

# FINAL BILL REPORT

## SHB 2678

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Synopsis as Enacted

**Brief Description:** Reauthorizing the pollution liability insurance agency.

**Sponsors:** By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Kagi, Kretz, B. Sullivan and Ericks; by request of Pollution Liability Insurance Agency).

**House Committee on Financial Institutions & Insurance**

**House Committee on Appropriations**

**Senate Committee on Water, Energy & Environment**

**Senate Committee on Ways & Means**

**Background:**

The Pollution Liability Insurance Agency's (PLIA) mission is to make pollution liability insurance available and affordable to the owners and operators of heating oil tanks and underground storage tanks by offering reinsurance services to the insurance industry. A heating oil tank is a tank for space heating of a home or working space. An underground storage tank is a commercial tank or a combination of tanks used to store an accumulation of petroleum.

The PLIA and its programs do not receive state general funds. Funding comes from two sources: (1) a pollution liability fee imposed on dealers making sales of heating oil to a homeowner or a consumer which is deposited into the Heating Oil Pollution Liability Trust Account (HOPLT Account); and (2) an excise tax on the wholesale value of petroleum which is deposited into the Pollution Liability Insurance Program Trust Account (PLT Account). The excise tax includes a "trigger" mechanism based on the amount of funds in the PLT Account. The tax will only be imposed for a succeeding calendar quarter if the tax was levied the prior quarter and the account balance is less than \$15 million. Most recently, the tax was effective from July 1, 2003, through June 30, 2004. The entire tax is scheduled to expire on June 1, 2007.

The Director of the PLIA (Director) is required to evaluate the effects of the program on the private market for liability insurance for owners and operators of underground storage tanks. The Director is required to make recommendations to the Legislature concerning continuance of the program.

The programs and the PLIA are scheduled to expire on June 1, 2007.

**Summary:**

The expiration dates for various aspects of the PLIA program are extended until from July 1, 2007, until July 1, 2013. This includes: the PLT Account; the chapter dealing with underground petroleum tank portion of the PLIA program; the chapter dealing with the home heating oil portion of the PLIA program; and the chapter dealing with the tax on petroleum products.

Several individual expiration sections within various chapters of the PLIA program are repealed.

**Votes on Final Passage:**

House	95	1	
Senate	43	0	(Senate amended)
House	98	0	(House concurred)

**Effective:** June 7, 2006