SENATE BILL 5441

State of Washington 63rd Legislature 2013 Regular Session

By Senator Rivers

Read first time 01/30/13. Referred to Committee on Energy, Environment & Telecommunications.

AN ACT Relating to prioritizing state investments in storm water control; amending RCW 90.48.290 and 90.48.285; reenacting and amending RCW 70.105D.070; and adding a new section to chapter 43.21A RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 <u>NEW SECTION.</u> **Sec. 1.** A new section is added to chapter 43.21A RCW 6 to read as follows:

7 The department must, when providing grants, loans, or other financial assistance to a unit of local government intended to aid in 8 9 the management, treatment, or control of storm water runoff, give 10 priority funding to activities or projects that are required by the 11 applicable operational state municipal storm water permit approved by the department under chapter 90.54 RCW. 12 The department may provide 13 funding for other storm water related projects only if additional resources are available to the department after all requirements 14 15 mandated by the applicable current state municipal storm water permits have been funded. 16

17 **Sec. 2.** RCW 90.48.290 and 1987 c 109 s 145 are each amended to 18 read as follows:

(1) The department is authorized to make and administer grants 1 consistent with this section within appropriations authorized by the 2 legislature to any municipal or public corporation, or political 3 subdivision within the state for the purpose of aiding in the 4 construction of water pollution control projects necessary to prevent 5 the discharge of untreated or inadequately treated sewage or other 6 7 waste into the waters of the state including, but not limited to, 8 projects for the control of storm or surface waters which will provide for the removal of waste or polluting materials ((therefrom)). 9

10 (2) Grants ((so)) made by the department <u>under this section</u> shall 11 be subject to the following limitations:

12 (((+))) (a) No grant shall be made in an amount which exceeds the 13 recipient's contribution to the estimated cost of the project((÷ 14 PROVIDED, That)). However, the following shall be considered a part of 15 the recipient's contribution:

16 ((<del>(a)</del>)) <u>(i)</u> Any grant received by the recipient from the federal 17 government pursuant to section 8(f) of the Federal Water Pollution 18 Control Act (33 U.S.C. 466) for the project;

19 (((b))) (ii) Any expenditure which is made by any municipal or 20 public corporation, or political subdivision within the state as a part 21 of a joint effort with the recipient to carry out the project and which 22 has not been used as a matching contribution for another grant made 23 pursuant to this chapter( $(\tau)$ ); and

(((-))) (iii) Any expenditure for the project made by the recipient out of moneys advanced by the department from a revolving fund and repayable to said fund.

(((2))) (b) No grant shall be made for any project which does not qualify for and receive a grant of federal funds under the provisions of the <u>f</u>ederal <u>water pollution control act</u> ((as now or hereafter amended: <u>PROVIDED</u>, That)). However, this restriction shall not apply to state grants made in any biennium over and above the amount of such grants required to match all federal funds allocated to the state for such biennium.

34 (((3))) (c) No grant shall be made to any municipal or public 35 corporation, or political subdivision for any project located within a 36 drainage basin unless the department shall have previously adopted a 37 comprehensive water pollution control and abatement plan and unless the 38 project is found by the department to conform with such basin

comprehensive plan((: PROVIDED, That)). However, the requirement for a project to conform to a comprehensive water pollution control and abatement plan may be waived by the department for any grant application filed with the department prior to July 1, 1974, in those situations where the department finds the public interest would be served better by approval of any grant application made prior to adoption of such plan than by its denial.

8 ((<del>(4)</del>)) <u>(d)</u> Recipients of grants shall meet such qualifications and 9 follow such procedures in applying for grants as shall be established 10 by the department.

11 ((<del>(5)</del>)) <u>(e)</u> Grants may be made to reimburse recipients for 12 expenditures made after July 1, 1967 for projects which meet the 13 requirements of this section and were commenced after the recipient had 14 filed a grant application with the department.

15 (3) Grants made by the department to address the management, 16 treatment, or control of storm water runoff must be prioritized in a 17 manner that is consistent with section 1 of this act.

18 Sec. 3. RCW 90.48.285 and 2005 c 469 s 4 are each amended to read 19 as follows:

20 (1) The department is authorized to enter into contracts with any 21 municipal or public corporation or political subdivision within the 22 state for the purpose of assisting such agencies to finance the design 23 and construction of water pollution control projects, whether procured through chapter 39.10 or 70.150 RCW, or otherwise, that are necessary 24 25 to prevent the discharge of untreated or inadequately treated sewage or 26 other waste into the waters of the state, including but not limited to, systems for the control of storm or surface waters which will provide 27 28 for the removal of waste or polluting materials in a manner conforming 29 to the comprehensive plan of water pollution control and abatement 30 proposed by the agencies and approved by the department.

