

# SENATE BILL REPORT

## 2SSB 5497

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As Passed Senate, March 11, 1995

**Title:** An act relating to used oil recycling.

**Brief Description:** Assessing a fee and providing recycling incentive payments on automotive motor oil sold.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators McAuliffe, Fraser, Spanel, C. Anderson and Kohl).

**Brief History:**

**Committee Activity:** Ecology & Parks: 2/9/95, 2/28/95 [DPS].

Ways & Means: 3/2/95, 3/6/95 [DP2S].

Passed Senate, 3/11/95, 35-11.

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### SENATE COMMITTEE ON ECOLOGY & PARKS

**Majority Report:** That Substitute Senate Bill No. 5497 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Fraser, Chair; C. Anderson, Vice Chair; McAuliffe, Spanel and Swecker.

**Staff:** Gary Wilburn (786-7453)

**Background:** A 1990 study by the Washington Department of Ecology estimated that motor vehicle used oil comprises over half the moderate risk waste stream in Washington. It estimated that 60 percent of this oil reaches a used oil management system consisting of collection points, private haulers, and fuel or recycling markets. In 1989, an estimated 7.1 million gallons did not reach this system, with 1.8 million gallons placed in landfills and another 1.8 million dumped on the soil. A smaller, unquantified portion was dumped into storm sewers, contributing significantly to pollution of surface waters such as Puget Sound and other water bodies. Finally, an estimated 2.5 million gallons not reaching the management system was burned on-site in space heaters.

Commercial used oil collection services are available throughout the state, although often more expensive and less convenient in many outlying areas. Household generators of used motor oil must rely on a network of about 250 collection points, primarily service stations volunteering to accept "do-it-yourself" used oil. The collection of household used oil is estimated to be only 16-18 percent statewide. The Ecology study found that rerefining is the preferred market for used oil, because it minimizes environmental damage from the toxicants in the oil, and creates the highest value products possible from used oil. However, as of 1990, only 5 percent of the state's recovered used oil was currently rerefined.

Legislation in 1991 required local governments to include a used oil recycling element in its hazardous waste plan, including a local goal for household recycling and needed used oil

collection sites. Persons selling large volumes of lubricating oil were required to post signs regarding safe handling of used oil and how and where it may be recycled. Transporters of used oil were required to comply with minimum notification, invoicing, recordkeeping and reporting requirements developed by the Department of Ecology.

The markets for rerefined oil continue to be weak, and it is suggested that additional incentives are needed to strengthen the infrastructure for used oil collection and rerefining.

**Summary of Bill:** Legislative findings are made that it is in the best interest of the state to provide incentives for collection and rerefining of household used oil, and that oil manufacturers should be encouraged to form partnerships with others to enhance recycling. Further intent language is added that the primary purpose is to encourage oil collection and rerefining, and the generation of revenues to the state is incidental to this purpose.

Beginning July 1, 1996, a fee of four cents on each quart of automotive motor oil sold in the state at retail is imposed upon the manufacturer of the oil. Deductions are allowed by the manufacturer as follows: four cents per gallon for collection and legal disposal; six cents per gallon of used oil submitted to a rerefinery for subsequent processing; and six cents per gallon for sale of rerefined oil.

Beginning in 1997, manufacturers report amounts of oil sold upon which the fee is determined and forward fees, less deductions, to the Department of Ecology. Manufacturers must keep accurate records and comply with minimum collection, transporting, storage and rerefining standards. The fee is not required when the department determines that the statewide collection rates for used motor oil reaches 80 percent. The fee otherwise terminates July 1, 2000, unless extended by the Legislature.

The fees are deposited in the used oil recycling account which is created in the State Treasury. The account funds may be used for disposal of contaminated oil collected under a local program, for grants to local government and contracts with other entities for used oil collection and recycling, and for the department's implementation of the used oil program (no more than 10 percent of the account's expenditures).

**Appropriation:** None.

**Fiscal Note:** Requested on February 6, 1995.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** It will provide an economic incentive for oil manufacturers to assist in strengthening the programs and infrastructure for used oil collection, transportation and rerefining.

**Testimony Against:** Existing programs for collection of household do-it-yourself used oil are adequate without a new fee.

**Testified:** Jan Glick, Lynda Williams, Elizabeth Schrag, Washington Citizens for Recycling (pro); Larry Stevens, Washington Automotive Wholesalers (con); Kathy Minsch, PSWQA (pro); Vern Lindskog, WSPA (pro).

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## SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Second Substitute Senate Bill No. 5497 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Rinehart, Chair; Loveland, Vice Chair; Bauer, Drew, Finkbeiner, Fraser, Gaspard, Johnson, Long, Moyer, Pelz, Sheldon, Spanel, West, Winsley and Wojahn.

**Staff:** Susan Lucas (786-7711)

**Testimony For:** The number of collection sites in the state needs to be increased to allow more used oil to be recycled. The program will bring jobs to the state in the refining industry. The program will assist in keeping the state's water clean without requiring a large expenditure of funds. Some suggestions to strengthen the program are to recognize voluntary recycling efforts and to put a sunset on the program at the year 1999.

**Testimony Against:** None.

**Testified:** Senator McAuliffe, prime sponsor; Elizabeth Schrag, WA Citizens for Recycling; Vern Lindskog, Western States Petroleum Association.