CERTIFICATION OF ENROLLMENT

ENGROSSED SUBSTITUTE SENATE BILL 5993

66th Legislature 2019 Regular Session

Passed by the Senate April 25, 2019 Yeas 27 Nays 22

President of the Senate

Passed by the House April 27, 2019 Yeas 50 Nays 48

CERTIFICATE

I, Brad Hendrickson, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5993** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

Speaker of the House of Representatives Approved

FILED

Secretary of State State of Washington

Governor of the State of Washington

ENGROSSED SUBSTITUTE SENATE BILL 5993

Passed Legislature - 2019 Regular Session

State of Washington	66th Legislature	2019 Regular Session
By Senate Ways & Means Billig, Liias, and Hunt)	(originally sponsored	by Senators Frockt,

AN ACT Relating to reforming the financial structure of the model 1 2 toxics control program; amending RCW 82.21.010, 82.21.030, 3 70.105D.030, 70.105D.050, 70.75A.060, 70.76.100, 70.95M.080, 70.95M.120, 70.240.050, 70.270.050, 70.285.090, 4 70.280.050, 90.71.370, 70.105D.130, and 70.105D.140; 5 70.300.040, adding new sections to chapter 70.105D RCW; creating new sections; repealing RCW 6 7 70.105D.170 and 70.105D.070; providing an effective date; providing 8 an expiration date; and declaring an emergency.

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

10 <u>NEW SECTION.</u> Sec. 1. It is the intent of the legislature that 11 during the 2019-2021 biennium no transfers to the state general fund, 12 education legacy trust account, or opportunities pathway account must 13 be made from the state toxics control account, local toxics control 14 account, environmental legacy stewardship account, model toxics 15 control operating account, model toxics control capital account, or 16 model toxics control stormwater account.

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Part I

18 Sec. 101. RCW 82.21.010 and 1989 c 2 s 8 are each amended to 19 read as follows:

1 (1) It is the intent of this chapter to impose a tax only once for each hazardous substance possessed in this state and to tax the 2 first possession of all hazardous substances, including substances 3 and products that the department of ecology determines to present a 4 threat to human health or the environment. However, it is not 5 6 intended to impose a tax on the first possession of small amounts of any hazardous substance (other than petroleum and pesticide products) 7 that is first possessed by a retailer for the purpose of sale to 8 ultimate consumers. This chapter is not intended to exempt any person 9 10 from tax liability under any other law.

11 (2) It is the specific purpose of the model toxics control reform 12 act (this act) to update the model toxics control program and its 13 primary funding mechanism. These reforms are intended to achieve the 14 financial stability, transparency, and long-term protection of 15 revenues. Specifically, this reform act makes the following changes:

16 (a) Increases funding for programs and projects related to clean 17 air, clean water, toxic cleanup, and prevention, with specific focus 18 on stormwater pollution;

19 (b) Provides distinct and transparent financial separation of 20 capital and operating budget funding under the model toxics control 21 program;

22 (c) Improves the transparency and visibility of operating and 23 capital project expenditures under the model toxics control program; 24 and

25 (d) Eliminates the year-to-year volatility of hazardous substance
 26 tax revenues by moving to a volumetric rate for petroleum products.

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Part II

28 Sec. 201. RCW 82.21.030 and 1989 c 2 s 10 are each amended to 29 read as follows:

30 (1)(a) A tax is imposed on the privilege of possession of 31 hazardous substances in this state. Except as provided in (b) of this 32 subsection, the rate of the tax ((shall be)) is seven-tenths of one 33 percent multiplied by the wholesale value of the substance. Moneys 34 collected under this subsection (1)(a) must be deposited in the model 35 toxics control capital account.

36 (b) Beginning July 1, 2019, the rate of the tax on petroleum 37 products is one dollar and nine cents per barrel. The tax collected 38 under this subsection (1)(b) on petroleum products must be deposited 1 as follows, after first depositing the tax as provided in (c) of this
2 subsection (1):

3 (i) Sixty percent to the model toxics control operating account 4 created under section 202 of this act;

- 5 <u>(ii)</u> Twenty-five percent to the model toxics control capital 6 account created under section 203 of this act; and
- 7 (iii) Fifteen percent to the model toxics control stormwater
 8 account created under section 204 of this act.

(c) Until the beginning of the ensuing biennium after the 9 10 enactment of an additive transportation funding act, fifty million dollars per biennium to the motor vehicle fund to be used exclusively 11 for transportation stormwater activities and projects. For purposes 12 of this subsection, "additive transportation funding act" means an 13 act in which the combined total of new revenues deposited into the 14 15 motor vehicle fund and the multimodal transportation account exceed two billion dollars per biennium attributable solely to an increase 16 17 in revenue from the enactment of the act.

(d) The department must compile a list of petroleum products that 18 are not easily measured on a per barrel basis. Petroleum products 19 identified on the list are subject to the rate under (a) of this 20 subsection in lieu of the volumetric rate under (b) of this 21 subsection. The list will be made in a form and manner prescribed by 22 23 the department and must be made available on the department's 24 internet web site. In compiling the list, the department may accept 25 technical assistance from persons that sell, market, or distribute petroleum products and consider any other resource the department 26 27 finds useful in compiling the list.

28 (2) ((Moneys collected under this chapter shall be deposited in 29 the toxics control accounts under RCW 70.105D.070.

30 (3)) Chapter 82.32 RCW applies to the tax imposed in this 31 chapter. The tax due dates, reporting periods, and return 32 requirements applicable to chapter 82.04 RCW apply equally to the tax 33 imposed in this chapter.

34 <u>(3) Beginning July 1, 2020, and every July 1st thereafter, the</u> 35 rate specified in subsection (1) (b) of this section must be adjusted 36 to reflect the percentage change in the implicit price deflator for 37 nonresidential structures as published by the United States 38 department of commerce, bureau of economic analysis for the most 39 recent twelve-month period ending December 31st of the prior year. <u>NEW SECTION.</u> Sec. 202. A new section is added to chapter
 70.105D RCW to read as follows:

3 (1) The model toxics control operating account is hereby created4 in the state treasury.

5 (2) Moneys in the model toxics control operating account must be 6 used only to carry out the purposes of this chapter, including but 7 not limited to the following:

8 (a) The state's responsibility for hazardous waste planning, 9 management, regulation, enforcement, technical assistance, and public 10 education required under chapter 70.105 RCW;

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

14 (c) The hazardous waste clean-up program required under this 15 chapter;

(d) State matching funds required under federal cleanup law;

(e) Financial assistance for local programs and plans, including
local solid waste financial assistance, in accordance with chapters
70.76, 70.95, 70.95C, 70.95I, and 70.105 RCW;

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

23 (g) Oil and hazardous materials spill prevention, preparedness, 24 training, and response activities;

25 (h) Water and environmental health protection and monitoring 26 programs;

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(i) Programs authorized under chapter 70.146 RCW;

(j) A public participation program;

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

32 (1) State agriculture and health programs for the safe use,33 reduction, recycling, or disposal of pesticides;

34 (m) Funding requirements to maintain receipt of federal funds 35 under the federal solid waste disposal act (42 U.S.C. Sec. 6901 et 36 seq.);

37 (n) Air quality programs and actions for reducing public exposure38 to toxic air pollution; and

39 (o) Petroleum-based plastic or expanded polystyrene foam debris40 clean-up activities in fresh or marine waters.

