

HOUSE BILL REPORT

HB 1310

As Reported By House Committee On:
Financial Institutions & Insurance

Title: An act relating to the pollution liability insurance program.

Brief Description: Allowing the pollution liability insurance program trust account to retain the interest on its fund.

Sponsors: Representatives Smith, L. Thomas and Wensman.

Brief History:

Committee Activity:

Financial Institutions & Insurance: 1/27/97, 1/31/97 [DP].

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: Do pass. Signed by 10 members: Representatives L. Thomas, Chairman; Smith, Vice Chairman; Zellinsky, Vice Chairman; Grant, Assistant Ranking Minority Member; Benson; Constantine; DeBolt; Keiser; Sullivan and Wensman.

Minority Report: Without recommendation. Signed by 1 member: Representative Wolfe.

Staff: Charlie Gavigan (786-7340).

Background: The state treasurer manages over 400 state funds. Interest on most of these funds goes to the general fund. Some funds retain all or most of the interest earned.

The Pollution Liability Insurance Agency has two funds, one primarily for its underground storage tank program and reinsurance, and the other primarily for its heating oil program expenses. The underground storage tank program is funded by a tax on petroleum; the balance in its fund, the Pollution Liability Insurance Program Trust Account, is approximately \$32 million. This fund has a floor and ceiling; the tax has not been collected since 1992. The heating oil program is funded by a fee on heating oil; the balance on its fund is approximately \$112,000.

Summary of Bill: The Pollution Liability Insurance Program Trust Account retains its interest earned rather than having the interest earned go to the general fund.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: Keeping the interest in the trust fund helps ensure the long-term solvency of the program, and reduces the likelihood that the petroleum tax would have to be collected again.

Testimony Against: None.

Testified: Mike Sciacca, Washington Oil Marketers Association (supports).