

HOUSE BILL REPORT

HB 2916

As Reported by House Committee On:
Environmental Health, Select

Title: An act relating to the creation and use of the cleanup settlement account.

Brief Description: Creating the cleanup settlement account.

Sponsors: Representatives Campbell, Eickmeyer, Lantz and Pearson; by request of Department of Ecology.

Brief History:

Committee Activity:

Select Committee on Environmental Health: 1/30/08 [DP].

Brief Summary of Bill

- Creates the Cleanup Settlement Account for funds to be spent to conduct remedial actions at a specific facility and to assess and address injury to natural resources caused by a hazardous substance release.

HOUSE SELECT COMMITTEE ON ENVIRONMENTAL HEALTH

Majority Report: Do pass. Signed by 8 members: Representatives Campbell, Chair; Hudgins, Vice Chair; Sump, Ranking Minority Member; Chase, Hunt, Morrell, Newhouse and Wood.

Staff: Ashley Pedersen (786-7303).

Background:

The primary funding source for managing wastes and dealing with toxic chemicals in the environment was established in the Model Toxics Control Act (MTCA) passed by initiative in 1988. The MTCA created a tax on hazardous substances, primarily petroleum-based products. The tax is distributed into two accounts: the State Toxics Control Account and the Local Toxics Control Account.

The State Toxics Control Account (TC Account) receives funds from: (1) the hazardous substance tax; (2) the costs of remedial actions recovered by the Department of Ecology; (3)

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penalties collected or recovered under the MTCA; and (4) any other money appropriated or transferred to the TC Account by the Legislature. Monies in the TC Account may be used only to carry out the purposes of the MTCA, including such things as hazardous and solid waste planning, management, regulation, and enforcement; hazardous waste cleanup; and financial assistance for local programs.

The Local Toxics Control Account receives funds solely from the hazardous substance tax. The funds may be used for grants or loans to local governments for the purposes of such things as local solid waste planning and oversight of solid waste facilities; conduct remedial actions; and coordinating prevention programs.

Summary of Bill:

A Cleanup Settlement Account (CSA) is created for the deposit of funds to be spent to conduct remedial actions at a specific facility and to assess and address injury to natural resources caused by a hazardous substance release. The CSA will be established in the State Treasury.

The CSA will be funded by settlements or court orders that direct payment to the CSA. Settlements or court orders may direct payment to the CSA if they resolve a person's liability or potential liability for: (1) conducting future remedial action at a specific facility; or (2) assessing or addressing the injury to natural resources caused by the release of a hazardous substance from a specific facility. Expenditures from the CSA may be used only to carry out those two purposes. The fund can be spent on direct expenditures as well as on indirect expenditures such as department oversight costs.

Appropriation: None.

Fiscal Note: Requested on January 17, 2008.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed except section 3, relating to the State Treasurer, which takes effect July 1, 2008 and section 4 which reinstates prior law related to interest earnings to the State Treasury after a scheduled expiration and takes effect July 1, 2009.

Staff Summary of Public Testimony:

(In support) Creation of the Cleanup Settlement Account will help assure settling parties, the public, and the court that money from certain settlements or court orders are used for their intended purpose. Currently, there is no assurance that funds deposited in the State Toxics Control Account will be retained for use at the specific site subject to the settlement. This account will facilitate cleanup and restoration of sites with longer term cleanups. Since at many of these sites the actual amount of funds recovered is not likely to be enough to pay for the entire cleanup, it is important to set aside the funds from the settlement for that particular

cleanup, even if it could take several years to accomplish, and for interest earned on those funds be retained in the account. Without the interest earnings, the state will not have the full amount of money required to complete the work. This will require us to fund more of the cleanup through the State Toxics Control Account, resulting in less money being available for other cleanup sites. This legislation would also enable pooling of funds from several smaller settlements at a site to facilitate cleanup when there are multiple small contributors to the problems at the site.

(Opposed) None.

Persons Testifying: (In support) Representative Campbell, prime sponsor; and Pete Kmet, Department of Ecology.

Persons Signed In To Testify But Not Testifying: None.