(3) Except for unanticipated receipts under RCW 43.79.260 through
 43.79.282, moneys in model toxics control operating account may be
 spent only after appropriation by statute.

(4) One percent of the moneys collected under RCW 82.21.030 must 4 be allocated only for public participation grants to persons who may 5 6 be adversely affected by a release or threatened release of a and to not-for-profit 7 hazardous substance public interest organizations. The primary purpose of these grants is to facilitate 8 the participation by persons and organizations in the investigation 9 and remedying of releases or threatened releases of hazardous 10 substances and to implement the state's solid and hazardous waste 11 12 management priorities. No grant may exceed sixty thousand dollars. Grants may be renewed annually. Moneys appropriated for public 13 participation that are not expended at the close of any biennium 14 revert to the model toxics control operating account. 15

16 (5) The department must adopt rules for grant or loan issuance 17 and performance.

18 <u>NEW SECTION.</u> Sec. 203. A new section is added to chapter 19 70.105D RCW to read as follows:

20 (1) The model toxics control capital account is hereby created in 21 the state treasury.

(2) In addition to the funds deposited into the model toxics control capital account required under RCW 82.21.030, the following moneys must be deposited into the model toxics control capital account:

(a) The costs of remedial actions recovered under this chapter,
except as provided under RCW 70.105D.---(7) (section 2(7),
chapter . . (SHB 1290), Laws of 2019);

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(b) Penalties collected or recovered under this chapter; and

30 (c) Any other money appropriated or transferred to the account by 31 the legislature.

32 (3) Moneys in the model toxics control capital account must be 33 used for the improvement, rehabilitation, remediation, and cleanup of 34 toxic sites and other capital-related expenditures for programs and 35 activities identified in subsection (4) of this section.

36 (4) Moneys in the model toxics control capital account may be 37 used only for capital projects and activities that carry out the 38 purposes of this chapter and for financial assistance to local 39 governments or other persons to carry out those projects or

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activities, including but not limited to the following, generally in
 descending order of priority:

3 (a) Remedial actions, including the following generally in4 descending order of priority:

5 (i) Extended grant agreements entered into under subsection 6 (5)(a) of this section;

7 (ii) Grants or loans to local governments for remedial actions, 8 including planning for adaptive reuse of properties as provided for 9 under subsection (5)(d) of this section. The department must 10 prioritize funding of remedial actions at:

(A) Facilities on the department's hazardous sites list with a high hazard ranking for which there is an approved remedial action work plan or an equivalent document under federal cleanup law;

(B) Brownfield properties within a redevelopment opportunity zone if the local government is a prospective purchaser of the property and there is a department-approved remedial action work plan or equivalent document under the federal cleanup law;

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(iii) Department-conducted remedial actions;

19 (iv) Grants to persons intending to remediate contaminated real 20 property for development of affordable housing;

(v) Public funding to assist potentially liable persons to pay for the costs of remedial action in compliance with clean-up standards under RCW 70.105D.030(2)(e) if:

(A) The amount and terms of the funding are established under asettlement agreement under RCW 70.105D.040(4); and

(B) The director has found that the funding will achieve both a substantially more expeditious or enhanced cleanup than would otherwise occur, and the prevention or mitigation of unfair economic hardship;

30 (vi) Public funding to assist prospective purchasers to pay for 31 the costs of remedial action in compliance with clean-up standards 32 under RCW 70.105D.030(2)(e) if:

33 (A) The facility is located within a redevelopment opportunity
 34 zone designated under RCW 70.105D.150;

(B) The amount and terms of the funding are established under a
 settlement agreement under RCW 70.105D.040(5); and

37 (C) The director has found the funding will achieve a 38 substantially more expeditious or enhanced cleanup than would 39 otherwise occur, provide a public benefit in addition to cleanup

1 commensurate with the scope of the public funding; and meet any 2 additional criteria established in rule by the department; and

3 (vii) To expedite multiparty clean-up efforts, purchase of 4 remedial action cost-cap insurance;

5 (b) Grants, or loans, or contracts to local governments for solid 6 waste plans and programs under chapters 70.95, 70.95C, 70.95I, 7 70.95G, 70.95M, and 70.105 RCW. Funds must be allocated consistent 8 with priorities and matching requirements in the respective chapters;

9 (c) Toxic air pollutant reduction programs, including grants or 10 loans to local governments for woodstoves and diesel;

(d) Grants, loans, or contracts to local governments for hazardous waste plans and programs under chapters 70.76 and 70.105 RCW, including chemical action plan implementation. Funds must be allocated consistent with priorities and matching requirements in the respective chapters; and

16 (e) Petroleum-based plastic or expanded polystyrene foam debris 17 clean-up activities in fresh or marine waters.

18 (5) The department may establish and administer a program to provide grants and loans to local governments for remedial actions, 19 including planning for adaptive reuse of contaminated properties. The 20 21 department may not award a grant or loan for a remedial action unless the local government has obtained all of the required permits for the 22 action within one year of the effective date of the enacted budget. 23 To expedite cleanups throughout the state, the department may use the 24 25 following strategies when providing grants to local governments under this subsection: 26

(a) Enter into an extended grant agreement with a local government conducting remedial actions at a facility where those actions extend over multiple biennia and the total eligible cost of those actions exceeds twenty million dollars. The agreement is subject to the following limitations:

32 (i) The initial duration of such an agreement may not exceed ten 33 years. The department may extend the duration of such an agreement 34 upon finding substantial progress has been made on remedial actions 35 at the facility;

36 (ii) Extended grant agreements may not exceed fifty percent of 37 the total eligible remedial action costs at the facility; and

38 (iii) The department may not allocate future funding to an 39 extended grant agreement unless the local government has demonstrated 40 to the department that funds awarded under the agreement during the

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previous biennium have been substantially expended or contracts have been entered into to substantially expend the funds;

3 (b) Enter into a grant agreement with a local government 4 conducting a remedial action that provides for periodic reimbursement 5 of remedial action costs as they are incurred as established in the 6 agreement;

7 (c) Enter into a grant agreement with a local government prior to 8 it acquiring a property or obtaining necessary access to conduct 9 remedial actions, provided the agreement is conditioned upon the 10 local government acquiring the property or obtaining the access in 11 accordance with a schedule specified in the agreement;

12 (d) Provide integrated planning grants to local governments to fund studies necessary to facilitate remedial actions at brownfield 13 properties and adaptive reuse of properties following remediation. 14 Eligible activities include, but are not limited to: Environmental 15 16 site assessments; remedial investigations; health assessments; 17 feasibility studies; site planning; community involvement; land use and regulatory analyses; building and infrastructure assessments; 18 19 economic and fiscal analyses; and any environmental analyses under chapter 43.21C RCW; 20

(e) Provide grants to local governments for remedial actions related to area-wide groundwater contamination. To receive the funding, the local government does not need to be a potentially liable person or be required to seek reimbursement of grant funds from a potentially liable person;

26 (f) The director may alter grant matching requirements to create 27 incentives for local governments to expedite cleanups when one of the 28 following conditions exists:

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

31 (ii) Funding would create new substantial economic development, 32 public recreational opportunities, or habitat restoration 33 opportunities that would not otherwise occur; or

34 (iii) Funding would create an opportunity for acquisition and 35 redevelopment of brownfield property under RCW 70.105D.040(5) that 36 would not otherwise occur; and

37 (g) When pending grant applications under subsection (4)(d) and 38 (e) of this section exceed the amount of funds available, designated 39 redevelopment opportunity zones must receive priority for 40 distribution of available funds.

