## SENATE BILL REPORT SB 5368

As Reported by Senate Committee On: Energy, Environment & Telecommunications, February 12, 2013

- **Title**: An act relating to determining the proportion of supplemental income to be paid by component cities, towns, and counties.
- **Brief Description**: Determining the proportion of supplemental income to be paid by component cities, towns, and counties.
- Sponsors: Senators Honeyford and King.

## **Brief History:**

**Committee Activity**: Energy, Environment & Telecommunications: 2/05/13, 2/12/13 [DPS].

## SENATE COMMITTEE ON ENERGY, ENVIRONMENT & TELECOMMUNICATIONS

**Majority Report**: That Substitute Senate Bill No. 5368 be substituted therefor, and the substitute bill do pass.

Signed by Senators Ericksen, Chair; Sheldon, Vice Chair; Brown, Chase, Cleveland, Honeyford and Litzow.

**Staff**: Jan Odano (786-7486)

**Background**: The purpose of the Clean Air Act (CAA) is to prevent and control air pollution. To achieve this, the CAA provides for the formation of local air pollution control authorities or clean air agencies to implement and enforce federal, state, and local air pollution regulations. Federal, state, and local clean air authorities set outdoor air quality standards. The Department of Ecology (Ecology) develops most statewide air quality rules, while local clean air authorities may develop rules for their jurisdictions. Local rules must be at least as strict as state rules and both the state and local rules cannot be less strict than federal rules.

Local clean air agencies may be comprised of one county or several counties. There are seven local air pollution control agencies in the state. Where there is no local air authority, Ecology implements and enforces the CAA. Air pollution regulations within Indian Reservation lands are overseen by the Environmental Protection Agency, and fall under the Federal Air Rules for Reservations (FARR) regulations. FARR applies to all persons,

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including tribal members, non-tribal members and businesses located within the federally recognized boundaries of the reservation. The ownership of the land within the reservation does not affect the application of FARR.

Local clean air agencies are required to adopt a budget that is sufficient to provide for staff to carry out and implement the provisions of the CAA. Local clean air agencies are supported by state and federal grants, and revenues from permit fees. In addition, local clean air agencies have the authority to levy taxes for authorized purposes. When revenue is insufficient to meet budget expenditures, supplemental income must be obtained from cities, towns, and counties within the agency's jurisdiction.

The amount of supplemental income a city, town, or county must pay is calculated by its proportionate share based on the assessed valuation of property of a city, town, or county compared to the total assessed valuation of all property within the within a clean air agency's jurisdiction. The amount of supplemental income also may be calculated as the city, town, or county's proportionate share based on the total population of a city, town, or county compared to the total population of the agency's jurisdiction. The supplemental income may be calculated using 50 percent of each method to determine the proportionate share.

**Summary of Bill (Recommended Substitute)**: In calculating the amount of supplemental income a city, town, or county owes, a local clean air agency may not include the portion of either assessed valuation or population of the city, county, or town that is located east of the Cascade mountain range and within a federally recognized Indian reservation.

**EFFECT OF CHANGES MADE BY ENERGY, ENVIRONMENT & TELECOMMUNICATIONS COMMITTEE (Recommended Substitute)**: Applies to areas east of the Cascade mountain range.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

**Staff Summary of Public Testimony on Original Bill**: OTHER: The bill may have unintended consequences where tribes have given the authority for implementing the CAA to local clean air agency.

Persons Testifying: OTHER: Craig Kenworthy, Puget Sound Clean Air Agency.