
**Agriculture & Natural Resources
Committee**

HB 1614

Brief Description: Reducing the amount of petroleum pollution in storm water.

Sponsors: Representatives Ormsby, Priest, Rodne, Eddy, Hunt, Pettigrew, Upthegrove, Blake, Nelson, Appleton, Pedersen, Simpson, Darneille, Williams, Hudgins, Dunshee, McCoy and Wood.

Brief Summary of Bill

- Creates the Water Pollution Account for mitigating and preventing pollution from petroleum products of surface water runoff.
- Authorizes a \$1.50 per barrel fee on the first possession of petroleum products that contribute to storm water pollution.
- Allocates funds through a competitive grant process and to the Department of Ecology for low-impact development retrofit projects and capital projects that address petroleum contamination of storm water through the implementation of the National Pollutant Discharge Elimination System programs.

Hearing Date: 2/12/09

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Background:

Federal law

The federal Clean Water Act (CWA) sets a national goal to restore and maintain the chemical, physical, and biological integrity of the nation's waters and to eliminate pollutant discharges into navigable waters. The CWA defines "pollutant" broadly to include a variety of materials that may be discharged into water through human activities, construction, industrial processes, or other methods. Among other requirements, the CWA sets effluent limitations for discharges of pollutants to navigable waters and requires states to adopt surface water quality standards to

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protect humans, fish, and other aquatic life.

The CWA also establishes the National Pollutant Discharge Elimination System (NPDES) permit system to regulate wastewater and stormwater discharges. NPDES permits are required for wastewater discharges from point sources (discernable, discrete, and confined conveyances) to surface waters. NPDES permits also are required for stormwater discharges from certain industries, construction sites of specified sizes, and municipalities operating municipal separate storm sewer systems that meet specified criteria.

State law

The CWA authorizes the United States Environmental Protection Agency (EPA) to delegate NPDES permit authority to designated state agencies. The EPA has delegated NPDES permit authority for Washington to the Department of Ecology (DOE).

Summary of Bill:

Fee on petroleum products that contribute to storm water pollution

Beginning July 1, 2009, a fee must be charged on the first possession of petroleum products that contribute to stormwater pollution to offset harm caused by petroleum pollution of stormwater in Washington. The fee is \$1.50 per barrel of petroleum product that contributes to stormwater pollution.

The fee must be collected by the DOE; however, the DOE may enter into agreements with other state agencies to facilitate the most efficient collection system.

The fee is imposed on the first possession of petroleum products. However, petroleum products exported from or sold for export are not subject to the fee.

"Petroleum products that contribute to stormwater pollution" means asphalt and road oil, lubricants, motor gasoline, residual fuel oil, and any other petroleum substance that the DOE determines contributes to stormwater pollution. The term does not include crude oil, aviation gasoline, jet fuel, home heating oil, or red dyed diesel used for agricultural purposes.

Water Pollution Account

Money collected from the fees on petroleum products that contribute to stormwater pollution must be deposited into the Water Pollution Account. Funds in the Water Pollution Account may be spent only after appropriation. Expenditures may be used only for mitigating and preventing pollution by petroleum products of surface water runoff.

Allocation of funds

Forty percent of the funds must be allocated through a competitive grant process to local governments to fund capital projects that address petroleum contamination of stormwater through the implementation of the NPDES programs. To be eligible, local governments must provide 50 percent of project costs from other nonstate fund sources.

Another 40 percent of the funds must be allocated through a competitive grant process open to local governments for retrofit projects that address petroleum contamination of stormwater. The funds must be prioritized for low-impact development retrofit projects, but money may be

awarded for other retrofit projects if the site does not lend itself to low-impact development techniques. In order to qualify for funding, project proponents must demonstrate the following:

- clear and substantial ecological or water quality benefits; and
- that the project is an identified priority based on an analysis of needs throughout the jurisdiction, basin, or watershed.

The last 20 percent of the money must be allocated by the DOE to low-impact development retrofit projects and capital projects that address petroleum contamination of stormwater through the implementation of the NPDES programs, and must be allocated to the highest priority projects based upon ecological and water quality benefits determined by the DOE.

Administration of the grant program must be paid for out of the Water Pollution Account and no more than 1 percent of the money from the account may be used to administer the grant program.

Criteria for projects

The DOE must develop criteria for administering the program and ranking projects for funding. In developing these criteria, the DOE must consult with the Puget Sound Partnership. The DOE must try to distribute the money within each geographic region of the state in proportion to the severity of impact on the state's waters from petroleum contamination.

The DOE must initiate the grant application process by December 30, 2009.

Report to Legislature

By December 1, 2014, the DOE must report to the Legislature on the progress of the program and the adequacy of the percentage allocations.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.