**5057-S2 AMS MCCO S2461.1 - NOT FOR FLOOR USE**

**2SSB 5057** - S AMD TO S AMD (S-2278.4/15) **202**

By Senator McCoy

**NOT ADOPTED 3/9/2015**

Beginning on page 6, line 33 of the amendment, strike all of section 8 and insert the following:

"**Sec.**  RCW 88.40.011 and 2007 c 347 s 4 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Barge" means a vessel that is not self-propelled.

(2) "Cargo vessel" means a self-propelled ship in commerce, other than a tank vessel, fishing vessel, or a passenger vessel, of three hundred or more gross tons.

(3) "Bulk" means material that is stored or transported in a loose, unpackaged liquid, powder, or granular form capable of being conveyed by a pipe, bucket, chute, or belt system.

(4) "Covered vessel" means a tank vessel, cargo vessel, or passenger vessel.

(5) "Department" means the department of ecology.

(6) "Director" means the director of the department of ecology.

(7)(a) "Facility" means any structure, group of structures, equipment, pipeline, or device, other than a vessel, located on or near the navigable waters of the state that transfers oil in bulk to or from any vessel with an oil carrying capacity over two hundred fifty barrels or pipeline, that is used for producing, storing, handling, transferring, processing, or transporting oil in bulk.

(b) For the purposes of financial responsibility in RCW 88.40.025, facility also means a railroad that transports oil as bulk cargo.

(c) A facility does not include any: (i) ((~~Railroad car,~~)) Motor vehicle((~~, or other rolling stock~~)) while transporting oil over the highways ((~~or rail lines~~)) of this state; (ii) retail motor vehicle motor fuel outlet; (iii) facility that is operated as part of an exempt agricultural activity as provided in RCW 82.04.330; (iv) underground storage tank regulated by the department or a local government under chapter 90.76 RCW; or (v) marine fuel outlet that does not dispense more than three thousand gallons of fuel to a ship that is not a covered vessel, in a single transaction.

(8) "Fishing vessel" means a self-propelled commercial vessel of three hundred or more gross tons that is used for catching or processing fish.

(9) "Gross tons" means tonnage as determined by the United States coast guard under 33 C.F.R. section 138.30.

(10) "Hazardous substances" means any substance listed as of March 1, 2003, in Table 302.4 of 40 C.F.R. Part 302 adopted under section ((~~101(14)~~)) 102(a) of the federal comprehensive environmental response, compensation, and liability act of 1980, as amended by P.L. 99-499. The following are not hazardous substances for purposes of this chapter:

(a) Wastes listed as F001 through F028 in Table 302.4; and

(b) Wastes listed as K001 through K136 in Table 302.4.

(11) "Navigable waters of the state" means those waters of the state, and their adjoining shorelines, that are subject to the ebb and flow of the tide and/or are presently used, have been used in the past, or may be susceptible for use to transport intrastate, interstate, or foreign commerce.

(12) "Oil" or "oils" means oil of any kind that is liquid at ((~~atmospheric temperature~~)) twenty-five degrees Celsius and one atmosphere of pressure and any fractionation thereof, including, but not limited to, crude oil, bitumen, synthetic crude oil, natural gas well condensate, petroleum, gasoline, fuel oil, diesel oil, biological oils and blends, oil sludge, oil refuse, and oil mixed with wastes other than dredged spoil. Oil does not include any substance listed as of March 1, 2003, in Table 302.4 of 40 C.F.R. Part 302 adopted under section ((~~101(14)~~)) 102(a) of the federal comprehensive environmental response, compensation, and liability act of 1980, as amended by P.L. 99-499.

(13) "Offshore facility" means any facility located in, on, or under any of the navigable waters of the state, but does not include a facility any part of which is located in, on, or under any land of the state, other than submerged land.

(14) "Onshore facility" means any facility any part of which is located in, on, or under any land of the state, other than submerged land, that because of its location, could reasonably be expected to cause substantial harm to the environment by discharging oil into or on the navigable waters of the state or the adjoining shorelines.

