

## **Additional FR Mechanisms for Municipalities**

In addition to the financial responsibility options available to UST owners and operators, local governments have four additional compliance methods tailored to their special characteristics.

- **A bond rating test.** A local government owner or operator may demonstrate (or guarantee) FR by passing a bond rating test.
- **A financial test.** A local government owner or operator may demonstrate (or guarantee) FR by passing a financial test.
- **A guarantee.** A local government owner or operator may obtain a guarantee from another local government or the state.
- **A dedicated fund.** A local government owner or operator may demonstrate (or guarantee) FR by establishing a fund.

These four (4) additional compliance methods are available to municipalities through Subpart H of the federal UST regulations. While section 109 of the state UST regulations does not currently offer municipalities these additional methods for complying with FR requirements, the Department will allow them to be used. Future revisions to section 109 of the state UST regulations will include these 4 additional methods.