
Capital Budget Committee

HB 1399

Brief Description: Annually adjusting the limit on distribution of hazardous substance tax revenues to the state and local toxics control accounts to correct for inflation.

Sponsors: Representatives Hudgins, DeBolt, Dunshee, Tharinger, Short, Smith and McBride; by request of Department of Ecology.

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| <p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">Increases Hazardous Substance Tax revenue deposited into the State Toxics Control Account and the Local Toxics Control Account annually by a rate equal to the fiscal growth factor. |
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Hearing Date: 2/3/15

Staff: Steve Masse (786-7115).

Background:

The Model Toxics Control Account (MTCA).

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) provide for hazardous and solid waste planning, contaminated site cleanup grants to local governments, and other activities related to hazardous waste prevention, management, and remediation. A new account, the Environmental Legacy Stewardship Account (ELSA), was created in 2013.

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 wholesale value of hazardous substances (the Hazardous Substances Tax). The STCA receives 56 percent of the first \$140 million in revenue generated by the Hazardous Substances Tax, while the LTCA receives the other 44 percent of

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that amount. On an annual basis, the ELSA receives all Hazardous Substances Tax revenues in excess of \$140 million.

Expenditure Limit.

An expenditure limit for the state general fund was established in 1993. The state general fund expenditure limit for any fiscal year is the prior year's expenditure limit increased by a fiscal growth factor that is the average growth in state personal income for the prior ten fiscal years. The State Expenditure Limit Committee adjusts the expenditure limit each November, or it is adjusted by the Attorney General if no expenditure limit is adopted by November 30 of that year.

Summary of Bill:

The total revenue deposited from the Hazardous Substances Tax into the STCA and LTCA is increased annually by the fiscal growth rate. Any funds in excess of the new revenue limit are then deposited into the ELSA account.

Appropriation: None.

Fiscal Note: Available.

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