
Capital Budget Committee

HB 2182

Brief Description: Relating to providing a tiered tax on the possession of hazardous substances to provide for the current program's immediate needs and a more stable source of revenue in the future.

Sponsors: Representative Peterson.

Brief Summary of Bill

- Declares that the act shall be known as the “Providing a tiered tax on the possession of hazardous substances to provide for the current program's immediate needs and a more stable source of revenue in the future act of 2017”

Hearing Date: 4/4/17

Staff: Melissa Palmer (786-7388).

Background:

Model Toxics Control Act.

The Model Toxics Control Act (MTCA), which is administered and enforced by the Department of Ecology (DOE), requires liable parties to clean up sites contaminated with hazardous substances, and it authorizes the DOE to conduct certain pollution prevention activities. Under the MTCA, the State Toxics Control Account (STCA) and the Local Toxics Control Account (LTCA) provide for hazardous and solid waste planning, contaminated site cleanup grants to local governments, and other activities related to hazardous waste prevention, management, and remediation. The Environmental Legacy Stewardship Account (ELSA), created in 2013, provides grants or loans to local governments for performance and outcome-based projects, model remedies, demonstrated technologies, procedures, contracts, and project management and oversight that result in significant reductions in the average time spent to complete other authorized projects.

Hazardous Substance Tax.

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.

There is a privilege tax on the first possession of hazardous substances in Washington. Hazardous substances include petroleum products, pesticides, and certain chemicals determined by the DOE to present a threat to human health or the environment if released into the environment.

The Hazardous Substance Tax (HST) is based on the wholesale value of the hazardous product. The tax rate is 0.7 percent. All receipts from this tax are distributed as follows:

- 56 percent of the first \$140 million per fiscal year to the STCA;
- 44 percent of the first \$140 million per fiscal year to the LTCA; and
- any amount collected over \$140 million per fiscal year to the ELSA.

In fiscal year 2013 the Hazardous Substance Tax collected over \$198 million. In subsequent fiscal years that amount declined. In fiscal year 2016 the tax collections were \$113.2 million.

Summary of Bill:

The act shall be known and cited as the providing a tiered tax on the possession of hazardous substance to provide for the current program's immediate needs and a more stable source of revenue in the future act of 2017.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.