

HOUSE BILL REPORT

SHB 1349

As Passed House:

March 9, 2001

Title: An act relating to funding for removal and disposal of derelict vessels.

Brief Description: Authorizing a funding mechanism for removal and disposal of derelict vessels.

Sponsors: By House Committee on Appropriations (originally sponsored by Representatives Kessler, Buck, Morris, Sehlin, Linville and Rockefeller).

Brief History:

Committee Activity:

Appropriations: 2/8/01, 2/21/01 [DPS].

Floor Activity:

Passed House: 3/9/01, 92-1.

Brief Summary of Substitute Bill

- Allows local governments to apply for Local Toxics Control Account grants or loans for the cleanup and disposal of hazardous substances from abandoned or derelict vessels.
- Derelict or abandoned vessels are defined as having little or no value, and either no identified owner or an owner lacking financial resources to clean up and dispose of the vessel.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 31 members: Representatives Sehlin, Republican Co-Chair; H. Sommers, Democratic Co-Chair; Barlean, Republican Vice Chair; Doumit, Democratic Vice Chair; Lisk, Republican Vice Chair; Alexander, Benson, Boldt, Buck, Clements, Cody, Cox, Dunshee, Fromhold, Gombosky, Kagi, Keiser, Kenney, Kessler, Lambert, Linville, Mastin, McIntire, Mulliken, Pearson, Pflug, Ruderman, D. Schmidt, Schual-Berke, Talcott and Tokuda.

Staff: Jeff Olsen (786-7157).

Background:

The State Toxics Control Account and the Local Toxics Control Account were created by the Legislature during the 1988 session and subsequently affirmed by the voters with the passage of Initiative 97, the Model Toxics Control Act, in November 1988. The main purpose of the Model Toxics Control Act is to raise sufficient funds to clean up all hazardous waste sites and to prevent the creation of future hazards due to improper disposal of toxic wastes into the state's land and waters.

The primary source of revenue to the accounts is the hazardous substances tax, a privilege tax on the first possession of hazardous substances in the state. Fifty-three percent of hazardous substance tax receipts are deposited in the Local Toxics Control Account and 47 percent of receipts are deposited in the State Toxics Control Account. Revenues to the Local Toxics Control Account are estimated to be \$61.0 million for the 1999-01 biennium.

Moneys deposited in the Local Toxics Control Account are used for grants or loans to local governments for the following purposes, in descending order of priority:

- (1) Remedial actions to identify, eliminate, or minimize any threat or potential threat posed by hazardous substances to human health or the environment, including investigations, health assessments, and monitoring;
- (2) hazardous waste plans and programs; and
- (3) solid waste plans and programs.

Summary of Bill:

Local governments are eligible to apply for Local Toxics Control Account grants or loans for the cleanup and disposal of hazardous substances from abandoned or derelict vessels that pose a threat to human health or the environment. Abandoned or derelict vessels are defined as having little or no value and either no identified owner or an owner lacking financial resources to clean up and dispose of the vessel. The cleanup of derelict vessels would follow remedial actions, hazardous waste planning, and solid waste planning in funding priority.

Appropriation: None.**Fiscal Note:** Available.**Effective Date:** Ninety days after adjournment of session in which bill is passed.**Testimony For:** Abandoned and derelict vessels create environmental and navigational

problems. Approximately 100 vessels are abandoned per year, and cleanup costs average between \$2,000 to \$4,000 per vessel. This bill allows local governments to apply for cleanup funds. Cleanup of these vessels is a new use of the local toxics grant program and projects would compete with other cleanup projects in the Department of Ecology's Local Toxics Program on a worst-first priority basis.

Testimony Against: The oil industry pays approximately 89 percent of the Hazardous Substances tax which is used by the Local Toxics Program. Taxes are used to support solid and hazardous waste cleanup programs. This bill expands the use of the local toxics fund that diverts resources away from the original purpose of the Model Toxics Control Act. It suggests that the local toxics fund be used for other purposes, such as cleaning up old abandoned cars. In addition, if there is an oil spill from a vessel, there is a source of funds, a per barrel tax on oil, that is used for oil spill response.

Testified: (In support) Representative Kessler, prime sponsor; Eric Johnson, Washington Public Ports Association; Bob Sokol, Port of Port Townsend; and Cheryl Maynard, Port of Olympia.

(With concerns) Cullen Stephenson, Department of Ecology.

(Opposed) Dan Riley, Western States Petroleum Association.