

SENATE BILL REPORT

SB 6660

As of February 22, 2016

Title: An act relating to the hazardous substance tax rate.

Brief Description: Concerning the hazardous substance tax rate.

Sponsors: Senators Keiser, Ericksen, Hargrove, Honeyford, Ranker and Conway.

Brief History:

Committee Activity: Ways & Means: 2/23/16.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Dean Carlson (786-7305)

Background: The state Model Toxics Control Act (MTCA) is carried out by the Department of Ecology (Ecology) to ensure that the sites at which hazardous substances are released are cleaned up. Ecology is responsible for investigating, conducting remedial actions, enforcing actions to protect human health, and providing technical and administrative assistance. Ecology must prioritize funding to clean up hazardous waste sites and prevent future hazardous waste sites. Hazardous waste sites are ranked by consideration of the amount and type of contamination, the risk that contamination will spread, and routes of exposure. Sites are considered a higher priority when the contamination threatens drinking water supplies, exists in high quantity or over a large area, is toxic to animals or fish, may affect a body of water, or affects public health.

MTCA is funded by a 0.7 percent tax on the wholesale value of hazardous substances; cost recovery from remedial actions; mixed waste fees; and - to a lesser extent - fines, penalties, and other charges. The State Toxic Control Account (STCA) receives 56 percent of the revenue obtained from the hazardous substance tax (HST), and 44 percent is deposited into the Local Toxic Control Account (LTCA). Once \$140 million of the HST is distributed to STCA and LTCA, the remainder collected must be deposited into the Environmental Legacy Stewardship Account (ELSA).

Since October 2014, HST revenues have been below amounts forecasted primarily due to declining and volatile oil prices.

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.

Summary of Bill: If the amount of revenue collected from the hazardous substance tax is less than \$175 million in a calendar year, the following July 1, the tax rate is increased by 0.2 percent.

If the amount of revenue collected from the hazardous substance tax is greater than \$220 million in a calendar year and the additional 0.2 percent is in effect, the following July 1 the tax rate will return to 0.7 percent.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.