
ENGROSSED SUBSTITUTE HOUSE BILL 2247

State of Washington 56th Legislature 1999 1st Special Session

By House Committee on Appropriations (originally sponsored by Representatives Cooper, Linville and Ruderman; by request of Office of Financial Management)

Read first time 03/08/1999.

1 AN ACT Relating to the oil spill response tax; amending RCW
2 82.23B.020 and 90.56.510; creating a new section; and declaring an
3 emergency.

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

5 **Sec. 1.** RCW 82.23B.020 and 1997 c 449 s 2 are each amended to read
6 as follows:

7 (1) An oil spill response tax is imposed on the privilege of
8 receiving crude oil or petroleum products at a marine terminal within
9 this state from a waterborne vessel or barge operating on the navigable
10 waters of this state. The tax imposed in this section is levied upon
11 the owner of the crude oil or petroleum products immediately after
12 receipt of the same into the storage tanks of a marine terminal from a
13 waterborne vessel or barge at the rate of one cent per barrel of crude
14 oil or petroleum product received.

15 (2) In addition to the tax imposed in subsection (1) of this
16 section, an oil spill administration tax is imposed on the privilege of
17 receiving crude oil or petroleum products at a marine terminal within
18 this state from a waterborne vessel or barge operating on the navigable
19 waters of this state. The tax imposed in this section is levied upon

1 the owner of the crude oil or petroleum products immediately after
2 receipt of the same into the storage tanks of a marine terminal from a
3 waterborne vessel or barge at the rate of four cents per barrel of
4 crude oil or petroleum product.

5 (3) The taxes imposed by this chapter shall be collected by the
6 marine terminal operator from the taxpayer. If any person charged with
7 collecting the taxes fails to bill the taxpayer for the taxes, or in
8 the alternative has not notified the taxpayer in writing of the
9 imposition of the taxes, or having collected the taxes, fails to pay
10 them to the department in the manner prescribed by this chapter,
11 whether such failure is the result of the person's own acts or the
12 result of acts or conditions beyond the person's control, he or she
13 shall, nevertheless, be personally liable to the state for the amount
14 of the taxes. Payment of the taxes by the owner to a marine terminal
15 operator shall relieve the owner from further liability for the taxes.

16 (4) Taxes collected under this chapter shall be held in trust until
17 paid to the department. Any person collecting the taxes who
18 appropriates or converts the taxes collected shall be guilty of a gross
19 misdemeanor if the money required to be collected is not available for
20 payment on the date payment is due. The taxes required by this chapter
21 to be collected shall be stated separately from other charges made by
22 the marine terminal operator in any invoice or other statement of
23 account provided to the taxpayer.

24 (5) If a taxpayer fails to pay the taxes imposed by this chapter to
25 the person charged with collection of the taxes and the person charged
26 with collection fails to pay the taxes to the department, the
27 department may, in its discretion, proceed directly against the
28 taxpayer for collection of the taxes.

29 (6) The taxes shall be due from the marine terminal operator, along
30 with reports and returns on forms prescribed by the department, within
31 twenty-five days after the end of the month in which the taxable
32 activity occurs.

33 (7) The amount of taxes, until paid by the taxpayer to the marine
34 terminal operator or to the department, shall constitute a debt from
35 the taxpayer to the marine terminal operator. Any person required to
36 collect the taxes under this chapter who, with intent to violate the
37 provisions of this chapter, fails or refuses to do so as required and
38 any taxpayer who refuses to pay any taxes due under this chapter, shall
39 be guilty of a misdemeanor as provided in chapter 9A.20 RCW.

1 (8) Upon prior approval of the department, the taxpayer may pay the
2 taxes imposed by this chapter directly to the department. The
3 department shall give its approval for direct payment under this
4 section whenever it appears, in the department's judgment, that direct
5 payment will enhance the administration of the taxes imposed under this
6 chapter. The department shall provide by rule for the issuance of a
7 direct payment certificate to any taxpayer qualifying for direct
8 payment of the taxes. Good faith acceptance of a direct payment
9 certificate by a terminal operator shall relieve the marine terminal
10 operator from any liability for the collection or payment of the taxes
11 imposed under this chapter.

12 (9) All receipts from the tax imposed in subsection (1) of this
13 section shall be deposited into the state oil spill response account.
14 All receipts from the tax imposed in subsection (2) of this section
15 shall be deposited into the oil spill administration account.