(6) Except for unanticipated receipts under RCW 43.79.260 through
 43.79.282, moneys in model toxics control capital account may be
 spent only after appropriation by statute.

4 <u>NEW SECTION.</u> Sec. 204. A new section is added to chapter 5 70.105D RCW to read as follows:

6 (1) The model toxics control stormwater account is hereby created 7 in the state treasury.

8 (2) Moneys in the model toxics control stormwater account must be 9 used for operating and capital programs, activities, and projects 10 identified in subsection (3) of this section directly relating to 11 stormwater pollution control.

12 (3) Moneys in the model toxics control stormwater account must be 13 used only to carry out the operating and capital programs, 14 activities, and projects directly relating to stormwater activities 15 under sections 202 and 203 of this act, including but not limited to 16 the following:

17 (a) Stormwater pollution control projects and activities that 18 protect or preserve existing remedial actions or prevent hazardous 19 clean-up sites;

20 (b) Stormwater financial assistance to local governments that 21 assist in compliance to the purposes of this chapter.

(4) Except for unanticipated receipts under RCW 43.79.260 through
 43.79.282, moneys in the model toxics control stormwater account may
 be spent only after appropriation by statute.

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Part III

NEW SECTION. Sec. 301. (1) The office of financial management 26 and the legislative evaluation and accountability program committee 27 28 must identify changes to existing budgeting and reporting systems, including enterprise, internal, and public-facing systems, that will 29 improve access to and understanding of relevant model toxics control 30 act account-related budget information available at the time 31 governor-recommended and legislative budgets are released. 32 Τn carrying out this work, the office of financial management and the 33 legislative evaluation and accountability program committee must 34 consult with legislative fiscal staff. 35

36 (2) The office of financial management and the legislative 37 evaluation and accountability program committee must identify

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1 proposed improvements and, as appropriate, necessary funding and 2 legislative changes to the governor and legislature by September 1, 3 2020. To the extent possible, the office of financial management and 4 the legislative evaluation and accountability program committee may 5 implement low and no-cost changes during the 2019-2021 biennium.

6 (3) This section expires June 30, 2021.

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Part IV

8 Sec. 401. RCW 70.105D.030 and 2013 2nd sp.s. c 1 s 6 are each 9 amended to read as follows:

10 (1) The department may exercise the following powers in addition 11 to any other powers granted by law:

12 Investigate, provide for investigating, or require (a) potentially liable persons to investigate any releases or threatened 13 14 releases of hazardous substances, including but not limited to 15 inspecting, sampling, or testing to determine the nature or extent of any release or threatened release. If there is a reasonable basis to 16 17 believe that a release or threatened release of a hazardous substance may exist, the department's authorized employees, agents, or 18 19 contractors may enter upon any property and conduct investigations. 20 The department shall give reasonable notice before entering property 21 unless an emergency prevents such notice. The department may by 22 subpoena require the attendance or testimony of witnesses and the 23 production of documents or other information that the department 24 deems necessary;

25 (b) Conduct, provide for conducting, or require potentially 26 liable persons to conduct remedial actions (including investigations 27 under (a) of this subsection) to remedy releases or threatened releases of hazardous substances. In carrying out such powers, the 28 29 department's authorized employees, agents, or contractors may enter 30 upon property. The department ((shall)) <u>must</u> give reasonable notice 31 before entering property unless an emergency prevents such notice. In conducting, providing for, or requiring remedial action, the 32 department ((shall)) <u>must</u> give preference to permanent solutions to 33 34 the maximum extent practicable and ((shall)) must provide for or require adequate monitoring to ensure the effectiveness of the 35 36 remedial action;

(c) Indemnify contractors retained by the department for carrying
 out investigations and remedial actions, but not for any contractor's
 reckless or willful misconduct;

4 (d) Carry out all state programs authorized under the federal
5 cleanup law and the federal resource, conservation, and recovery act,
6 42 U.S.C. Sec. 6901 et seq., as amended;

7 (e) Classify substances as hazardous substances for purposes of
8 RCW 70.105D.020 and classify substances and products as hazardous
9 substances for purposes of RCW 82.21.020(1);

(f) Issue orders or enter into consent decrees or agreed orders 10 that include, or issue written opinions under (i) of this subsection 11 12 that may be conditioned upon, environmental covenants where necessary to protect human health and the environment from a release or 13 threatened release of a hazardous substance from a facility. Prior to 14 establishing an environmental covenant under this subsection, the 15 16 department ((shall)) <u>must</u> consult with and seek comment from a city 17 or county department with land use planning authority for real 18 property subject to the environmental covenant;

19 (g) Enforce the application of permanent and effective 20 institutional controls that are necessary for a remedial action to be 21 protective of human health and the environment and the notification 22 requirements established in RCW 70.105D.110, and impose penalties for 23 violations of that section consistent with RCW 70.105D.050;

(h) Require holders to conduct remedial actions necessary to abate an imminent or substantial endangerment pursuant to RCW 70.105D.020(22)(b)(ii)(C);

(i) Provide informal advice and assistance to persons regarding 27 28 the administrative and technical requirements of this chapter. This 29 may include site-specific advice to persons who are conducting or otherwise interested in independent remedial actions. Any such advice 30 31 or assistance ((shall be)) is advisory only, and ((shall)) is not ((be)) binding on the department. As a part of providing this advice 32 and assistance for independent remedial actions, the department may 33 prepare written opinions regarding whether the independent remedial 34 actions or proposals for those actions meet the substantive 35 requirements of this chapter or whether the department believes 36 further remedial action is necessary at the facility. Nothing in this 37 chapter may be construed to preclude the department from issuing a 38 39 written opinion on whether further remedial action is necessary at 40 any portion of the real property located within a facility, even if

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1 further remedial action is still necessary elsewhere at the same facility. Such a written opinion on a portion of a facility must also 2 provide an opinion on the status of the facility as a whole. The 3 department may collect, from persons requesting 4 advice and assistance, the costs incurred by the department in providing such 5 6 advice and assistance; however, the department ((shall)) must, where appropriate, waive collection of costs in order to provide an 7 appropriate level of technical assistance in support of public 8 participation. The state, the department, and officers and employees 9 of the state are immune from all liability, and no cause of action of 10 11 any nature may arise from any act or omission in providing, or 12 failing to provide, informal advice and assistance. The department must track the number of requests for reviews of planned or completed 13 independent remedial actions and establish performance measures to 14 track how quickly the department is able to respond to those 15 16 requests. By November 1, 2015, the department must submit to the 17 governor and the appropriate legislative fiscal and policy committees 18 report on achieving the performance measures and provide а recommendations for improving performance, including staffing needs; 19

(j) In fulfilling the objectives of this chapter, the department must allocate staffing and financial assistance in a manner that considers both the reduction of human and environmental risks and the land reuse potential and planning for the facilities to be cleaned up. This does not preclude the department from allocating resources to a facility based solely on human or environmental risks;

(k) Establish model remedies for common categories of facilities, types of hazardous substances, types of media, or geographic areas to streamline and accelerate the selection of remedies for routine types of cleanups at facilities;

30 (i) When establishing a model remedy, the department ((shall)) 31 <u>must</u>:

32 (A) Identify the requirements for characterizing a facility to 33 select a model remedy, the applicability of the model remedy for use 34 at a facility, and monitoring requirements;

35 (B) Describe how the model remedy meets clean-up standards and 36 the requirements for selecting a remedy established by the department 37 under this chapter; and

38 (C) Provide public notice and an opportunity to comment on the 39 proposed model remedy and the conditions under which it may be used 40 at a facility;

(ii) When developing model remedies, the department ((shall))
 <u>must</u> solicit and consider proposals from qualified persons. The
 proposals must, in addition to describing the model remedy, provide
 the information required under (k) (i) (A) and (B) of this subsection;

(iii) If a facility meets the requirements for use of a model 5 6 remedy, an analysis of the feasibility of alternative remedies is not 7 required under this chapter. For department-conducted and departmentsupervised remedial actions, the department must provide public 8 notice and consider public comments on the proposed use of a model 9 remedy at a facility. The department may waive collection of its 10 11 costs for providing a written opinion under (i) of this subsection on 12 a cleanup that qualifies for and appropriately uses a model remedy; 13 and

(1) Take any other actions necessary to carry out the provisions of this chapter, including the power to adopt rules under chapter 34.05 RCW.

