

HOUSE BILL REPORT

HB 2079

As of Second Reading

Title: An act relating to expenditures from the environmental legacy stewardship account.

Brief Description: Concerning the environmental legacy stewardship account.

Sponsors: Representative Dunshee.

Brief History:

Committee Activity:

None.

Brief Summary of Bill

- Amends the authorized uses of funds in the Environmental Legacy Stewardship Account under the Model Toxics Control Act.

Staff: Jacob Lipson (786-7196).

Background:

The Model Toxics Control Act (MTCA), which is administered and enforced by the Department of Ecology (DOE), requires liable parties to clean up sites contaminated with hazardous substances and authorizes the DOE to conduct certain pollution prevention activities. Under the MTCA, the State and Local Toxics Control Accounts (STCA and LTCA) were established to provide for activities including hazardous and solid waste planning, contaminated site cleanup grants to local governments, and other activities related to hazardous waste prevention, management, and remediation.

On June 13, 2013, the Senate and House of Representatives passed and the Governor signed into law Senate Bill 5296, which amends the MTCA and is set to take effect July 1, 2013. Senate Bill 5296, among other substantive changes, created the new Environmental Legacy Stewardship Account (ELSA), and added, eliminated, and transferred certain authorized uses of funds in the STCA and LTCA accounts.

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.

Account Revenue Sources and Appropriations Procedures.

The primary source of revenue used to fund the activities authorized under the STCA, the LTCA, and the ELSA is a tax of 0.7 percent on the value of hazardous substances (HST). Upon the effective date of Senate Bill 5296, the STCA will receive 56 percent of the revenue obtained from the HST up to an annual threshold of \$140 million, while the LTCA will receive 44 percent of the HST revenue up to that threshold. The ELSA will receive all HST revenues above the \$140 million threshold at which the HST revenues stop being allocated to the STCA and the LTCA.

The Legislature may transfer funds between the STCA and the LTCA and from the STCA and the LTCA into the ELSA, if it determines that priorities for spending exceed available funds in any particular account. The Legislature may also appropriate funds in the ELSA to the STCA and the LTCA for certain types of projects and other activities that are completed at a quicker-than-average schedule.

Local Toxics Control Account (LTCA).

Upon the effective date of Senate Bill 5296, funds in the LTCA may be spent, in descending order of priority, on extended grant agreements, remedial actions, storm water pollution, hazardous waste plans and programs, solid waste plans and programs, and plastic and foam debris cleanup. Among remedial action grants specifically, priority is to be given to facilities on the state's hazardous sites list with a high hazard ranking and approved work plan, and to brownfield sites within designated redevelopment opportunity zones where they have been formed by local governments.

State Toxics Control Account (STCA).

Upon the effective date of Senate Bill 5296, funds in the STCA may be spent on the following authorized activities:

- hazardous waste planning;
- solid waste planning;
- hazardous waste cleanup;
- matching funds to meet federal cleanup law requirements;
- financial assistance for local programs in solid waste, hazardous waste, used oil recycling, and waste reduction, and hazardous waste reduction and recycling efforts;
- water and environmental health protection and monitoring;
- the Centennial Clean Water Fund;
- public participation activities;
- funding for remedial actions by potentially liable parties under certain settlement agreement conditions and findings made by the DOE;
- alternative hazardous waste management priorities; and oil and hazardous material spill prevention;
- paint and hazardous waste disposal programs from households, small business, and agriculture;
- agriculture and health programs for pesticide reduction and disposal;
- funding requirements for federal fund receipt under the Solid Waste Disposal Act;
- toxic air pollution and air quality programs
- storm water pollution control projects with a nexus to hazardous clean-up sites or existing remedial actions;

- public funding to assist potentially liable persons to pay for remedial actions under settlement agreements, if the project is located within a redevelopment opportunity zone and meets certain other criteria; and
- cleanup of petroleum based plastic or polystyrene foam debris in fresh or marine waters.

Environmental Legacy Stewardship Account (ELSA).

Funds in the ELSA may be spent on measures including performance and outcome-based projects, model remedies, demonstrated technologies, procedures, contracts, and project management that result in significant reductions in the average time spent to complete:

- activities authorized under the STCA and the LTCA;
- storm water low-impact development retrofits and other significantly environmentally beneficial projects which reduce storm water pollution from existing infrastructure and development; and
- abandoned and derelict vessel cleanup.

Summary of Bill:

The authorized uses of funds in the ELSA account are amended so that funds may be spent on all enumerated authorized activities, rather than only authorized activities that meet the criteria of being performance and outcome-based projects, model remedies, demonstrated technologies, procedures, contracts, and project management that result in significant reductions in the average time spent to complete those activities. In addition to eliminating the specifying criteria for the types of projects that the authorized uses must meet, the list of enumerated authorized uses of the ELSA funds is also amended as follows:

- retained as an enumerated authorized use of the ELSA funds are all activities authorized under the STCA and the LTCA;
- also retained as an enumerated authorized use of the ELSA is the cleanup of abandoned and derelict vessels;
- amended as an enumerated authorized use of the ELSA funds are storm water low-impact development retrofits, which are to be grants or loans to local governments, awarded through a competitive grant making process administered by the DOE that will review, rank, and prioritize low impact development retrofit and other high quality projects that reduce storm water from existing infrastructure; and
- added as a new enumerated authorized use of the ELSA funds are grants and loans to local governments for performance and outcome-based projects, model remedies, demonstration projects, procedures, contracts, and project management that result in significant reductions in the average time spent to complete those activities.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) None.

(Opposed) None.

Persons Testifying: None.

Persons Signed In To Testify But Not Testifying: None.