S-1001.1			

SENATE BILL 5709

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State of Washington 56th Legislature 1999 Regular Session

By Senators B. Sheldon, Oke, Deccio, Morton, Rasmussen, McAuliffe, Loveland, Stevens, Jacobsen and Winsley

Read first time 02/03/1999. Referred to Committee on Environmental Quality & Water Resources.

- 1 AN ACT Relating to on-farm chemical uses leading to waste site
- 2 contamination; and amending RCW 70.105D.040.
- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 4 **Sec. 1.** RCW 70.105D.040 and 1997 c 406 s 4 are each amended to 5 read as follows:
- 6 (1) Except as provided in subsection (3) of this section, the 7 following persons are liable with respect to a facility:
 - (a) The owner or operator of the facility;
- 9 (b) Any person who owned or operated the facility at the time of 10 disposal or release of the hazardous substances;
- 11 (c) Any person who owned or possessed a hazardous substance and who
- 12 by contract, agreement, or otherwise arranged for disposal or treatment
- 13 of the hazardous substance at the facility, or arranged with a
- 14 transporter for transport for disposal or treatment of the hazardous
- 15 substances at the facility, or otherwise generated hazardous wastes
- 16 disposed of or treated at the facility;

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- 17 (d) Any person (i) who accepts or accepted any hazardous substance
- 18 for transport to a disposal, treatment, or other facility selected by
- 19 such person from which there is a release or a threatened release for

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- 1 which remedial action is required, unless such facility, at the time of
- 2 disposal or treatment, could legally receive such substance; or (ii)
- 3 who accepts a hazardous substance for transport to such a facility and
- 4 has reasonable grounds to believe that such facility is not operated in
- 5 accordance with chapter 70.105 RCW; and
- 6 (e) Any person who both sells a hazardous substance and is 7 responsible for written instructions for its use if (i) the substance 8 is used according to the instructions and (ii) the use constitutes a 9 release for which remedial action is required at the facility.
- 10 (2) Each person who is liable under this section is strictly
 11 liable, jointly and severally, for all remedial action costs and for
 12 all natural resource damages resulting from the releases or threatened
 13 releases of hazardous substances. The attorney general, at the request
 14 of the department, is empowered to recover all costs and damages from
 15 persons liable therefor.
 - (3) The following persons are not liable under this section:
- 17 (a) Any person who can establish that the release or threatened 18 release of a hazardous substance for which the person would be 19 otherwise responsible was caused solely by:
- 20 (i) An act of God;

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- 21 (ii) An act of war; or
- (iii) An act or omission of a third party (including but not 22 limited to a trespasser) other than (A) an employee or agent of the 23 24 person asserting the defense, or (B) any person whose act or omission 25 occurs in connection with a contractual relationship existing, directly 26 or indirectly, with the person asserting this defense to liability. 27 This defense only applies where the person asserting the defense has 28 exercised the utmost care with respect to the hazardous substance, the 29 foreseeable acts or omissions of the third party, and the foreseeable consequences of those acts or omissions; 30
- 31 (b) Any person who is an owner, past owner, or purchaser of a 32 facility and who can establish by a preponderance of the evidence that 33 at the time the facility was acquired by the person, the person had no 34 knowledge or reason to know that any hazardous substance, the release 35 or threatened release of which has resulted in or contributed to the 36 need for the remedial action, was released or disposed of on, in, or at 37 the facility. This subsection (b) is limited as follows:
- (i) To establish that a person had no reason to know, the person must have undertaken, at the time of acquisition, all appropriate

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inquiry into the previous ownership and uses of the property, 1 consistent with good commercial or customary practice in an effort to 2 minimize liability. Any court interpreting this subsection (b) shall 3 4 take into account any specialized knowledge or experience on the part 5 of the person, the relationship of the purchase price to the value of property if uncontaminated, commonly known or reasonably 6 the 7 ascertainable information about the property, the obviousness of the 8 presence or likely presence of contamination at the property, and the 9 ability to detect such contamination by appropriate inspection;

(ii) The defense contained in this subsection (b) is not available to any person who had actual knowledge of the release or threatened release of a hazardous substance when the person owned the real property and who subsequently transferred ownership of the property without first disclosing such knowledge to the transferee;