17 (2) The department ((shall)) <u>must</u> immediately implement all 18 provisions of this chapter to the maximum extent practicable, 19 including investigative and remedial actions where appropriate. The 20 department ((shall)) <u>must</u> adopt, and thereafter enforce, rules under 21 chapter 34.05 RCW to:

(a) Provide for public participation, including at least (i)
public notice of the development of investigative plans or remedial
plans for releases or threatened releases and (ii) concurrent public
notice of all compliance orders, agreed orders, enforcement orders,
or notices of violation;

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(b) Establish a hazard ranking system for hazardous waste sites;

(c) Provide for requiring the reporting by an owner or operator of releases of hazardous substances to the environment that may be a threat to human health or the environment within ninety days of discovery, including such exemptions from reporting as the department deems appropriate, however this requirement ((shall)) may not modify any existing requirements provided for under other laws;

(d) Establish reasonable deadlines not to exceed ninety days for initiating an investigation of a hazardous waste site after the department receives notice or otherwise receives information that the site may pose a threat to human health or the environment and other reasonable deadlines for remedying releases or threatened releases at the site;

1 (e) Publish and periodically update minimum clean-up standards 2 for remedial actions at least as stringent as the clean-up standards 3 under section 121 of the federal cleanup law, 42 U.S.C. Sec. 9621, 4 and at least as stringent as all applicable state and federal laws, 5 including health-based standards under state and federal law; and

6 (f) Apply industrial clean-up standards at industrial properties. Rules adopted under this subsection ((shall)) must ensure that 7 industrial properties cleaned up to industrial standards cannot be 8 converted to nonindustrial uses without approval from the department. 9 10 The department may require that a property cleaned up to industrial standards is cleaned up to a more stringent applicable standard as a 11 condition of conversion to a nonindustrial use. Industrial clean-up 12 standards may not be applied to industrial properties where hazardous 13 substances remaining at the property after remedial action pose a 14 15 threat to human health or the environment in adjacent nonindustrial 16 areas.

(3) To achieve and protect the state's long-term ecological 17 health, the department ((shall)) <u>must</u> plan to clean up hazardous 18 waste sites and prevent the creation of future hazards due to 19 improper disposal of toxic wastes at a pace that matches the 20 21 estimated cash resources in the ((state and local toxics control accounts and the environmental legacy stewardship account created in 22 RCW 70.105D.170)) model toxics control capital account. Estimated 23 24 cash resources must consider the annual cash flow requirements of 25 major projects that receive appropriations expected to cross multiple biennia. ((To effectively monitor toxic accounts expenditures, the 26 27 department shall develop a comprehensive ten-year financing report 28 that identifies long-term remedial action project costs, tracks 29 expenses, and projects future needs.

30 (4) By November 1, 2016, the department must submit to the governor and the appropriate legislative committees a report on the 31 32 status of developing model remedies and their use under this chapter. The report must include: The number and types of model remedies 33 identified by the department under subsection (1)(k) of this section; 34 the number and types of model remedy proposals prepared by qualified 35 private sector engineers, consultants, or contractors that were 36 37 accepted or rejected under subsection (1) (k) of this section and the reasons for rejection; and the success of model remedies in 38 39 accelerating the cleanup as measured by the number of jobs created by 40 the cleanup, where this information is available to the department,

1 acres of land restored, and the number and types of hazardous waste
2 sites successfully remediated using model remedies.

3 (5)) (4) Before September 20th of each even-numbered year, the 4 department ((shall)) <u>must</u>:

Develop a comprehensive ten-year financing report 5 in (a) with all 6 coordination local governments with clean-up 7 responsibilities that identifies the projected biennial hazardous waste site remedial action needs that are eligible for funding from 8 the ((state and local toxics control account and the environmental 9 legacy stewardship account)) model toxics control capital account; 10

11 (b) Work with local governments to develop working capital 12 reserves to be incorporated in the ten-year financing report;

13 (c) Identify the projected remedial action needs for orphaned, 14 abandoned, and other clean-up sites that are eligible for funding 15 from the ((state toxics control account)) model toxics control 16 capital account;

17 (d) Project the remedial action need, cost, revenue, and any 18 recommended working capital reserve estimate to the next biennium's 19 long-term remedial action needs from ((both the local and state toxics control account and the environmental legacy stewardship 20 21 account)) model toxics control capital account, and submit this information to the appropriate standing fiscal and environmental 22 23 committees of the senate and house of representatives. This submittal must also include a ranked list of such remedial action projects for 24 25 ((both)) the model toxics control capital account((s)). The submittal 26 must also identify separate budget estimates for large, multibiennia clean-up projects that exceed ten million dollars. The department 27 ((shall)) must prepare its ten-year capital budget plan that is 28 submitted to the office of financial management to reflect the 29 separate budget estimates for these large clean-up projects and 30 31 include information on the anticipated private and public funding 32 obligations for completion of the relevant projects.

33 (((6))) <u>(5)</u> By December 1st of each odd-numbered year, the 34 department must provide the legislature and the public a report of 35 the department's activities supported by appropriations from the 36 ((state and local toxics control accounts and the environmental 37 legacy stewardship)) model toxics control operating, capital, and 38 stormwater accounts. The report must be prepared and displayed in a 39 manner that allows the legislature and the public to easily determine

1 the statewide and local progress made in cleaning up hazardous waste 2 sites under this chapter. The report must include, at a minimum:

3 (a) The name, location, hazardous waste ranking, and a short 4 description of each site on the hazardous sites list, and the date 5 the site was placed on the hazardous waste sites list; and

6 (b) For sites where there are state contracts, grants, loans, or 7 direct investments by the state:

8 (i) The amount of money from the ((state and local toxics control 9 accounts and the environmental legacy stewardship account)) model 10 toxics control capital account used to conduct remedial actions at 11 the site and the amount of that money recovered from potentially 12 liable persons;

(ii) The actual or estimated start and end dates and the actual or estimated expenditures of funds authorized under this chapter for the following project phases:

(A) Emergency or interim actions, if needed;

17 (B) Remedial investigation;

18 (C) Feasibility study and selection of a remedy;

19 (D) Engineering design and construction of the selected remedy;

(E) Operation and maintenance or monitoring of the constructedremedy; and

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(F) The final completion date.

23 (((7))) <u>(6)</u> The department ((shall)) <u>must</u> establish a program to 24 identify potential hazardous waste sites and to encourage persons to 25 provide information about hazardous waste sites.