(15)(a) "Owner or operator" means (i) in the case of a vessel, any person owning, operating, or chartering by demise, the vessel; (ii) in the case of an onshore or offshore facility, any person owning or operating the facility; and (iii) in the case of an abandoned vessel or onshore or offshore facility, the person who owned or operated the vessel or facility immediately before its abandonment.

(b) "Operator" does not include any person who owns the land underlying a facility if the person is not involved in the operations of the facility.

(16) "Passenger vessel" means a ship of three hundred or more gross tons with a fuel capacity of at least six thousand gallons carrying passengers for compensation.

(17) "Ship" means any boat, ship, vessel, barge, or other floating craft of any kind.

(18) "Spill" means an unauthorized discharge of oil into the waters of the state.

(19) "Tank vessel" means a ship that is constructed or adapted to carry, or that carries, oil in bulk as cargo or cargo residue, and that:

(a) Operates on the waters of the state; or

(b) Transfers oil in a port or place subject to the jurisdiction of this state.

(20) "Waters of the state" includes lakes, rivers, ponds, streams, inland waters, underground water, salt waters, estuaries, tidal flats, beaches and lands adjoining the seacoast of the state, sewers, and all other surface waters and watercourses within the jurisdiction of the state of Washington.

(21) "Certificate of financial responsibility" means an official written acknowledgment issued by the director or the director's designee that an owner or operator of a covered vessel or facility, or the owner of the oil, has demonstrated to the satisfaction of the director or the director's designee that the relevant entity has the financial ability to pay for costs and damages caused by an oil spill."

On page 24, after line 22 of the amendment, insert the following:

"**Sec.**  RCW 88.40.020 and 2003 c 91 s 3 and 2003 c 56 s 3 are each reenacted and amended to read as follows:

(1) Any barge that transports hazardous substances in bulk as cargo, using any port or place in the state of Washington or the navigable waters of the state shall establish evidence of financial responsibility in the amount of the greater of five million dollars, or three hundred dollars per gross ton of such vessel.

(2)(a) Except as provided in (b) or (c) of this subsection, a tank vessel that carries oil as cargo in bulk shall demonstrate financial responsibility to pay at least five hundred million dollars. The amount of financial responsibility required under this subsection is one billion dollars after January 1, 2004.

(b) The director by rule may establish a lesser standard of financial responsibility for tank vessels of three hundred gross tons or less. The standard shall set the level of financial responsibility based on the quantity of cargo the tank vessel is capable of carrying. The director shall not set the standard for tank vessels of three hundred gross tons or less below that required under federal law.

(c) The owner or operator of a tank vessel who is a member of an international protection and indemnity mutual organization and is covered for oil pollution risks up to the amounts required under this section is not required to demonstrate financial responsibility under this chapter. The director may require the owner or operator of a tank vessel to prove membership in such an organization.

(3)(a) A cargo vessel or passenger vessel that carries oil as fuel shall demonstrate financial responsibility to pay at least three hundred million dollars. However, a passenger vessel that transports passengers and vehicles between Washington state and a foreign country shall demonstrate financial responsibility to pay the greater of at least six hundred dollars per gross ton or five hundred thousand dollars.

(b) The owner or operator of a cargo vessel or passenger vessel who is a member of an international protection and indemnity mutual organization and is covered for oil pollution risks up to the amounts required under this section is not required to demonstrate financial responsibility under this chapter. The director may require the owner or operator of a cargo vessel or passenger vessel to prove membership in such an organization.

(4) A fishing vessel while on the navigable waters of the state must demonstrate financial responsibility in the following amounts: (a) For a fishing vessel carrying predominantly nonpersistent product, one hundred thirty-three dollars and forty cents per incident, for each barrel of total oil storage capacity, persistent and nonpersistent product, on the vessel or one million three hundred thirty-four thousand dollars, whichever is greater; or (b) for a fishing vessel carrying predominantly persistent product, four hundred dollars and twenty cents per incident, for each barrel of total oil storage capacity, persistent product and nonpersistent product, on the vessel or six million six hundred seventy thousand dollars, whichever is greater.

(5) The ((~~documentation of financial responsibility shall demonstrate the ability of the document holder to meet state and federal financial liability requirements for the actual costs for removal of oil spills, for natural resource damages, and for necessary expenses~~)) certificate of financial responsibility is conclusive evidence that the person or entity holding the certificate is the party responsible for the specified vessel, facility, or oil for purposes of determining liability pursuant to this chapter.

