

SENATE BILL REPORT

SB 6539

As Reported by Senate Committee On:
Environment, February 3, 2012
Ways & Means, February 7, 2012

Title: An act relating to establishing an air pollution offset program.

Brief Description: Establishing an air pollution offset program.

Sponsors: Senator Kastama.

Brief History:

Committee Activity: Environment: 2/01/12, 2/03/12 [DPS-WM].
Ways & Means: 2/06/12, 2/07/12 [DPS(ENV), DNP, w/oRec].

SENATE COMMITTEE ON ENVIRONMENT

Majority Report: That Substitute Senate Bill No. 6539 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Nelson, Chair; Rolfes, Vice Chair; Ericksen, Ranking Minority Member; Chase, Fraser, Honeyford, Morton, Pridemore and Sheldon.

Staff: Jan Odano (786-7486)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6539 as recommended by Committee on Environment be substituted therefor, and the substitute bill do pass.

Signed by Senators Murray, Chair; Kilmer, Vice Chair, Capital Budget Chair; Brown, Conway, Fraser, Harper, Hatfield, Honeyford, Kastama, Keiser, Kohl-Welles, Schoesler and Tom.

Minority Report: Do not pass.

Signed by Senator Holmquist Newbry.

Minority Report: That it be referred without recommendation.

Signed by Senators Zarelli, Ranking Minority Member; Parlette, Ranking Minority Member Capital; Hewitt and Padden.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Staff: Michael Bezanson (786-7449)

Background: Under the federal Clean Air Act, the U.S. Environmental Protection Agency (EPA) establishes national air quality standards. These standards are pollution limits for criteria pollutants of concern to public health and the environment. EPA uses the following six criteria pollutants as indicator of air quality: carbon monoxide, lead, nitrogen dioxide, particulate matter 10 (PM₁₀), particulate matter 2.5 (PM_{2.5}), ozone, and sulfur oxides.

Under federal requirements, vehicle emission testing is required in areas where air quality does not meet the federal health based standards due to motor vehicle emissions. The emission checks are for the ozone and carbon monoxide. Emission checks are required every two years. A vehicle must pass the emissions test or get a waiver from further testing before it can be licensed. The fees for the initial emission test is \$15. There is no fee for the first retest, but the fee for second and subsequent tests is \$15. A waiver from emission requirements may be obtained when a vehicle fails a retest and the vehicle owner have provided receipts showing that at least \$150 was spent on diagnosis and repairs. The vehicle's emissions control system must not be altered, removed or inoperable in order to qualify for a waiver.

Vehicles with model year 2009 and newer are exempt from the emissions testing. The vehicle emission testing program sunsets January 1, 2020.

The Department of Ecology (DOE) and local clean air agencies are responsible for implementing air quality programs. They may prohibit persons with an adequate source of heat from using uncertified wood stoves during periods of impaired air quality. Certain areas of the state are at risk for violating the federal air standards for of PM_{2.5} which wood smoke may be a significant contributing factor. In areas of nonattainment for PM_{2.5}, DOE or a local air agency may ban the use of uncertified woodstoves as long as the emissions from wood burning devices are a major contributing factor for violating the national air quality standards and there is an adequately funded program to assist low-income households to secure an adequate source of heat.

As funding is provided through the budget, DOE and local air agencies provide grants and loans to individuals who want to replace their uncertified wood burning stoves.

Summary of Bill (Recommended Substitute): DOE must establish a program to assist low-income households in federally designated air quality nonattainment areas to replace uncertified solid fuel burning devices and solid fuel burning devices manufactured before 1995. Priority must be given to nonattainment areas where wood smoke is a major source of the air pollution, to heating devices that will lower emissions and is the most cost-effective for the recipient.

Unless EPA does not approve, a person whose motor vehicle that is 20-years old or older, that fails to meet emission standards may be issued a certificate of acceptance by paying an air pollution offset fee of \$150 to be deposited into the Air Pollution Offset Account (Account). The fees are payable to the authorized inspection stations.

An Account is created to fund the low-income household assistance program for replacement of solid fuel burning devices or other air pollution abatement programs. DOE must use the funds in the Account as the state match for the assistance program. Participating counties must provide 25 percent matching funds, which may not be state funds unless authorized through a legislative appropriation.

Beginning June 2013, DOE must provide annual reports to the Legislature on revenue and expenditures, participating counties, the number of solid fuel burning devices replaced, and the number of uncertified solid fuel burning devices remaining.

DOE must consult with EPA to allow complementary pollution reduction strategies for approved state implementation plans.

EFFECT OF CHANGES MADE BY ENVIRONMENT COMMITTEE (Recommended Substitute):

- Provides that vehicles 20 years or older failing the emissions test may pay a \$150 fee for a waiver to the emission test.
- Requires DOE to consult with EPA to allow complementary pollution reduction strategies for approved state implementation plans.
- Allows other funds to be deposited into the account.

Appropriation: None.

Fiscal Note: Available.

[OFM requested ten-year cost projection pursuant to I-960.]

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Original Bill (Environment): PRO: Air quality is a very important issue. This is a novel approach to infusing millions of dollars into the area to replace wood stoves and help to improve air quality. This will give an option for cars that fail the emissions test to either pay into the fund or spend the money. We need to be more creative about the money people are paying and have it directly relate to the problem. The air quality will dictate businesses coming to the area. Wood smoke is the problem.

OTHER: Changing out wood stoves is critical to address air quality issues. An air pollution offset account is a good idea to implement strategies to air quality issues. Cars are the largest source of air pollution in the state and this offers an off ramp to fixing cars. The vehicle emission test is part of the state implementation plan approved by the EPA. Wood smoke and vehicles create different types of pollution all of which need to be addressed.

Persons Testifying (Environment): PRO: Senator Kastama, prime sponsor.

OTHER: Marshall Taylor, DOE; Craig Kenworthy, Puget Sound Clean Air Agency.

Staff Summary of Public Testimony on Substitute (Ways & Means): None.

Persons Testifying (Ways & Means): No one.