filling, removal, disposal, and site assessments. DEQ maintains a voluntary list of companies that provide UST services:

“*Underground Storage Tank Service Provider Directory*” available at the DEQ website:

www.deq.idaho.gov

The costs of these services vary depending on the size, location, accessibility, and other circumstances. Costs vary among companies performing the same services, too. The following are approximate cost guidelines:

- Pumping only (heating oil only): \$1.50–\$3 per gallon. If the tank contains a lot of heating oil (200+ gallons), some companies may not charge for pumping.
- Pumping only (gas or diesel): \$1.50–\$3 per gallon
- Cleaning only: \$400–\$500 per UST
- Cleaning, filling, and backfilling: \$750–\$ 1,000 per UST (type of fill material may affect cost)
- Cleaning, removal, disposal, and backfilling: \$1,000–\$2,000 per UST
- Site assessment (sampling): add on about \$2,000 per UST

Money can be saved by using one company to perform several services at one time.

Companies that clean USTs and/or recycle waste oil always consider the possibility that hazardous substances may exist in the waste oil or sludge. They must include testing and handling costs when filling or removing a tank, which affects the cost.

Contamination

Contamination from USTs is of concern to owners, buyers, neighbors, and lenders because of potential liability.

Under Idaho’s Water Quality Standards, UST owners must report to DEQ all releases of petroleum products that may pose a threat to human health and the environment. If the soil around the site of the removed UST is stained and smells of petroleum, contact the nearest DEQ regional office (listed at the end of this publication).

Soil samples must be collected for analysis. DEQ cannot perform this service. The costs for professional documentation and analysis vary widely.

Pollution Liability Insurance is Required for Regulated Tanks

Most commercial and homeowner's insurance policies contain an "absolute pollution exclusion," which specifically **excludes** pollution-related claims.

Idaho's Petroleum Storage Tank Fund (PSTF) is responsible for administering the Idaho Petroleum Clean Water Trust Fund. The petroleum liability insurance policies issued to owners and operators of regulated USTs through the PSTF fully satisfies the financial responsibility (pollution insurance) requirements of regulated USTs. Residential/home heating oil tanks are not required to have pollution liability insurance, but the PSTF also provides insurance coverage to owners of all eligible unregulated aboveground and underground petroleum storage tanks, including farm, ranch, home, and heating oil tanks.

Petroleum spills and leaks account for a significant number of costly environmental problems. UST owners should be aware that they can be held financially responsible for cleaning up the contaminated area and satisfying compensatory damage claims to third parties who have suffered bodily injury or property damage caused by a spill or leak.

For the annual total cost of \$5 per heating oil tank and \$25 for all other eligible regulated and/or unregulated petroleum tanks, the PSTF can provide owners coverage for the following:

- Accidental releases that commence during the policy period
- Approved petroleum cleanup costs
- Third-party bodily injury and property damage caused by an accidental release

PSTF's policy **does not** provide coverage for preexisting contamination or tank installation, removal, repair, or replacement.