26 (((8))) <u>(7)</u> For all facilities where an environmental covenant has been required under subsection (1)(f) of this section, including 27 28 all facilities where the department has required an environmental 29 covenant under an order, agreed order, or consent decree, or as a condition of a written opinion issued under the authority of 30 31 subsection (1)(i) of this section, the department ((shall)) must 32 periodically review the environmental covenant for effectiveness. $((Except as otherwise provided in (c) of this subsection_r))$ The 33 department ((shall)) <u>must</u> conduct a review at least once every five 34 years after an environmental covenant is recorded. 35

36 (a) The review ((shall)) must consist of, at a minimum:

(i) A review of the title of the real property subject to the environmental covenant to determine whether the environmental covenant was properly recorded and, if applicable, amended or terminated; 1 (ii) A physical inspection of the real property subject to the 2 environmental covenant to determine compliance with the environmental 3 covenant, including whether any development or redevelopment of the 4 real property has violated the terms of the environmental covenant; 5 and

6 (iii) A review of the effectiveness of the environmental covenant 7 in limiting or prohibiting activities that may interfere with the 8 integrity of the remedial action or that may result in exposure to or 9 migration of hazardous substances. This ((shall)) <u>must</u> include a 10 review of available monitoring data.

(b) If an environmental covenant has been amended or terminated 11 12 without proper authority, or if the terms of an environmental covenant have been violated, or if the environmental covenant is no 13 longer effective in limiting or prohibiting activities that may 14 interfere with the integrity of the remedial action or that may 15 16 result in exposure to or migration of hazardous substances, then the 17 department ((shall)) <u>must</u> take any and all appropriate actions necessary to ensure compliance with the environmental covenant and 18 19 the policies and requirements of this chapter.

20 (((c) For facilities where an environmental covenant required by 21 the department under subsection (1)(f) of this section was required 22 before July 1, 2007, the department shall:

23 (i) Enter all required information about the environmental 24 covenant into the registry established under RCW 64.70.120 by June 25 30, 2008;

26 (ii) For those facilities where more than five years has elapsed 27 since the environmental covenant was required and the department has 28 yet to conduct a review, conduct an initial review according to the 29 following schedule:

30 (A) By December 30, 2008, fifty facilities;

31 (B) By June 30, 2009, fifty additional facilities; and

32 (C) By June 30, 2010, the remainder of the facilities;

33 (iii) Once this initial review has been completed, conduct 34 subsequent reviews at least once every five years.))

35 Sec. 402. RCW 70.105D.050 and 2013 2nd sp.s. c 1 s 8 are each 36 amended to read as follows:

37 (1) With respect to any release, or threatened release, for which 38 the department does not conduct or contract for conducting remedial 39 action and for which the department believes remedial action is in

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the public interest, the director ((shall)) <u>must</u> issue orders or agreed orders requiring potentially liable persons to provide the remedial action. Any liable person, or prospective purchaser who has entered into an agreed order under RCW 70.105D.040(6), who refuses, without sufficient cause, to comply with an order or agreed order of the director is liable in an action brought by the attorney general for:

8 (a) Up to three times the amount of any costs incurred by the 9 state as a result of the party's refusal to comply; and

10 (b) A civil penalty of up to twenty-five thousand dollars for 11 each day the party refuses to comply.

12 The treble damages and civil penalty under this subsection apply to 13 all recovery actions filed on or after March 1, 1989.

14 (2) Any person who incurs costs complying with an order issued 15 under subsection (1) of this section may petition the department for 16 reimbursement of those costs. If the department refuses to grant 17 reimbursement, the person may within thirty days thereafter file suit 18 and recover costs by proving that he or she was not a liable person 19 under RCW 70.105D.040 and that the costs incurred were reasonable.

(3) The attorney general ((shall)) <u>must</u> seek, by filing an action if necessary, to recover the amounts spent by the department for investigative and remedial actions and orders, and agreed orders, including amounts spent prior to March 1, 1989.

(4) The attorney general may bring an action to secure such relief as is necessary to protect human health and the environment under this chapter.

(5) (a) Any person may commence a civil action to compel the department to perform any nondiscretionary duty under this chapter. At least thirty days before commencing the action, the person must give notice of intent to sue, unless a substantial endangerment exists. The court may award attorneys' fees and other costs to the prevailing party in the action.

33 (b) Civil actions under this section and RCW 70.105D.060 may be 34 brought in the superior court of Thurston county or of the county in 35 which the release or threatened release exists.

36 (6) Any person who fails to provide notification of releases 37 consistent with RCW 70.105D.110 or who submits false information is 38 liable in an action brought by the attorney general for a civil 39 penalty of up to five thousand dollars per day for each day the party 40 refuses to comply.

1 (7) Any person who owns real property or lender holding a mortgage on real property that is subject to a lien filed under RCW 2 70.105D.055 may petition the department to have the lien removed or 3 the amount of the lien reduced. If, after consideration of the 4 petition and the information supporting the petition, the department 5 6 decides to deny the request, the person may, within ninety days after 7 receipt of the department's denial, file suit for removal or reduction of the lien. The person is entitled to removal of a lien 8 RCW 70.105D.055(2)(a) if they can 9 filed under prove by а preponderance of the evidence that the person is not a liable party 10 11 under RCW 70.105D.040. The person is entitled to a reduction of the 12 amount of the lien if they can prove by a preponderance of the evidence: 13

(a) For liens filed under RCW 70.105D.055(2)(a), the amount of
the lien exceeds the remedial action costs the department incurred
related to cleanup of the real property; and

17 (b) For liens filed under RCW 70.105D.055(2)(c), the amount of 18 the lien exceeds the remedial action costs the department incurred 19 related to cleanup of the real property or exceeds the increase of 20 the fair market value of the real property solely attributable to the 21 remedial action conducted by the department.

(8) The expenditure of moneys under the ((state and local toxics control)) model toxics control operating, capital, and stormwater accounts created in ((RCW 70.105D.170 [70.105D.070] and the environmental legacy stewardship account created in RCW 70.105D.170)) sections 202 through 204 of this act does not alter the liability of any person under this chapter, or the authority of the department under this chapter, including the authority to recover those moneys.

29 Sec. 403. RCW 70.75A.060 and 2018 c 286 s 7 are each amended to 30 read as follows:

A manufacturer of class B firefighting foam in violation of RCW 31 70.75A.020 or 70.75A.040 or a person in violation of RCW 70.75A.010 32 or 70.75A.030 is subject to a civil penalty not to exceed five 33 thousand dollars for each violation in the case of a first offense. 34 35 Manufacturers, local governments, or persons that are repeat violators are subject to a civil penalty not to exceed ten thousand 36 dollars for each repeat offense. Penalties collected under this 37 38 section must be deposited in the ((state)) model toxics control

1 operating account created in ((RCW 70.105D.070)) section 202 of this
2 act.

3 Sec. 404. RCW 70.76.100 and 2007 c 65 s 11 are each amended to 4 read as follows:

5 (1) Enforcement of this chapter must rely on notification and 6 information exchange between the department and manufacturers. The 7 department ((shall)) <u>must</u> achieve compliance with this chapter using 8 the following enforcement sequence:

9 (a) Before the effective date of the product prohibition in RCW 10 70.76.020 or 70.76.030, the department ((shall)) <u>must</u> prepare and 11 distribute information to in-state manufacturers and out-of-state 12 manufacturers, to the maximum extent practicable, to assist them in 13 identifying products prohibited for manufacture, sale, or 14 distribution under this chapter.