16 (10) Within forty-five days after the end of each calendar quarter,
17 the office of financial management shall determine the balance of the
18 oil spill response account as of the last day of that calendar quarter.
19 Balance determinations by the office of financial management under this
20 section are final and shall not be used to challenge the validity of
21 any tax imposed under this chapter. The office of financial management
22 shall promptly notify the departments of revenue and ecology of the
23 account balance once a determination is made. For each subsequent
24 calendar quarter, the tax imposed by subsection (1) of this section
25 shall be imposed during the entire calendar quarter unless:

26 (a) Tax was imposed under subsection (1) of this section during the
27 immediately preceding calendar quarter, and the most recent quarterly
28 balance is more than (~~ten~~) nine million dollars; or

29 (b) Tax was not imposed under subsection (1) of this section during
30 the immediately preceding calendar quarter, and the most recent
31 quarterly balance is more than (~~nine~~) eight million dollars.

32 **Sec. 2.** RCW 90.56.510 and 1997 c 449 s 3 are each amended to read
33 as follows:

34 (1) The oil spill administration account is created in the state
35 treasury. All receipts from RCW 82.23B.020(2) shall be deposited in
36 the account. Moneys from the account may be spent only after
37 appropriation. The account is subject to allotment procedures under
38 chapter 43.88 RCW. If, on the first day of any calendar month, the

1 balance of the oil spill response account is greater than (~~ten~~) nine
2 million dollars and the balance of the oil spill administration account
3 exceeds the unexpended appropriation for the current biennium, then the
4 tax under RCW 82.23B.020(2) shall be suspended on the first day of the
5 next calendar month until the beginning of the following biennium,
6 provided that the tax shall not be suspended during the last six months
7 of the biennium. If the tax imposed under RCW 82.23B.020(2) is
8 suspended during two consecutive biennia, the department shall by
9 November 1st after the end of the second biennium, recommend to the
10 appropriate standing committees an adjustment in the tax rate. For the
11 biennium ending June 30, (~~1997~~) 1999, and the biennium ending June
12 30, 2001, the state treasurer may transfer a total of up to
13 (~~(\$1,718,000)~~) one million dollars from the oil spill response account
14 to the oil spill administration account to support appropriations made
15 from the oil spill administration account in the omnibus (~~and~~
16 ~~transportation~~) appropriations act(~~s~~) adopted not later than June
17 30, (~~1997~~) 1999.

18 (2) Expenditures from the oil spill administration account shall be
19 used exclusively for the administrative costs related to the purposes
20 of this chapter, and chapters 90.48, 88.40, and 88.46 RCW. Starting
21 with the 1995-1997 biennium, the legislature shall give activities of
22 state agencies related to prevention of oil spills priority in funding
23 from the oil spill administration account. Costs of administration
24 include the costs of:

- 25 (a) Routine responses not covered under RCW 90.56.500;
- 26 (b) Management and staff development activities;
- 27 (c) Development of rules and policies and the state-wide plan
28 provided for in RCW 90.56.060;
- 29 (d) Facility and vessel plan review and approval, drills,
30 inspections, investigations, enforcement, and litigation;
- 31 (e) Interagency coordination and public outreach and education;
- 32 (f) Collection and administration of the tax provided for in
33 chapter 82.23B RCW; and
- 34 (g) Appropriate travel, goods and services, contracts, and
35 equipment.

36 NEW SECTION. Sec. 3. The house of representatives, jointly with
37 the senate, shall convene the Washington waters oil spill risk
38 reduction work group. The work group shall develop recommendations for

1 an oil spill risk management plan and maintaining maritime commerce for
2 all Washington shipping corridors.

3 The work group shall: (1) Identify risk reduction measures already
4 in place and build upon this work and the work of the scoping risk
5 assessment; (2) identify new safety measures and determine if they are
6 needed; (3) make an evaluation of the international tug of opportunity
7 system; (4) evaluate current state, federal, and Canadian studies
8 pertaining to marine safety, environmental protection, and the
9 viability of maritime commerce in Washington state and the adjoining
10 waters of the province of British Columbia; (5) evaluate the United
11 States coast guard cost-benefit analysis of extending escorts or
12 establishing a dedicated rescue tug; and (6) evaluate the port access
13 route study, and other studies concerning marine safety and maritime
14 commerce issues.

15 The work group will discuss and develop a recommended risk
16 management plan for Washington state marine corridors after taking into
17 consideration input from existing information and studies, ongoing
18 initiatives, the reports of various stakeholders and experts, potential
19 impact to the state's economy, and the cost-benefit analysis being
20 conducted by the United States coast guard to be submitted to the
21 legislature by December 1, 1999. The work group shall report to the
22 legislature by January 10, 2000.

23 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
24 preservation of the public peace, health, or safety, or support of the
25 state government and its existing public institutions, and takes effect
26 immediately.

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