31 (2) Any such contract may provide  $for((\div))$  the payment by the 32 department to a municipal or public corporation or political 33 subdivision on a monthly, quarterly, or annual basis of varying amounts 34 of moneys as advances which shall be repayable by said municipal or 35 public corporation, or political subdivision under conditions 36 determined by the department.

1 (3) Contracts made by the department <u>under this section</u> shall be 2 subject to the following limitations:

3 (((1))) (a) No contract shall be made unless the department shall 4 find that the project cannot be financed at reasonable cost or within 5 statutory limitations by the borrower without the making of such 6 contract.

7 ((<del>(2)</del>)) <u>(b)</u> No contract shall be made with any public or municipal 8 corporation or political subdivision to assist in the financing of any 9 project located within a sewage drainage basin for which the department 10 shall have previously adopted a comprehensive water pollution control 11 and abatement plan unless the project is found by the department to 12 conform with the basin comprehensive plan.

13 ((<del>(3)</del>)) <u>(c)</u> The department shall determine the interest rate, not 14 to exceed ten percent per annum, which such advances shall bear.

15 (((4))) (d) The department shall provide such reasonable terms and 16 conditions of repayment of advances as it may determine.

17 (((5))) (e) The total outstanding amount which the department may 18 at any time be obligated to pay under all outstanding contracts made 19 pursuant to this section shall not exceed the moneys available for such 20 payment.

21 (((6))) <u>(f)</u> Municipal or public corporations or political 22 subdivisions shall meet such qualifications and follow such procedures 23 in applying for contract assistance as shall be established by the 24 department.

25 (4) In making such contracts the department shall give priority to 26 projects ((which)) that:

27 (a) Will provide relief from actual or potential public health 28 hazards or water pollution conditions and which provide substantial 29 capacity beyond present requirements to meet anticipated future demand<u>;</u> 30 and

31 (b) Are consistent with the prioritization policy outlined in 32 section 1 of this act.

33 Sec. 4. RCW 70.105D.070 and 2012 2nd sp.s. c 7 s 920 and 2012 2nd 34 sp.s. c 2 s 6005 are each reenacted and amended to read as follows: 35 (1) The state toxics control account and the local toxics control 36 account are hereby created in the state treasury.

(2) The following moneys shall be deposited into the state toxics 1 2 control account: (a) Those revenues which are raised by the tax imposed under RCW 82.21.030 and which are attributable to that portion 3 4 of the rate equal to thirty-three one-hundredths of one percent; (b) the costs of remedial actions recovered under this chapter or chapter 5 6 70.105A RCW; (c) penalties collected or recovered under this chapter; 7 and (d) any other money appropriated or transferred to the account by 8 the legislature. Moneys in the account may be used only to carry out 9 the purposes of this chapter, including but not limited to the 10 following activities:

(i) The state's responsibility for hazardous waste planning, management, regulation, enforcement, technical assistance, and public education required under chapter 70.105 RCW;

(ii) The state's responsibility for solid waste planning,
management, regulation, enforcement, technical assistance, and public
education required under chapter 70.95 RCW;

17 (iii) The hazardous waste cleanup program required under this 18 chapter;

19 (iv) State matching funds required under the federal cleanup law;

20 (v) Financial assistance for local programs in accordance with 21 chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;

(vi) State government programs for the safe reduction, recycling, or disposal of hazardous wastes from households, small businesses, and agriculture;

25 (vii) Hazardous materials emergency response training;

26 (viii) Water and environmental health protection and monitoring 27 programs;

28 (ix) Programs authorized under chapter 70.146 RCW;

29 (x) A public participation program, including regional citizen30 advisory committees;

(xi) Public funding to assist potentially liable persons to pay for 31 32 the costs of remedial action in compliance with cleanup standards under 33 RCW 70.105D.030(2)(e) but only when the amount and terms of such funding are established under a settlement agreement under RCW 34 35 70.105D.040(4) and when the director has found that the funding will 36 achieve both (A) a substantially more expeditious or enhanced cleanup 37 than would otherwise occur, and (B) the prevention or mitigation of unfair economic hardship; 38

(xii) Development and demonstration of alternative management
 technologies designed to carry out the hazardous waste management
 priorities of RCW 70.105.150;

4 (xiii) During the 2009-2011 and 2011-2013 fiscal biennia, shoreline
5 update technical assistance;

6 (xiv) During the 2009-2011 fiscal biennium, multijurisdictional
7 permitting teams;

8 (xv) During the 2011-2013 fiscal biennium, actions for reducing 9 public exposure to toxic air pollution, and actions taken through the 10 family forest fish passage program to correct barriers to fish passage 11 on privately owned small forest lands; and

12 (xvi) During the 2011-2013 fiscal biennium, the department of 13 ecology's water quality, shorelands and environmental assessment, 14 hazardous waste, waste to resources, nuclear waste, and air quality 15 programs.

