

FINAL BILL REPORT

SB 6159

C 194 L 18
Synopsis as Enacted

Brief Description: Concerning the reauthorization of the underground storage tank program.

Sponsors: Senators Takko, Honeyford, Fain and Chase; by request of Department of Ecology.

Senate Committee on Energy, Environment & Technology

House Committee on Environment

House Committee on Appropriations

Background: The federal Resource Conservation and Recovery Act gives the Environmental Protection Agency (EPA) the authority to regulate underground storage tanks (USTs) containing petroleum products and hazardous substances. The EPA established a UST regulatory program that requires leak detection systems, upgrading of tanks, record-keeping systems, reporting of releases and corrective actions, standards for tank closure, and financial responsibility assurances.

In 1989, Washington adopted a state UST law requiring the Department of Ecology (Ecology) to adopt rules to establish requirements for all USTs regulated under the federal law. The rules must be consistent and no less stringent as federal law. The state program operates in lieu of the federal program. Ecology regulates more than 9200 tanks at more than 3400 facilities, including gas stations, industrial and commercial properties, and government-owned properties.

The state UST law expires on July, 1, 2019. Without reauthorization of the state UST program, federal regulations, inspections, and enforcement would apply to state UST owners and operators.

Pollution Liability Insurance Agency (PLIA). PLIA provides insurance to insurance companies that insure owners and operators of UST and heating oil tanks. The objective of PLIA is to improve the availability and affordability of pollution liability insurance for owners and operators of UST by selling reinsurance at a price significantly below the private market price for similar insurance. The discount is passed to owners and operators of USTs through reduced insurance premiums and increased availability of insurance. The insurance coverage is limited to \$60,000 per occurrence for cleanup of contamination from heating oil tanks.

PLIA and its programs are funded through:

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- a pollution liability fee of 1.2 cents per gallon of heating oil, imposed on dealers making sales of heating oil to a home owner or a consumer which is deposited into the Heating Oil Pollution Liability Trust Account; and
- an excise tax of 0.3 percent on the wholesale value of petroleum—the petroleum products tax—which is deposited into the Pollution Liability Insurance Program Trust Account.

Summary: The expiration date for the UST law is extended to July 1, 2029.

An annual aggregate limit of \$15 million per calendar year is established for pollution liability direct insurance coverage provided by the PLIA for cleanup of contamination from heating oil tanks.

Votes on Final Passage:

Senate	47	0	
House	98	0	(House amended)
Senate	49	0	(Senate concurred)

Effective: June 7, 2018