

Oil Tank Information

- 1) **Most homes built before 1975 used an underground tank** to store heating oil. Virtually every house built in the late 1940's, 1950's and 1960's used an oil tank.

Buyers: What happened to the tank? Is it well documented that no contaminated soil remains?

- 2) **Over 90% of underground oil tanks have leaked**, contaminating soil and possibly groundwater. These thin steel tanks have been corroding underground for 50 to 80 years, far beyond their life expectancy. Whether the tank is in-use or abandoned, if it is still in the ground, there's 90% chance that it is leaking. With rare exception, the homeowner will have no indication that their tank leaked or is currently leaking.

Buyers: "Clean" tank closures deserve a second opinion to confirm this rare occurrence.

- 3) **Sellers: your legal liability and responsibility for the tank and contamination does not end simply by selling the property.** Sellers could face State enforcement actions or a lawsuit from an adjacent property owner years after they sell the property. A properly documented tank removal and contamination cleanup is the only way to end this legal liability. Third Party documentation proves that you have fulfilled your legal requirements.

- 4) **Buyers: you may become legally responsible for the oil tank and contamination on your purchased property even if you never used the tank.** Additionally, you may have difficulty when it is your turn to sell the property unless the tank and contamination are properly addressed.

Buyers: Are you willing to pay thousands of dollars to fix someone else's contamination problem?

- 5) **"Oil Spill Act" makes the current property owner responsible for soil and groundwater contamination** from any source including an abandoned or previously removed oil tank... even if the current property owner never used the tank. (North Carolina General Statute 143-215.85 (a) & (b))

Most older, residential properties will need either a contamination cleanup report or proper tank closure documentation proving that no contamination exists.

- 6) **The 2015 Legislature directive, places full responsibility for petroleum contamination damages on the tank owner / property owner.** "Damages" could include contaminating a neighbor's property, polluting an irrigation well(s), damaging underground utilities, impacting storm drains or drainage ways, etc.

Because in most cases, the State will not "direct" specific cleanup actions, the property owner must determine and complete an adequate cleanup to protect surrounding property owners and thereby limiting their liability. What you do and how you do it is important!

Buyers: You could be required to clean up a previous property owner's contamination. Mandatory cleanup for heating oil tanks was required from 1988 until 2015 (27 years) and is still currently



required for aboveground oil tanks and surface fuel oil spills. The Legislature could again enforce oil tank cleanup at any time with the stroke of a pen.

- 7) **Filling the tank with sand is a waste of money and does not accomplish anything.** It does not eliminate tank and cleanup responsibility for the next buyer nor does it end a seller's responsibility for contamination that may have already leaked out of the tank. Furthermore, filling the tank before the tank top is cut open and petroleum sludge is washed out of the tank will allow a leak to continue or for a leak to occur later. A tank filled with sand may cost more to properly remove later particularly if the petroleum sludge was not properly washed out.
- 8) **Contaminated property may be hard to sell** until you have eliminated the financial and liability risks to potential buyers. This can only be done 1) by properly removing the oil tank and 2) by either documenting that no contamination is present or by cleaning up the contamination. Buyers are increasingly aware of the legal and financial problems associated with heating oil contamination.
- 9) **Until your oil tank is properly cleaned and removed, it will continue to corrode and leak** causing a larger and larger contamination problem. The tank may not have leaked yet but it will leak eventually. A clean tank closure is easy to complete. A smaller contamination problem is easier and less expensive to cleanup than a larger one. Acting sooner is better.
- 10) **Until your oil contamination is properly cleaned up, it will continue to spread and migrate off your property** causing a growing soil or groundwater contamination problem. A smaller contamination problem is easier and less expensive to cleanup than a larger one.
- 11) **Sellers will need proper tank removal documentation from a licensed professional** to prove that the tank was properly removed and that no contamination exists. This will end your responsibility for the tank (and contamination).
- 12) **Protect your property value** by properly removing the oil tank and cleaning up contamination. Proper contamination cleanup before the sale eliminates the "potential" cleanup cost from the property sale negotiation. Remember: a leaking oil tank can be the single most expensive home "repair" item, more than a new roof, a new HVAC system, or structural repairs.
- 13) **Property buyers should help select the environmental contractor** that removes the tank and conducts the contamination cleanup. Long after the seller is gone, the buyer will end up with either a job well done or a problem, when it's their turn to sell the property.
- 14) **Cleaning up contamination as soon as possible can protect and allow the groundwater to be used for irrigation or for drinking water.** If contaminated above State standards, the groundwater can no longer be used even for irrigation. Some buyers will view this as devalued and/or damaged property not worth the full market value.
- 15) If your oil tank was removed and didn't leak, **you may will a Tank Closure Report** to prove this to potential buyers (and possibly the State).
- 16) **As of 10/1/2015, the North Carolina "Oil Tank" Trust Fund is closed** and is no longer available to reimburse any expense related to a residential oil tanks or contamination cleanup.