SENATE BILL 5895

State of Washington 67th Legislature 2022 Regular Session

By Senators Frockt and Mullet

AN ACT Relating to timing restrictions for remedial action grants to local government; amending RCW 70A.305.190; and creating a new section.

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

5 <u>NEW SECTION.</u> Sec. 1. The legislature finds that:

6 (1) Remedial action grants are an effective means to assist a 7 local government achieve toxic waste cleanup; and

8 (2) Requiring a local government to have all the necessary 9 permits in hand prior to receiving remedial action grant funding has 10 caused unintended delays in implementing projects.

11 Sec. 2. RCW 70A.305.190 and 2020 c 20 s 1320 are each amended to 12 read as follows:

13 (1) The model toxics control capital account is hereby created in 14 the state treasury.

15 (2) In addition to the funds deposited into the model toxics 16 control capital account required under RCW 82.21.030, the following 17 moneys must be deposited into the model toxics control capital 18 account:

(a) The costs of remedial actions recovered under this chapter,except as provided under RCW 70A.305.170(7);

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

2 (c) Any other money appropriated or transferred to the account by3 the legislature.

4 (3) Moneys in the model toxics control capital account must be 5 used for the improvement, rehabilitation, remediation, and cleanup of 6 toxic sites and other capital-related expenditures for programs and 7 activities identified in subsection (4) of this section.

8 (4) Moneys in the model toxics control capital account may be 9 used only for capital projects and activities that carry out the 10 purposes of this chapter and for financial assistance to local 11 governments or other persons to carry out those projects or 12 activities, including but not limited to the following, generally in 13 descending order of priority:

14 (a) Remedial actions, including the following generally in 15 descending order of priority:

16 (i) Extended grant agreements entered into under subsection 17 (5)(a) of this section;

(ii) Grants or loans to local governments for remedial actions, including planning for adaptive reuse of properties as provided for under subsection (5)(d) of this section. The department must 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;

30 (iv) Grants to persons intending to remediate contaminated real 31 property for development of affordable housing;

32 (v) Public funding to assist potentially liable persons to pay 33 for the costs of remedial action in compliance with clean-up 34 standards under RCW 70A.305.030(2)(e) if:

35 (A) The amount and terms of the funding are established under a 36 settlement agreement under RCW 70A.305.040(4); and

37 (B) The director has found that the funding will achieve both a 38 substantially more expeditious or enhanced cleanup than would 39 otherwise occur, and the prevention or mitigation of unfair economic 40 hardship; 1 (vi) Public funding to assist prospective purchasers to pay for 2 the costs of remedial action in compliance with clean-up standards 3 under RCW 70A.305.030(2)(e) if:

4 (A) The facility is located within a redevelopment opportunity 5 zone designated under RCW 70A.305.150;

6 (B) The amount and terms of the funding are established under a 7 settlement agreement under RCW 70A.305.040(5); and

8 (C) The director has found the funding will achieve a 9 substantially more expeditious or enhanced cleanup than would 10 otherwise occur, provide a public benefit in addition to cleanup 11 commensurate with the scope of the public funding; and meet any 12 additional criteria established in rule by the department; and

13 (vii) To expedite multiparty clean-up efforts, purchase of 14 remedial action cost-cap insurance;

(b) Grants, or loans, or contracts to local governments for solid waste plans and programs under chapters 70A.205, 70A.214, 70A.224, 70A.222, 70A.230, and 70A.300 RCW. Funds must be allocated consistent with priorities and matching requirements in the respective chapters;

19 (c) Toxic air pollutant reduction programs, including grants or 20 loans to local governments for woodstoves and diesel;

(d) Grants, loans, or contracts to local governments for hazardous waste plans and programs under chapters 70A.405 and 70A.300 RCW, including chemical action plan implementation. Funds must be allocated consistent with priorities and matching requirements in the respective chapters; and

(e) Petroleum-based plastic or expanded polystyrene foam debrisclean-up activities in fresh or marine waters.

28 (5) The department may establish and administer a program to 29 provide grants and loans to local governments for remedial actions, including planning for adaptive reuse of contaminated properties. 30 31 ((The department may not award a grant or loan for a remedial action 32 unless the local government has obtained all of the required permits for the action within one year of the effective date of the enacted 33 budget.)) To expedite cleanups throughout the state, the department 34 35 may use the following strategies when providing grants to local 36 governments under this subsection:

37 (a) Enter into an extended grant agreement with a local
 38 government conducting remedial actions at a facility where those
 39 actions extend over multiple biennia and the total eligible cost of

1 those actions exceeds ((twenty million dollars)) \$20,000,000. The 2 agreement is subject to the following limitations:

3 (i) The initial duration of such an agreement may not exceed 4 ((ten)) <u>10</u> years. The department may extend the duration of such an 5 agreement upon finding substantial progress has been made on remedial 6 actions at the facility;

7 (ii) Extended grant agreements may not exceed ((fifty)) 50 8 percent of the total eligible remedial action costs at the facility; 9 and

10 (iii) The department may not allocate future funding to an 11 extended grant agreement unless the local government has demonstrated 12 to the department that funds awarded under the agreement during the 13 previous biennium have been substantially expended or contracts have 14 been entered into to substantially expend the funds;

15 (b) Enter into a grant agreement with a local government 16 conducting a remedial action that provides for periodic reimbursement 17 of remedial action costs as they are incurred as established in the 18 agreement;

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

(d) Provide integrated planning grants to local governments to 24 25 fund studies necessary to facilitate remedial actions at brownfield 26 properties and adaptive reuse of properties following remediation. Eligible activities include, but are not limited to: Environmental 27 28 site assessments; remedial investigations; health assessments; 29 feasibility studies; site planning; community involvement; land use and regulatory analyses; building and infrastructure assessments; 30 economic and fiscal analyses; and any environmental analyses under 31 32 chapter 43.21C RCW;

(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;

38 (f) The director may alter grant matching requirements to create 39 incentives for local governments to expedite cleanups when one of the 40 following conditions exists:

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

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

6 (iii) Funding would create an opportunity for acquisition and 7 redevelopment of brownfield property under RCW 70A.305.040(5) that 8 would not otherwise occur; and

9 (g) When pending grant applications under subsection (4)(d) and 10 (e) of this section exceed the amount of funds available, designated 11 redevelopment opportunity zones must receive priority for 12 distribution of available funds.

13 (6) Except for unanticipated receipts under RCW 43.79.260 through 14 43.79.282, moneys in model toxics control capital account may be 15 spent only after appropriation by statute.

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