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- (iii) The defense contained in this subsection (b) is not available to any person who, by any act or omission, caused or contributed to the release or threatened release of a hazardous substance at the facility;
- (c) Any natural person who uses a hazardous substance lawfully and without negligence for any personal or domestic purpose in or near a dwelling or accessory structure when that person is: (i) A resident of the dwelling; (ii) a person who, without compensation, assists the resident in the use of the substance; or (iii) a person who is employed by the resident, but who is not an independent contractor;
 - (d) Any person who, for the purpose of growing food crops, prepares, stores, mixes, transports, cleans residue of, applies, or otherwise uses pesticides or fertilizers on the farm property without negligence and in accordance with all applicable laws and regulations.
- 28 (4) There may be no settlement by the state with any person 29 potentially liable under this chapter except in accordance with this 30 section.
 - (a) The attorney general may agree to a settlement with any potentially liable person only if the department finds, after public notice and any required hearing, that the proposed settlement would lead to a more expeditious cleanup of hazardous substances in compliance with cleanup standards under RCW 70.105D.030(2)(e) and with any remedial orders issued by the department. Whenever practicable and in the public interest, the attorney general may expedite such a settlement with persons whose contribution is insignificant in amount

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- and toxicity. A hearing shall be required only if at least ten persons 1 request one or if the department determines a hearing is necessary.
- 3 (b) A settlement agreement under this section shall be entered as 4 a consent decree issued by a court of competent jurisdiction.

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- 5 (c) A settlement agreement may contain a covenant not to sue only of a scope commensurate with the settlement agreement in favor of any 6 7 person with whom the attorney general has settled under this section. 8 Any covenant not to sue shall contain a reopener clause which requires 9 the court to amend the covenant not to sue if factors not known at the 10 time of entry of the settlement agreement are discovered and present a previously unknown threat to human health or the environment. 11
 - (d) A party who has resolved its liability to the state under this section shall not be liable for claims for contribution regarding matters addressed in the settlement. The settlement does not discharge any of the other liable parties but it reduces the total potential liability of the others to the state by the amount of the settlement.
- 17 (e) If the state has entered into a consent decree with an owner or operator under this section, the state shall not enforce this chapter 18 19 against any owner or operator who is a successor in interest to the 20 settling party unless under the terms of the consent decree the state could enforce against the settling party, if: 21
- 22 (i) The successor owner or operator is liable with respect to the facility solely due to that person's ownership interest or operator 23 24 status acquired as a successor in interest to the owner or operator 25 with whom the state has entered into a consent decree; and
 - (ii) The stay of enforcement under this subsection does not apply if the consent decree was based on circumstances unique to the settling party that do not exist with regard to the successor in interest, such as financial hardship. For consent decrees entered into before July 27, 1997, at the request of a settling party or a potential successor owner or operator, the attorney general shall issue a written opinion on whether a consent decree contains such unique circumstances. all other consent decrees, such unique circumstances shall be specified in the consent decree.
- 35 (f) Any person who is not subject to enforcement by the state under (e) of this subsection is not liable for claims for contribution 36 37 regarding matters addressed in the settlement.
- (5)(a) In addition to the settlement authority provided under 38 39 subsection (4) of this section, the attorney general may agree to a

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facility who proposes to purchase, redevelop, or reuse the facility,

3 provided that:

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- 4 (i) The settlement will yield substantial new resources to 5 facilitate cleanup;
- 6 (ii) The settlement will expedite remedial action consistent with 7 the rules adopted under this chapter; and
- 8 (iii) Based on available information, the department determines 9 that the redevelopment or reuse of the facility is not likely to 10 contribute to the existing release or threatened release, interfere 11 with remedial actions that may be needed at the site, or increase 12 health risks to persons at or in the vicinity of the site.
- (b) The legislature recognizes that the state does not have 13 14 adequate resources to participate in all property transactions 15 involving contaminated property. The primary purpose of this subsection (5) is to promote the cleanup and reuse of vacant or 16 17 abandoned commercial or industrial contaminated property. The attorney general and the department may give priority to settlements that will 18 19 provide a substantial public benefit, including, but not limited to the 20 reuse of a vacant or abandoned manufacturing or industrial facility, or the development of a facility by a governmental entity to address an 21 22 important public purpose.
 - (6) Nothing in this chapter affects or modifies in any way any person's right to seek or obtain relief under other statutes or under common law, including but not limited to damages for injury or loss resulting from a release or threatened release of a hazardous substance. No settlement by the department or remedial action ordered by a court or the department affects any person's right to obtain a remedy under common law or other statutes.

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