16 (3) The following moneys shall be deposited into the local toxics 17 control account: Those revenues which are raised by the tax imposed 18 under RCW 82.21.030 and which are attributable to that portion of the 19 rate equal to thirty-seven one-hundredths of one percent.

20 (a) Moneys deposited in the local toxics control account shall be 21 used by the department for grants or loans to local governments for the 22 following purposes in descending order of priority:

23 (i) Remedial actions;

24 (ii) Hazardous waste plans and programs under chapter 70.105 RCW;

(iii) Solid waste plans and programs under chapters 70.95, 70.95C,
70.95I, and 70.105 RCW;

(iv) Funds for a program to assist in the assessment and cleanup of sites of methamphetamine production, but not to be used for the initial containment of such sites, consistent with the responsibilities and intent of RCW 69.50.511; and

(v) Cleanup and disposal of hazardous substances from abandoned or derelict vessels, defined for the purposes of this section as vessels that have little or no value and either have no identified owner or have an identified owner lacking financial resources to clean up and dispose of the vessel, that pose a threat to human health or the environment.

(b) Funds for plans and programs shall be allocated consistent withthe priorities and matching requirements established in chapters

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70.105, 70.95C, 70.95I, and 70.95 RCW, except that any applicant that 1 2 is a Puget Sound partner, as defined in RCW 90.71.010, along with any project that is referenced in the action agenda developed by the Puget 3 Sound partnership under RCW 90.71.310, shall, except as conditioned by 4 RCW 70.105D.120, receive priority for any available funding for any 5 grant or funding programs or sources that use a competitive bidding б 7 process. During the 2007-2009 fiscal biennium, moneys in the account 8 may also be used for grants to local governments to retrofit public sector diesel equipment and for storm water planning and implementation 9 10 activities.

(c) To expedite cleanups throughout the state, the department shall partner with local communities and liable parties for cleanups. The department is authorized to use the following additional strategies in order to ensure a healthful environment for future generations:

(i) The director may alter grant-matching requirements to create incentives for local governments to expedite cleanups when one of the following conditions exists:

(A) Funding would prevent or mitigate unfair economic hardshipimposed by the clean-up liability;

(B) Funding would create new substantial economic development,
 public recreational, or habitat restoration opportunities that would
 not otherwise occur; or

(C) Funding would create an opportunity for acquisition and redevelopment of vacant, orphaned, or abandoned property under RCW 70.105D.040(5) that would not otherwise occur;

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(ii) The use of outside contracts to conduct necessary studies;

(iii) The purchase of remedial action cost-cap insurance, whennecessary to expedite multiparty clean-up efforts.

(d) To facilitate and expedite cleanups using funds from the local toxics control account, during the 2009-2011 fiscal biennium the director may establish grant-funded accounts to hold and disperse local toxics control account funds and funds from local governments to be used for remedial actions.

34 (4) Except for unanticipated receipts under RCW 43.79.260 through
 35 43.79.282, moneys in the state and local toxics control accounts may be
 36 spent only after appropriation by statute.

37 (5) Except during the 2011-2013 fiscal biennium, one percent of the
 38 moneys deposited into the state and local toxics control accounts shall

be allocated only for public participation grants to persons who may be 1 2 adversely affected by a release or threatened release of a hazardous substance and to not-for-profit public interest organizations. 3 The 4 primary purpose of these grants is to facilitate the participation by persons and organizations in the investigation and remedying of 5 6 releases or threatened releases of hazardous substances and to 7 implement the state's solid and hazardous waste management priorities. 8 No grant may exceed sixty thousand dollars. Grants may be renewed 9 annually. Moneys appropriated for public participation from either account which are not expended at the close of any biennium shall 10 11 revert to the state toxics control account.

12 (6) No moneys deposited into either the state or local toxics 13 control account may be used for solid waste incinerator feasibility 14 studies, construction, maintenance, or operation, or, after January 1, 15 2010, for projects designed to address the restoration of Puget Sound, 16 funded in a competitive grant process, that are in conflict with the 17 action agenda developed by the Puget Sound partnership under RCW 18 90.71.310.

19 (7) The department shall adopt rules for grant or loan issuance and 20 performance.

(8) During the 2011-2013 fiscal biennium, the legislature may transfer from the local toxics control account to the state toxics control account such amounts as reflect excess fund balance in the account.

(9) During the 2011-2013 fiscal biennium, the local toxics control account may also be used for local government shoreline update grants and actions for reducing public exposure to toxic air pollution; funding to local governments for flood levee improvements; and grants to local governments for brownfield redevelopment.

30 (10) All expenditures from either the state or local toxics control 31 accounts intended to address the management, treatment, or control of 32 storm water runoff must be prioritized in a manner that is consistent 33 with section 1 of this act.

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