

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 1823**

59th Legislature  
2005 Regular Session

Passed by the House March 10, 2005  
Yeas 94 Nays 0

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**Speaker of the House of Representatives**

Passed by the Senate April 14, 2005  
Yeas 39 Nays 0

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**President of the Senate**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Richard Nafziger, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1823** as passed by the House of Representatives and the Senate on the dates hereon set forth.

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**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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**SUBSTITUTE HOUSE BILL 1823**

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Passed Legislature - 2005 Regular Session

**State of Washington**

**59th Legislature**

**2005 Regular Session**

**By** House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Kretz, Serben, McCune, Armstrong, Rodne, Buri, Clements, Cox, Sump, Haler, Pettigrew, Grant, Holmquist, Walsh, Strow, Haigh and Kristiansen)

READ FIRST TIME 03/04/05.

1       AN ACT Relating to assisting the economic development of  
2 underserved rural communities by assisting an owner or operator that  
3 has discontinued using an underground petroleum storage tank; amending  
4 RCW 70.148.120 and 70.148.130; making an appropriation; and providing  
5 an expiration date.

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

7       **Sec. 1.** RCW 70.148.120 and 1991 c 4 s 1 are each amended to read  
8 as follows:

9       The legislature recognizes as a fundamental government purpose the  
10 need to protect the environment and human health and safety. To that  
11 end the state has enacted laws designed to limit and prevent  
12 environmental damage and risk to public health and safety caused by  
13 underground petroleum storage tank leaks. Because of the costs  
14 associated with compliance with such laws and the high costs associated  
15 with correcting past environmental damage, many owners and operators of  
16 underground petroleum storage tanks have discontinued the use of or  
17 have planned to discontinue the use of such tanks. As a consequence,  
18 isolated communities face the loss of their source of motor vehicle  
19 fuel and face the risk that the owner or operator will have

1 insufficient funds to take corrective action for pollution caused by  
2 past leaks from the tanks. In particular, rural communities face the  
3 risk that essential emergency, medical, fire and police services may be  
4 disrupted through the diminution or elimination of local sellers of  
5 petroleum products and by the closure of underground storage tanks  
6 owned by local government entities serving these communities.

7 The legislature also recognizes as a fundamental government purpose  
8 the need to preserve a minimum level of economic viability in rural  
9 communities so that public revenues generated from economic activity  
10 are sufficient to sustain necessary governmental functions. The  
11 closing of local service stations adversely affects local economies by  
12 reducing or eliminating reasonable access to fuel for agricultural,  
13 commercial, recreational, and transportation needs.

14 The legislature intends to assist small communities within this  
15 state by authorizing:

16 (1) Cities, towns, and counties to certify that a local private  
17 owner or operator of an underground petroleum storage tank meets a  
18 vital local government, public health or safety need thereby qualifying  
19 the owner or operator for state financial assistance in complying with  
20 environmental regulations and assistance in taking needed corrective  
21 action for existing tank leaks; and

22 (2) Local government entities to obtain state financial assistance  
23 to bring local government underground petroleum storage tanks into  
24 compliance with environmental regulations and to take needed corrective  
25 action for existing tank leaks.

26 **Sec. 2.** RCW 70.148.130 and 1991 c 4 s 2 are each amended to read  
27 as follows:

28 (1) Subject to the conditions and limitations of RCW 70.148.120  
29 through 70.148.170, the director shall establish and manage a program  
30 for providing financial assistance to public and private owners and  
31 operators of underground storage tanks who have been certified by the  
32 governing body of the county, city, or town in which the tanks are  
33 located as meeting a vital local government, public health or safety  
34 need. In providing such financial assistance the director shall:

35 (a) Require owners and operators, including local government owners  
36 and operators, to demonstrate serious financial hardship;

1 (b) Limit assistance to only that amount necessary to supplement  
2 applicant financial resources;

3 (c) Limit assistance to no more than (~~one~~) two hundred (~~fifty~~)  
4 thousand dollars in value for any one underground storage tank site of  
5 which amount no more than seventy-five thousand dollars in value may be  
6 provided for corrective action; and

7 (d) Whenever practicable, provide assistance through the direct  
8 payment of contractors and other professionals for labor, materials,  
9 and other services.

10 (2)(a) Except as otherwise provided in RCW 70.148.120 through  
11 70.148.170, no grant of financial assistance may be used for any  
12 purpose other than for corrective action and repair, replacement,  
13 reconstruction, and improvement of underground storage tanks and tank  
14 sites. If at any time prior to providing financial assistance or in  
15 the course of providing such assistance, it appears to the director  
16 that corrective action costs may exceed seventy-five thousand dollars,  
17 the director may not provide further financial assistance until the  
18 owner or operator has developed and implemented a corrective action  
19 plan with the department of ecology.

20 (b) A grant of financial assistance may also be made to an owner or  
21 operator that has discontinued using underground petroleum storage  
22 tanks due to economic hardship. An owner or operator may receive a  
23 grant up to two hundred thousand dollars per retailing location if:

24 (i) The property is located in an underserved rural area;

25 (ii) The property was previously used by a private owner or  
26 operator to provide motor vehicle fuel; and

27 (iii) The property is at least ten miles from the nearest motor  
28 vehicle fuel service station.

29 (3) When requests for financial assistance exceed available funds,  
30 the director shall give preference to providing assistance first to  
31 those underground storage tank sites which constitute the sole source  
32 of petroleum products in remote rural communities.

33 (4) The director shall consult with the department of ecology in  
34 approving financial assistance for corrective action to ensure  
35 compliance with regulations governing underground petroleum storage  
36 tanks and corrective action.

37 (5) The director shall approve or disapprove applications for  
38 financial assistance within sixty days of receipt of a completed

1 application meeting the requirements of RCW 70.148.120 through  
2 70.148.170. The certification by local government of an owner or  
3 operator shall not preclude the director from disapproving an  
4 application for financial assistance if the director finds that such  
5 assistance would not meet the purposes of RCW 70.148.120 through  
6 70.148.170.

7 (6) The director may adopt all rules necessary to implement the  
8 financial assistance program and shall consult with the technical  
9 advisory committee established under RCW 70.148.030 in developing such  
10 rules and in reviewing applications for financial assistance.

11 NEW SECTION. **Sec. 3.** The sum of one million dollars, or as much  
12 thereof as may be necessary, may be expended from the pollution  
13 liability insurance program trust account for the biennium year ending  
14 July 1, 2007, to carry out the purposes of RCW 70.148.130(2)(b). The  
15 director or director's designee shall administer the distribution of  
16 these funds. A maximum of ten percent of the funds appropriated may be  
17 used for administrative costs associated with the program.

18 NEW SECTION. **Sec. 4.** Sections 1 and 2 of this act expire June 1,  
19 2007.

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