

# SENATE BILL REPORT

## SB 6567

---

---

As Reported by Senate Committee On:  
Ways & Means, March 10, 2014

**Title:** An act relating to adjusting the oil spill response tax and oil spill administration tax.

**Brief Description:** Adjusting the oil spill response tax and oil spill administration tax.

**Sponsors:** Senators Tom, Hill, Billig, Rolfes, Chase, Ranker, Hargrove, Baumgartner, Schoesler, Litzow, Fain, Ericksen and Dammeier.

**Brief History:**

**Committee Activity:** Ways & Means: 2/27/14, 3/10/14 [DPS, w/oRec].

---

### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Substitute Senate Bill No. 6567 be substituted therefor, and the substitute bill do pass.

Signed by Senators Hill, Chair; Baumgartner, Vice Chair; Honeyford, Capital Budget Chair; Hargrove, Ranking Member; Ranker, Assistant Ranking Member on the Operating Budget; Bailey, Becker, Braun, Dammeier, Hewitt, Parlette, Rivers and Schoesler.

**Minority Report:** That it be referred without recommendation.

Signed by Senator Padden.

**Staff:** Dean Carlson (786-7305)

**Background:** Current law provides for an oil spill administration tax and an oil spill response tax. These taxes are imposed when marine terminals in Washington receive crude oil or petroleum products from waterborne vessels or barges operating in the state's waters.

The oil spill administration tax is \$0.04 tax on each 42 gallon barrel with the receipts funding oil spill prevention, response, and restoration programs as well as administrative costs and collection costs.

The oil spill response tax is \$0.01 per barrel tax which funds the state response to those oil spills involving clean-up costs in excess of \$50,000. The oil spill response tax is deposited into the oil spill prevention account and the tax is suspended when that account's balance reaches \$9 million.

---

*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.*

The two oil spill taxes currently do not apply when crude oil is received at an oil terminal from a railroad tank car.

**Summary of Bill (Recommended Substitute):** The oil spill response tax and the oil spill administration tax are imposed on the privilege of receiving crude oil at a bulk oil terminal within this state from a rail tank car.

A bulk oil terminal is defined in the bill as any kind of facility, other than a waterborne vessel, that is used to transfer crude oil from a rail tank car.

A tank car is defined to mean a rail car with a body consisting of a tank for transporting liquids.

**EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Substitute):** The title is made more specific by making it apply to crude oil received by rail. Specifies that the tax applies to transfers from a rail tank car rather than to a rail tank car.

**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:** PRO: At the time of the creation of this tax and this program no one could have thought oil would be transported by rail. Transporting oil by rail does impose a significant risk so the tax is appropriate.

**Persons Testifying:** PRO: Bruce Wishart, WA Environmental Council, Puget Soundkeeper.