(6) This section shall not apply to a covered vessel owned or operated by the federal government or by a state or local government.

**Sec.**  RCW 88.40.030 and 2000 c 69 s 32 are each amended to read as follows:

(1) Financial responsibility required by this chapter may be established by any one of, or a combination of, the following methods acceptable to the department of ecology: ((~~(1)~~)) (a) Evidence of insurance; ((~~(2)~~)) (b) surety bonds; ((~~(3)~~)) (c) qualification as a self-insurer; ((~~or (4)~~)) (d) guaranty; (e) letter of credit; (f) certificate of deposits; (g) protection and indemnity club membership; or (h) other evidence of financial responsibility. Any bond filed shall be issued by a bonding company authorized to do business in the United States. Documentation of such financial responsibility shall be kept on any covered vessel and filed with the department at least twenty-four hours before entry of the vessel into the navigable waters of the state. A covered vessel is not required to file documentation of financial responsibility twenty-four hours before entry of the vessel into the navigable waters of the state, if the vessel has filed documentation of financial responsibility with the federal government, and the level of financial responsibility required by the federal government is the same as or exceeds state requirements. The owner or operator of the vessel may file with the department a certificate evidencing compliance with the requirements of another state's or federal financial responsibility requirements if the state or federal government requires a level of financial responsibility the same as or greater than that required under this chapter.

(2) A certificate of financial responsibility may not have a term greater than one year.

**Sec.**  RCW 88.40.040 and 2003 c 56 s 4 are each amended to read as follows:

(1) ((~~It is unlawful for any vessel required to have financial responsibility under this chapter to enter or operate on Washington waters without meeting the requirements of this chapter or rules adopted under this chapter, except~~)) A vessel or facility need not demonstrate financial responsibility under this chapter prior to using any port or place in the state of Washington or the navigable waters of the state when necessary to avoid injury to the vessel's or facility's crew or passengers. Any vessel owner or operator that does not meet the financial responsibility requirements of this chapter and any rules prescribed thereunder or the federal oil pollution act of 1990 shall be reported by the department to the United States coast guard.

(2) ((~~The department shall enforce section 1016 of the federal oil pollution act of 1990 as authorized by section 1019 of the federal act.~~)) Upon notification of an oil spill or discharge or other action or potential liability, the director shall reevaluate the validity of the certificate of financial responsibility. If the director determines that, because of a spill outside of the state or some other action or potential liability, the holder of a certificate may not have the financial resources to pay damages for the oil spill or discharge or other action or potential liability and have resources remaining available to meet the requirements of this chapter, the director may suspend or revoke the certificate.

(3) An owner or operator of more than one covered vessel, more than one facility, or one or more vessels and facilities, is only required to obtain a single certificate of financial responsibility that applies to all of the owner or operator's vessels and facilities.

(4) If a person holds a certificate for more than one covered vessel or facility and a spill or spills occurs from one or more of those vessels or facilities for which the owner or operator may be liable for damages in an amount exceeding five percent of the financial resources reflected by the certificate, as determined by the director, the certificate is immediately considered inapplicable to any vessel or facility not associated with the spill. In that event, the owner or operator shall demonstrate to the satisfaction of the director the amount of financial ability required pursuant to this chapter, as well as the financial ability to pay all damages that arise or have arisen from the spill or spills that have occurred."

Renumber the remaining sections consecutively and correct any internal references accordingly.

**2SSB 5057** - S AMD TO S AMD (S-2278.4/15) **202**

By Senator McCoy

**NOT ADOPTED 3/9/2015**

Beginning on page 24, line 33 of the title amendment, after "81.53.010," strike "and 81.24.010" and insert "81.24.010, 88.40.030, and 88.40.040" and on page 25, line 1 of the title amendment, after "88.46.010" strike "and 38.52.040" and insert ", 38.52.040, and 88.40.020"

EFFECT: Revises the definitions of facility to include railroad and pipelines for purposes of financial responsibility. Specifies criteria for certificate of financial responsibility and demonstration of ability to pay for oil spill costs.