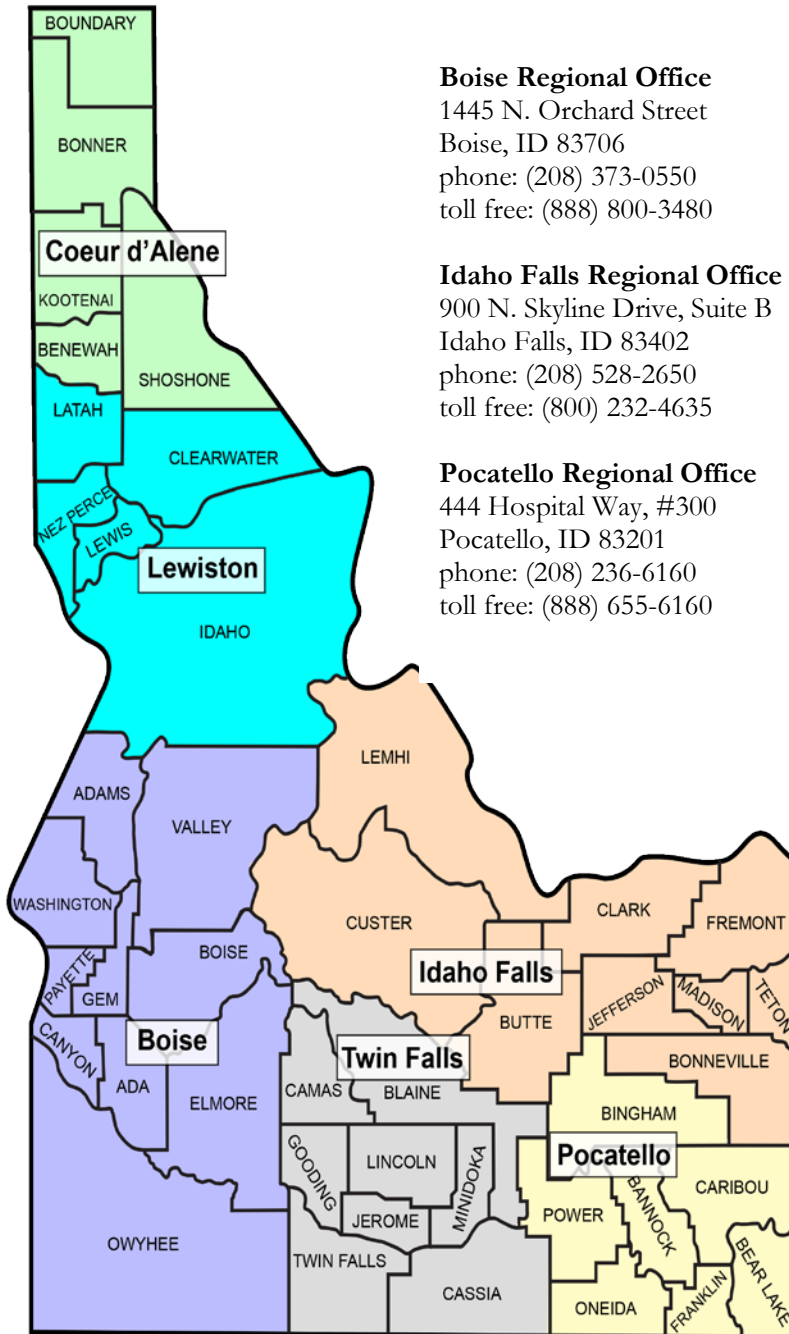
For more information, contact:
Petroleum Storage Tank Fund
1215 West State Street
Boise, ID 83720
Phone: (208) 332-8100
or (877) 997-7664

Further Information on USTs

The following resources provide the legal statutes and regulations and other publications and information on USTs.

- Rules Regulating Underground Storage Tank Systems, IDAPA 58.01.07.
- Water Quality Standards, IDAPA 58.01.02.851-852.
- Standards and Procedures for Application of Risk Based Corrective at Petroleum Release Sites, IDAPA 58.01.24.
- EPA Office of Underground Storage Tanks publications on USTs at www.epa.gov/ust
 - *Musts For USTs* (EPA 510-K-15-001). Clearly summarizes federal UST requirements for installation; release detection; spill, overflow, and corrosion protection; corrective action; closure; reporting; and recordkeeping.
 - *Release Detection for Underground Storage Tanks and Piping: Straight Talk on Tanks* (EPA 510-K-16-003). Explains federal regulatory requirements for leak detection and briefly describes allowable leak detection methods.
 - *Operating and Maintaining Underground Storage Tank Systems: Practical Help and Checklists* (EPA-510-K-16-001). Contains brief summaries of the federal UST requirements for operation and maintenance and practical help that go beyond the requirements. Checklists provide a close look at types of equipment in use and how to keep equipment working properly over the lifetime of the UST system.
 - *UST System Compatibility with Biofuels* (EPA 510-K-15-002) discusses the 2015 UST compatibility requirements for tank systems storing biofuels and petroleum-biofuel blends.
- InspectAPedia contains information about heating oil USTs (how to identify them, test methods, leaks, etc.): www.inspectapedia.com

DEQ Regional Offices



Boise Regional Office
1445 N. Orchard Street
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phone: (208) 373-0550
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