

SENATE BILL REPORT

SB 5926

As of February 22, 1999

Title: An act relating to the oil spill response tax.

Brief Description: Reducing the account balance requirements necessary for the imposition of the oil spill response tax.

Sponsors: Senators Fraser, Eide, Jacobsen and McAuliffe; by request of Office of Financial Management.

Brief History:

Committee Activity: Environmental Quality & Water Resources: 2/23/99.

SENATE COMMITTEE ON ENVIRONMENTAL QUALITY & WATER RESOURCES

Staff: Richard Rodger (786-7461)

Background: The state imposes two taxes on the importation of crude oil into the state when it is transported by vessel or barge over navigable waters.

The first tax is designated to the state's oil spill response account and is imposed at the rate of one cent per barrel. The tax is collected until the account exceeds \$10 million. The tax is reimposed if the account then falls below \$9 million.

The second tax is designated to the oil spill administration account and is imposed at the rate of four cents per gallon.

The state expects a shortfall in the administration account in both the current and next biennia.

Summary of Bill: The cap on the oil spill response account is lowered to \$8.5 million and once that amount is exceeded, it is not reimposed until the account falls below \$7.5 million.

The State Treasurer is authorized to transfer funds from the response account to the administration account in both this biennium and next biennium.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect immediately.