

SENATE BILL REPORT

SB 6567

As of February 27, 2014

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

Brief Description: Adjusting the oil spill response tax and oil spill administration tax.

Sponsors: Senators Tom, Hill, Billig, Rolfes, Chase, Ranker, Hargrove, Baumgartner, Schoesler, Litzow, Fain, Ericksen and Dammeier.

Brief History:

Committee Activity: Ways & Means: 2/27/14.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Dean Carlson (786-7305)

Background: Current law provides for an oil spill administration tax and an oil spill response tax. These taxes are imposed when marine terminals in Washington receive crude oil or petroleum products from waterborne vessels or barges operating in the state's waters.

The oil spill administration tax is \$0.04 tax on each 42 gallon barrel with the receipts funding oil spill prevention, response, and restoration programs as well as administrative costs and collection costs.

The oil spill response tax is \$0.01 per barrel tax which funds the state response to those oil spills involving clean-up costs in excess of \$50,000. The oil spill response tax is deposited into the oil spill prevention account and the tax is suspended when that account's balance reaches \$9 million.

The two oil spill taxes currently do not apply when crude oil is received at an oil terminal from a railroad tank car.

Summary of Bill: The oil spill response tax and the oil spill administration tax are imposed on the privilege of receiving crude oil at a bulk oil terminal within this state from a rail tank car.

A bulk oil terminal is defined in the bill as any kind of facility, other than a waterborne vessel, that is used to transfer crude oil to or from a rail tank car.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

A tank car is defined to mean a rail car with a body consisting of a tank for transporting liquids.

Appropriation: None.

Fiscal Note: Available.

[OFM requested ten-year cost projection pursuant to I-960.]

Committee/Commission/Task Force Created: No.

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