
SUBSTITUTE HOUSE BILL 2182

State of Washington 65th Legislature 2017 Regular Session

By House Capital Budget (originally sponsored by Representative Peterson)

READ FIRST TIME 04/10/17.

1 AN ACT Relating to creating the tiered taxation on hazardous
2 substance possession to provide for the current program's immediate
3 needs and a more stable source of revenue in the future act of 2017;
4 amending RCW 82.21.030; creating a new section; providing an
5 effective date; and declaring an emergency.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 **Sec. 1.** RCW 82.21.030 and 1989 c 2 s 10 are each amended to read
8 as follows:

9 (1) A tax is imposed on the privilege of possession of hazardous
10 substances in this state. Except as provided otherwise in subsection
11 (2) of this section, the rate of the tax ((shall be)) is seven-tenths
12 of one percent multiplied by the wholesale value of the substance.

13 (2) From July 1, 2017, through June 30, 2025, the rate of the tax
14 is:

15 (a) Beginning on July 1st of each fiscal year, 0.9 percent
16 multiplied by the wholesale value of the substance until the
17 department determines that total aggregate taxes for the current
18 fiscal year collected pursuant to this section equal or exceed one
19 hundred ten million dollars. This rate applies until the rate in (b)
20 of this subsection (2) takes effect as provided in subsection (4) of
21 this section;

1 (b) 0.7 percent multiplied by the wholesale value of the
2 substance when the department determines that total aggregate taxes
3 for the current fiscal year collected pursuant to this section equal
4 or exceed one hundred ten million dollars. This rate applies until
5 the rate in (c) of this subsection takes effect as provided in
6 subsection (4) of this section, or July 1st of the following fiscal
7 year if the rate in (c) of this subsection does not take effect in
8 the current fiscal year; and

9 (c) 0.21 percent multiplied by the wholesale value of the
10 substance when the department determines that total aggregate taxes
11 for the current fiscal year collected pursuant to this section equal
12 or exceed one hundred seventy million dollars. This rate applies
13 until the first day of the next fiscal year.

14 (3)(a) By July 1, 2019, the department must increase the revenue
15 thresholds provided in subsection (2)(a) through (c) of this section
16 by the most current fiscal growth factor for the fiscal year ending
17 June 30, 2019, as computed by the state expenditure limit committee
18 according to RCW 43.135.025.

19 (b) By July 1, 2021, the department must increase the revenue
20 thresholds provided in subsection (2)(a) through (c) of this section,
21 as adjusted in (a) of this subsection, by the most current fiscal
22 growth factor for the fiscal year ending June 30, 2021, as computed
23 by the state expenditure limit committee according to RCW 43.135.025.

24 (c) By July 1, 2023, the department must increase the revenue
25 thresholds provided in subsection (2)(a) through (c) of this section,
26 as adjusted in (a) and (b) of this subsection, by the most current
27 fiscal growth factor for the fiscal year ending June 30, 2023, as
28 computed by the state expenditure limit committee according to RCW
29 43.135.025.

30 (4)(a) The rate changes in subsection (2) of this section take
31 effect on the first day of the month in which the department makes
32 the determinations under subsection (2)(a), (b), and (c) of this
33 section.

34 (b) The department must provide notice as soon as practicable on
35 its web site of changes in the tax rate pursuant to subsection
36 (2)(a), (b), or (c) of this section, and the department's
37 determination of the applicable rate is final.

38 ((+2)) (5) Moneys collected under this chapter ((shall)) must be
39 deposited in the toxics control accounts under RCW 70.105D.070.

1 (~~(3)~~) (6) Chapter 82.32 RCW applies to the tax imposed in this
2 chapter. The tax due dates, reporting periods, and return
3 requirements applicable to chapter 82.04 RCW apply equally to the tax
4 imposed in this chapter.

5 NEW SECTION. **Sec. 2.** The department of ecology, in consultation
6 with the department of revenue, must provide a report regarding
7 cleanup and stormwater projects and projected hazardous substance tax
8 revenues. The department must provide the report to the office of
9 financial management and legislative fiscal committees by October 1,
10 2018, October 1, 2020, October 1, 2022, and October 1, 2024. The
11 report must include the following information:

12 (1) Operating and capital projected demand, including a list of
13 upcoming projects and anticipated costs, for funding projects that
14 cleanup contaminated sites;

15 (2) Operating and capital projected demand, including a list of
16 upcoming projects and anticipated costs, for funding stormwater
17 projects that control sources of toxins and other financing or
18 revenues being used or considered to implement stormwater projects;

19 (3) Overview of general costs related to cleanup and stormwater
20 projects and time to complete projects; and

21 (4) Projected hazardous substance tax revenues, including both
22 the projected revenue collections under the prescribed flat tax rate
23 under RCW 82.21.030(1) of this act and the projected revenue
24 collections under the prescribed tiered tax rate under RCW
25 82.21.030(2) of this act.

26 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
27 preservation of the public peace, health, or safety, or support of
28 the state government and its existing public institutions, and takes
29 effect July 1, 2017.

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