SENATE BILL REPORT SB 6078

As Reported by Senate Committee On: Financial Institutions, Economic Development & Trade, January 21, 2020

Title: An act relating to clarifying reimbursement for certain clean-up or removal actions by fire protection jurisdictions.

Brief Description: Clarifying reimbursement for certain clean-up or removal actions by fire protection jurisdictions.

Sponsors: Senator Mullet.

Brief History:

Committee Activity: Financial Institutions, Economic Development & Trade: 1/16/20, 1/21/20 [DP, w/oRec].

Brief Summary of Bill

• Entitles fire protection districts, regional fire protection service authorities, and municipal fire departments to recover the actual costs associated with cleanup or removal of hazardous waste and other hazardous materials from insurers.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, ECONOMIC DEVELOPMENT & TRADE

Majority Report: Do pass.

Signed by Senators Mullet, Chair; Wilson, L., Ranking Member; Braun, Das and Hobbs.

Minority Report: That it be referred without recommendation.

Signed by Senator Hasegawa, Vice Chair.

Staff: Clint McCarthy (786-7319)

Background: Fire Protection Districts. Fire protection districts (fire districts) are a type of special purpose district created to provide fire prevention, fire suppression, and emergency medical services within a district's boundaries. Generally, districts serve residents outside of cities or towns, except when cities and towns have been annexed into a district or when the

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district continues to provide service to a newly incorporated area. A fire district may be established through election or a petition signed by 60 percent of voters. Fire districts are governed by a board of three, five, or seven elected fire commissioners.

<u>Municipal Fire Department</u>. A municipal fire department is a city or town fire department responsible for firefighting actions, emergency medical services, and other special operations in a specified geographic area. The department must be composed of mostly career firefighters, not volunteers.

Regional Fire Protection Service Authority. Regional fire protection service authorities (RFAs) are municipal corporations established to provide regional fire protection and emergency services within their jurisdictional boundaries. An RFA is formed through merging two or more fire protection jurisdictions located within a reasonable proximity of each other, including fire districts, cities, towns, port districts, municipal airports, and Indian tribes.

<u>Hazardous Materials Incident Liability.</u> Any person transporting hazardous materials, other than the operating employees of a transportation company, is liable to the state, a municipal fire department, a fire district, or any political subdivision for extraordinary costs incurred in the course of protecting the public from actual or threatened harm resulting from a hazardous materials incident.

Summary of Bill: Fire districts, RFAs, and municipal fire departments (fire service jurisdictions) are entitled to recover, from any liable party, the actual costs associated with cleanup or removal of hazardous waste and other hazardous materials when responding to an incident only when coverage is found within a liable party's insurance policy.

The liable party may submit the actual costs from the fire service jurisdiction to any insurer that provides coverage for property damage the liable party is legally obligated or responsible for causing if coverage is found within a liable party's insurance policy. If there are multiple liable parties involved in an incident the fire service jurisdiction may only recover the proportional amount of liability legally determined for each party.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: Insurance industry and municipal fire districts came to a good compromise. Cleaning up after a car accident and keeping hazardous materials out of a storm drain are not currently covered costs that can be reimbursed. There had not been clarity on this type of billing for absorbent material so that fluids do not get in a drain. Insurance industry was objecting more and more to covering this cost. The bill before you is a clarification more than anything. When you have a lot of these accidents, costs to

fire municipalities really add up. A reimbursement can only be made when a legitimate request is made.

OTHER: The insurance industry was opposed last year, but is not opposed this year.

Persons Testifying: PRO: Senator Mark Mullet, Prime Sponsor; Kevin O'Brien, Snohomish County Fire District 7, Fire Chief; John Nohr, Clark County Fire & Rescue, Fire Chief; Dylan Doty, Washington Fire Chiefs Association.

OTHER: Mel Sorensen, American Property and Casualty Insurance Association.; Jean Leonard, National Association of Mutual Insurance Companies; Dan McGrady, PEMCO Insurance.

Persons Signed In To Testify But Not Testifying: No one.

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