(b) The department may request a certificate of compliance from a manufacturer. A certificate of compliance attests that a manufacturer's product or products meets the requirements of this chapter.

(c) The department may issue a warning letter to a manufacturer that produces, sells, or distributes prohibited products in violation of this chapter. The department ((shall)) <u>must</u> offer information or other appropriate assistance to the manufacturer in complying with this chapter. If, after one year, compliance is not achieved, penalties may be assessed under subsection (3) of this section.

(2) A manufacturer that knowingly produces, sells, or distributes a product prohibited from manufacture, sale, or distribution in this state under this chapter ((shall)) <u>must</u> recall the product and reimburse the retailer or any other purchaser for the product and any applicable shipping and handling for returning the products.

30 (3) A manufacturer of products containing PBDEs in violation of 31 this chapter is subject to a civil penalty not to exceed one thousand dollars for each violation in the case of a first offense. 32 Manufacturers who are repeat violators are subject to a civil penalty 33 not to exceed five thousand dollars for each repeat offense. 34 Penalties collected under this section must be deposited in the 35 ((state)) model toxics control operating account created in ((RCW 36 70.105D.070)) section 202 of this act. 37

1 Sec. 405. RCW 70.95M.080 and 2003 c 260 s 9 are each amended to
2 read as follows:

A violation of this chapter is punishable by a civil penalty not to exceed one thousand dollars for each violation in the case of a first violation. Repeat violators are liable for a civil penalty not to exceed five thousand dollars for each repeat violation. Penalties collected under this section must be deposited in the ((state)) model toxics control operating account created in ((RCW 70.105D.070)) section 202 of this act.

10 Sec. 406. RCW 70.95M.120 and 2003 c 260 s 11 are each amended to 11 read as follows:

12 Any fiscal impact on the department or the department of health that results from the implementation of this chapter must be paid for 13 out of funds that are appropriated by the legislature from the 14 15 <u>model</u> toxics control <u>operating</u> ((state)) account for the implementation of the department's persistent bioaccumulative toxic 16 17 chemical strategy.

18 Sec. 407. RCW 70.240.050 and 2016 c 176 s 4 are each amended to 19 read as follows:

(1) A manufacturer of products that are restricted under this chapter must notify persons that sell the manufacturer's products in this state about the provisions of this chapter no less than ninety days prior to the effective date of the restrictions.

(2) A manufacturer that produces, sells, or distributes a product
 prohibited from manufacture, sale, or distribution in this state
 under this chapter ((shall)) <u>must</u> recall the product and reimburse
 the retailer or any other purchaser for the product.

(3) A manufacturer of products in violation of this chapter is 28 29 subject to a civil penalty not to exceed five thousand dollars for each violation in the case of a first offense. Manufacturers who are 30 repeat violators are subject to a civil penalty not to exceed ten 31 thousand dollars for each repeat offense. Penalties collected under 32 33 this section must be deposited in the ((state)) model toxics control 34 operating account created in ((RCW 70.105D.070)) section 202 of this 35 act.

36 (4) Retailers who unknowingly sell products that are restricted 37 from sale under this chapter are not liable under this chapter.

1 (5) The sale or purchase of any previously owned products 2 containing a chemical restricted under this chapter made in casual or 3 isolated sales as defined in RCW 82.04.040, or by a nonprofit 4 organization, is exempt from this chapter.

5 Sec. 408. RCW 70.270.050 and 2009 c 243 s 5 are each amended to 6 read as follows:

7 (1) An initial violation of RCW 70.270.030(1) is punishable by a 8 civil penalty not to exceed five hundred dollars. Subsequent 9 violations of RCW 70.270.030(1) are punishable by civil penalties not 10 to exceed one thousand dollars for each violation.

(2) Penalties collected under this section must be deposited in the ((state)) model toxics control operating account created in ((RCW 70.105D.070)) section 202 of this act.

14 Sec. 409. RCW 70.285.090 and 2010 c 147 s 9 are each amended to 15 read as follows:

16 (1) The department ((shall)) <u>must</u> enforce this chapter. The 17 department may periodically purchase and test brake friction material 18 sold or offered for sale in Washington state to verify that the 19 material complies with this chapter.

(2) Enforcement of this chapter by the department must rely on 20 21 notification and information exchange between the department and manufacturers, distributors, and retailers. The department ((shall)) 22 23 must issue one warning letter by certified mail to a manufacturer, distributor, or retailer that sells or offers to sell brake friction 24 material in violation of this chapter, and offer information or other 25 26 appropriate assistance regarding compliance with this chapter. Once a warning letter has been issued to a distributor or retailer for 27 violations under subsections (3) and (5) of this section, the 28 29 department need not provide warning letters for subsequent violations 30 by that distributor or retailer. For the purposes of subsection (6) of this section, a warning letter serves as notice of the violation. 31 If compliance is not achieved, the department may assess penalties 32 under this section. 33

34 (3) A brake friction material distributor or retailer that
35 violates this chapter is subject to a civil penalty not to exceed ten
36 thousand dollars for each violation. Brake friction material
37 distributors or retailers that sell brake friction material that is
38 packaged consistent with RCW 70.285.080(2)(b) are not in violation of

this chapter. However, if the department conclusively proves that the brake friction material distributor or retailer was aware that the brake friction material being sold violates RCW 70.285.030 or 70.285.050, the brake friction material distributor or retailer is subject to civil penalties according to this section.

6 (4) A brake friction material manufacturer that knowingly 7 violates this chapter ((shall)) must recall the brake friction material and reimburse the brake friction distributor, retailer, or 8 any other purchaser for the material and any applicable shipping and 9 10 handling charges for returning the material. A brake friction 11 material manufacturer that violates this chapter is subject to a 12 civil penalty not to exceed ten thousand dollars for each violation.

(5) A motor vehicle distributor or retailer that violates this 13 chapter is subject to a civil penalty not to exceed ten thousand 14 15 dollars for each violation. A motor vehicle distributor or retailer is not in violation of this chapter for selling a vehicle that was 16 17 previously sold at retail and that contains brake friction material failing to meet the requirements of this chapter. However, if the 18 19 department conclusively proves that the motor vehicle distributor or retailer installed brake friction material that violates RCW 20 70.285.030, 70.285.050, or 70.285.080(2)(b) on the vehicle being sold 21 22 and was aware that the brake friction material violates RCW 23 70.285.030, 70.285.050, or 70.285.080(2)(b), the motor vehicle 24 distributor or retailer is subject to civil penalties under this 25 section.

(6) A motor vehicle manufacturer that violates this chapter must 26 27 notify the registered owner of the vehicle within six months of 28 knowledge of the violation and must replace at no cost to the owner the noncompliant brake friction material with brake friction material 29 that complies with this chapter. A motor vehicle manufacturer that 30 31 fails to provide the required notification to registered owners of 32 the affected vehicles within six months of knowledge of the violation 33 is subject to a civil penalty not to exceed one hundred thousand 34 dollars. A motor vehicle manufacturer that fails to provide the required notification to registered owners of the affected vehicles 35 after twelve months of knowledge of the violation is subject to a 36 civil penalty not to exceed ten thousand dollars per vehicle. For 37 purposes of this section, "motor vehicle manufacturer" does not 38 39 include a vehicle dealer defined under RCW 46.70.011 and required to 40 be licensed as a vehicle dealer under chapter 46.70 RCW.

1 (7) Before the effective date of the prohibitions in RCW 2 70.285.030 or 70.285.050, the department ((shall)) <u>must</u> prepare and 3 distribute information about the prohibitions to manufacturers, 4 distributors, and retailers to the maximum extent practicable.

(8) All penalties collected under this chapter must be deposited
in the ((state)) model toxics control operating account created in
((RCW 70.105D.070)) section 202 of this act.

8 Sec. 410. RCW 70.280.050 and 2010 c 140 s 5 are each amended to 9 read as follows:

Expenses to cover the cost of administering this chapter ((shall)) <u>must</u> be paid from the (([state])) <u>model</u> toxics control <u>operating</u> account under ((RCW 70.105D.070)) <u>section 202 of this act</u>.

13 Sec. 411. RCW 70.300.040 and 2011 c 248 s 5 are each amended to 14 read as follows:

15 (1) The department ((shall)) <u>must</u> enforce the requirements of 16 this chapter.

(2) (a) A person or entity that violates this chapter is subject
to a civil penalty. The department may assess and collect a civil
penalty of up to ten thousand dollars per day per violation.

(b) All penalties collected by the department under this chapter
must be deposited in the ((state)) model toxics control operating
account created in ((RCW 70.105D.070)) section 202 of this act.

23 Sec. 412. RCW 90.71.370 and 2011 1st sp.s. c 50 s 977 are each 24 amended to read as follows:

(1) By December 1, 2008, and by September 1st of each evennumbered year beginning in 2010, the council ((shall)) <u>must</u> provide to the governor and the appropriate fiscal committees of the senate and house of representatives its recommendations for the funding necessary to implement the action agenda in the succeeding biennium. The recommendations ((shall)) <u>must</u>:

(a) Identify the funding needed by action agenda element;

31

32 (b) Address funding responsibilities among local, state, and33 federal governments, as well as nongovernmental funding; and

34 (c) Address funding needed to support the work of the 35 partnership, the panel, the ecosystem work group, and entities 36 assisting in coordinating local efforts to implement the plan.

1 (2) In the 2008 report required under subsection (1) of this section, the council ((shall)) <u>must</u> include recommendations for 2 projected funding needed through 2020 to implement the action agenda; 3 funding needs for science panel staff; identify methods to secure 4 stable and sufficient funding to meet these needs; and include 5 6 proposals for new sources of funding to be dedicated to Puget Sound 7 protection and recovery. In preparing the science panel staffing proposal, the council ((shall)) must consult with the panel. 8

9 (3) By November 1st of each odd-numbered year beginning in 2009, 10 the council ((shall)) <u>must</u> produce a state of the Sound report that 11 includes, at a minimum:

(a) An assessment of progress by state and nonstate entities in
implementing the action agenda, including accomplishments in the use
of state funds for action agenda implementation;

(b) A description of actions by implementing entities that are inconsistent with the action agenda and steps taken to remedy the inconsistency;

18 (c) The comments by the panel on progress in implementing the 19 plan, as well as findings arising from the assessment and monitoring 20 program;

(d) A review of citizen concerns provided to the partnership andthe disposition of those concerns;

(e) A review of the expenditures of funds to state agencies for the implementation of programs affecting the protection and recovery of Puget Sound, and an assessment of whether the use of the funds is consistent with the action agenda; and

(f) An identification of all funds provided to the partnership, and recommendations as to how future state expenditures for all entities, including the partnership, could better match the priorities of the action agenda.

31 (4) (a) The council ((shall)) <u>must</u> review state programs that fund 32 facilities and activities that may contribute to action agenda implementation. By November 1, 2009, the council ((shall)) must 33 provide initial recommendations regarding program changes to the 34 governor and appropriate fiscal and policy committees of the senate 35 36 and house of representatives. By November 1, 2010, the council ((shall)) <u>must</u> provide final recommendations regarding program 37 changes, including 38 proposed legislation to implement the 39 recommendation, to the governor and appropriate fiscal and policy 40 committees of the senate and house of representatives.

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(b) The review in this subsection ((shall)) <u>must</u> be conducted with the active assistance and collaboration of the agencies administering these programs, and in consultation with local governments and other entities receiving funding from these programs: (i) Water pollution control facilities financing, chapter 70.146 RCW;

7 (ii) The water pollution control revolving fund, chapter 90.50A
8 RCW;

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(iv) The aquatic lands enhancement account, RCW 79.105.150;

(iii) The public works assistance account, chapter 43.155 RCW;

(v) The ((state toxics control account and local toxics control account)) model toxics control operating, capital, and stormwater accounts and clean-up program, chapter 70.105D RCW;

14 (vi) The acquisition of habitat conservation and outdoor 15 recreation land, chapter 79A.15 RCW;

16 (vii) The salmon recovery funding board, RCW 77.85.110 through 17 77.85.150;

18 (viii) The community economic revitalization board, chapter 19 43.160 RCW;

20 (ix) Other state financial assistance to water quality-related 21 projects and activities; and

(x) Water quality financial assistance from federal programs
 administered through state programs or provided directly to local
 governments in the Puget Sound basin.

25 (c) The council's review ((shall)) must include but not be 26 limited to:

(i) Determining the level of funding and types of projects and activities funded through the programs that contribute to implementation of the action agenda;

30 (ii) Evaluating the procedures and criteria in each program for 31 determining which projects and activities to fund, and their 32 relationship to the goals and priorities of the action agenda;

(iii) Assessing methods for ensuring that the goals and priorities of the action agenda are given priority when program funding decisions are made regarding water quality-related projects and activities in the Puget Sound basin and habitat-related projects and activities in the Puget Sound basin;

38 (iv) Modifying funding criteria so that projects, programs, and 39 activities that are inconsistent with the action agenda are 40 ineligible for funding; 1 (v) Assessing ways to incorporate a strategic funding approach 2 for the action agenda within the outcome-focused performance measures 3 required by RCW 43.41.270 in administering natural resource-related 4 and environmentally based grant and loan programs.

(5) During the 2009-2011 fiscal biennium, the council's review 5 6 must result in a ranking of projects affecting the protection and recovery of the Puget Sound basin that are proposed in the governor's 7 capital budget submitted under RCW 43.88.060. The ranking ((shall)) 8 must include recommendations for reallocation of total requested 9 funds for Puget Sound basin projects to achieve the greatest positive 10 11 outcomes for protection and recovery of Puget Sound and ((shall)) 12 must be submitted to the appropriate fiscal committees of the legislature no later than February 1, 2011. 13

14 (6) During the 2011-2013 fiscal biennium, the council ((shall))
 15 <u>must</u> by November 1, 2012, produce the state of the Sound report as
 16 defined in subsection (3) of this section.

17 Sec. 413. RCW 70.105D.130 and 2010 1st sp.s. c 37 s 947 are each 18 amended to read as follows:

(1) The cleanup settlement account is created in the state 19 20 treasury. The account is not intended to replace the ((state)) model 21 toxics control <u>capital</u> account established under ((RCW 70.105D.070)) 22 section 203 of this act. All receipts from the sources identified in subsection (2) of this section must be deposited into the account. 23 24 Moneys in the account may be spent only after appropriation. 25 Expenditures from the account may be used only as identified in subsection (4) of this section. 26

27 (2) The following receipts must be deposited into the cleanup 28 settlement account:

(a) Receipts from settlements or court orders that direct payment
to the account and resolve a person's liability or potential
liability under this chapter for either or both of the following:

(i) Conducting future remedial action at a specific facility, if it is not feasible to require the person to conduct the remedial action based on the person's financial insolvency, limited ability to pay, or insignificant contribution under RCW 70.105D.040(4)(a);

36 (ii) Assessing or addressing the injury to natural resources 37 caused by the release of a hazardous substance from a specific 38 facility; and

(b) Receipts from investment of the moneys in the account.

39

1 (3) If a settlement or court order does not direct payment of 2 receipts described in subsection (2)(a) of this section into the 3 cleanup settlement account, then the receipts from any payment to the 4 state must be deposited into the ((state)) model toxics control 5 <u>capital</u> account.

6 (4) Expenditures from the cleanup settlement account may only be 7 used to conduct remedial actions at the specific facility or to assess or address the injury to natural resources caused by the 8 release of hazardous substances from that facility for which the 9 moneys were deposited in the account. Conducting remedial actions or 10 11 assessing or addressing injury to natural resources includes direct 12 expenditures and indirect expenditures such as department oversight costs. During the 2009-2011 fiscal biennium, the legislature may 13 14 transfer excess fund balances in the account into the state efficiency and restructuring account. Transfers of excess fund 15 16 balances made under this section ((shall)) may be made only to the 17 extent amounts transferred with required repayments do not impair the 18 ten-year spending plan administered by the department of ecology for 19 environmental remedial actions dedicated for any designated clean-up site associated with the Everett smelter and Tacoma smelter, 20 including plumes, or former Asarco mine sites. The cleanup settlement 21 account must be repaid with interest under provisions of the state 22 23 efficiency and restructuring account.

(5) The department ((shall)) <u>must</u> track moneys received, interest
 earned, and moneys expended separately for each facility.

(6) After the department determines that all remedial actions at a specific facility, and all actions assessing or addressing injury to natural resources caused by the release of hazardous substances from that facility, are completed, including payment of all related costs, any moneys remaining for the specific facility must be transferred to the ((state)) model toxics control capital account established under ((RCW 70.105D.070)) section 203 of this act.

(7) The department ((shall)) <u>must</u> provide the office of financial management and the fiscal committees of the legislature with a report by October 31st of each year regarding the activity within the cleanup settlement account during the previous fiscal year.

37 Sec. 414. RCW 70.105D.140 and 2013 2nd sp.s. c 1 s 3 are each 38 amended to read as follows:

1 (1) The brownfield redevelopment trust fund account is created in 2 the state treasury. All receipts from the sources identified in 3 subsection (2) of this section must be deposited into the account. 4 Moneys in the account may be spent only after appropriation. 5 Expenditures from the account may be used only as identified in 6 subsection (4) of this section.

7 (2) The following receipts must be deposited into the brownfield8 redevelopment trust fund account:

9 (a) Moneys appropriated by the legislature to the account for a 10 specific redevelopment opportunity zone established under RCW 11 70.105D.150 or a specific brownfield renewal authority established 12 under RCW 70.105D.160;

(b) Moneys voluntarily deposited in the account for a specific redevelopment opportunity zone or a specific brownfield renewal authority; and

16 (c) Receipts from settlements or court orders that direct payment 17 to the account for a specific redevelopment opportunity zone to 18 resolve a person's liability or potential liability under this 19 chapter.

(3) If a settlement or court order does not direct payment of receipts described in subsection (2)(c) of this section into the brownfield redevelopment trust fund account, then the receipts from any payment to the state must be deposited into the ((state)) model toxics control <u>capital</u> account established under ((RCW 70.105D.070)) <u>section 203 of this act</u>.

(4) Expenditures from the brownfield redevelopment trust fund account may only be used for the purposes of remediation and cleanup at the specific redevelopment opportunity zone or specific brownfield renewal authority for which the moneys were deposited in the account.

30 (5) The department ((shall)) <u>must</u> track moneys received, interest 31 earned, and moneys expended separately for each facility.

32 (6) The account must retain its interest earnings in accordance 33 with RCW 43.84.092.

34 (7) The local government designating the redevelopment 35 opportunity zone under RCW 70.105D.150 or the associated brownfield 36 renewal authority created under RCW 70.105D.160 must be the 37 beneficiary of the deposited moneys.

38 (8) All expenditures must be used to conduct remediation and 39 cleanup consistent with a plan for the remediation and cleanup of the 40 properties or facilities approved by the department under this

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1 chapter. All expenditures must meet the eligibility requirements for 2 the use by local governments under the rules for remedial action 3 grants adopted by the department under this chapter, including 4 requirements for the expenditure of nonstate match funding.

5 (9) Beginning October 31, 2015, the department must provide a 6 biennial report to the office of financial management and the 7 legislature regarding the activity for each specific redevelopment 8 opportunity zone or specific brownfield renewal authority for which 9 specific legislative appropriation was provided in the previous two 10 fiscal years.

(10) After the department determines that all remedial actions within the redevelopment opportunity zone identified in the plan approved under subsection (8) of this section are completed, including payment of all cost reasonably attributable to the remedial actions and cleanup, any remaining moneys must be transferred to the ((state)) model toxics control capital account established under ((RCW 70.105D.070)) section 203 of this act.

(11) If the department determines that substantial progress has 18 not been made on the plan approved under subsection (8) of this 19 section for a redevelopment opportunity zone or specific brownfield 20 21 renewal authority for which moneys were deposited in the account within six years, or that the brownfield renewal authority is no 22 longer a viable entity, then all remaining moneys must be transferred 23 to the ((state)) model toxics control operating account established 24 25 under ((RCW 70.105D.070)) sections 202 of this act.

26 (12) The department is authorized to adopt rules to implement 27 this section.

28 <u>NEW SECTION.</u> Sec. 415. The following acts or parts of acts are 29 each repealed:

30 (1) RCW 70.105D.170 (Environmental legacy stewardship account) 31 and 2013 2nd sp.s. c 28 s 1, 2013 2nd sp.s. c 19 s 7042, 2013 2nd 32 sp.s. c 4 s 991, & 2013 2nd sp.s. c 1 s 10; and

33 (2) RCW 70.105D.070 (Toxics control accounts) and 2019 c . . .
34 (SHB 1290) s 4, 2018 c 299 s 911, 2017 3rd sp.s. c 1 s 980, & 2016
35 sp.s. c 36 s 943.

36 <u>NEW SECTION.</u> Sec. 416. Any residual balance of funds remaining 37 in the state toxics control account repealed by section 415 of this 38 act on the effective date of this section must be transferred to the

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1 model toxics control operating account created in section 202 of this 2 act.

3 <u>NEW SECTION.</u> Sec. 417. Any residual balance of funds remaining 4 in the local toxics control account repealed by section 415 of this 5 act on the effective date of this section must be transferred to the 6 model toxics control capital account created in section 203 of this 7 act.

8 <u>NEW SECTION.</u> Sec. 418. Any residual balance of funds remaining 9 in the environmental legacy stewardship account repealed by section 10 415 of this act on the effective date of this section must be 11 transferred to the model toxics control stormwater account created in 12 section 204 of this act.

13 <u>NEW SECTION.</u> Sec. 419. This act is necessary for the immediate 14 preservation of the public peace, health, or safety, or support of 15 the state government and its existing public institutions, and takes 16 effect July 1, 2019.

--- END ---