

SHB 1554 - H AMD 123

By Representative Couture

WITHDRAWN 03/06/2023

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds that even
4 though lead is a widely recognized hazard to human health and to the
5 environment, and leaded motor vehicle gasoline was phased out across
6 the United States decades ago, leaded gasoline remains in widespread
7 use at general aviation airports by piston engine noncommercial
8 aircraft. Recent studies have found elevated levels of lead in the
9 blood of residents, and particularly worryingly in the blood of
10 children residing in general aviation airport communities, for whom
11 lead is especially harmful to their development. There is consensus
12 among the medical and scientific communities that the levels detected
13 in children living around general aviation airports similar to those
14 in Washington are hazardous. The national academies of sciences,
15 engineering, and medicine in 2015 concluded that lead "is a well-
16 known air pollutant that can lead to a variety of adverse health
17 impacts, including neurological effects in children that lead to
18 behavioral problems, learning deficits, and lowered IQ."

19 (2) The United States environmental protection agency has
20 recently taken steps towards making an endangerment finding that may
21 eventually lead, through a complex federal regulatory process
22 involving the United States federal aviation administration, to the
23 elimination of lead from aviation gasoline.

24 (3) The federal aviation administration and leaders of aviation
25 and petroleum groups have made great strides removing lead from
26 aviation gasoline and redoubled efforts to find a suitable 100 octane
27 aviation gasoline replacement formula through federal initiatives
28 such as eliminate aviation gasoline lead emissions. Additionally, it
29 is recognized that in September 2022, the federal aviation
30 administration approved the first 100 octane unleaded aviation
31 gasoline solution for every spark ignition piston aircraft. While
32 this is good progress, and there are several other companies
33 developing and testing unleaded aviation gasoline solutions, the

1 legislature is committed to getting unleaded aviation gasoline
2 delivered to airports in Washington state as soon as possible.

3 (4) Most recently, King county international airport committed to
4 bring a 94 octane unleaded aviation gasoline as soon as
5 infrastructure permits. King county international airport has also
6 committed to a goal of being the first airport in Washington state to
7 bring 100 octane aviation gasoline to its airport once available in
8 commercial quantities.

9 (5) Therefore, it is the intent of the legislature, to take steps
10 to mitigate public health and environmental harms caused by the use
11 of leaded gasoline at airports, and to expedite the transition to the
12 use of 100 octane unleaded aviation gasoline.

13 NEW SECTION. **Sec. 2.** A new section is added to chapter 47.68
14 RCW to read as follows:

15 (1) By November 1, 2024, the department's aviation division, must
16 provide the Washington state department of ecology a detailed
17 template for review. Upon agreement from the department of ecology
18 and by January 1, 2025, the department must provide the template to
19 each airport operator as a guide to reasonable steps that could be
20 taken to reduce environmental lead on or near airports. The template
21 should consider best practices identified in the 2021 national
22 academy of science consensus study report entitled "*Options For*
23 *Reducing Lead Emissions From Piston-Engine Aircraft*" that are
24 designed to minimize environmental impacts and public health risks
25 associated with leaded aviation gasoline use at general aviation
26 airports. Some of these recommendations include, but are not limited
27 to, the following:

28 (a) Evaluate run-up practices and take steps to mitigate close
29 proximity to other aircraft, businesses, or community where able;

30 (b) Establish a program to ensure education and compliance of
31 airport users properly disposing of "cast-off" leaded aviation
32 gasoline and minimize and mitigate other spills and releases of
33 unexpended leaded aviation gasoline;

34 (c) Make an effort to educate airport employee exposures to lead
35 contamination;

36 (d) Evaluate and strive to reduce releases of leaded aviation
37 gasoline caused by refueling and maintenance activities at the
38 airport, including processes used to store and dispense aviation
39 gasoline at the airport;

1 (e) Encourage airport users to minimize idle and engine run-up
2 time;

3 (f) Educate airport fuel consumers that have the option to
4 purchase and use unleaded aviation gasoline at the airport to do so;
5 and

6 (g) A plan and budget for the financing of any needed fueling
7 infrastructure improvements at the airport to allow for the airport
8 to begin supplying 100 octane unleaded aviation gasoline.

9 (2) By December 1, 2025, and each December 1st thereafter, each
10 airport operator must provide a status report to the department
11 regarding its implementation of the plan under this section,
12 including the status of planning and investments to facilitate the
13 supply of 100 octane unleaded aviation gasoline at the airport.

14 (3) The definitions in this subsection apply throughout this
15 section and section 3 of this act unless the context clearly requires
16 otherwise.

17 (a) "Airport" has the same meaning as defined in RCW 47.68.020.

18 (b) "Airport operator" means a county, city, government agency,
19 port district, or other person that owns or operates an airport.

20 (c) "Aviation gasoline" means gasoline sold for use in an
21 aircraft.

22 (d) "Aviation retail establishment" means any public or private
23 entity that sells aviation gasoline or offers or otherwise makes
24 available aviation gasoline to a customer, including other businesses
25 or government entities, for use in this state.

26 (e) "Department" means the department of transportation.

27 (f) "Leaded aviation gasoline" means aviation gasoline to which
28 lead has been intentionally added.

29 (g) "Unleaded aviation gasoline" means aviation gasoline to which
30 no lead has been intentionally added.

31 NEW SECTION. **Sec. 3.** A new section is added to chapter 47.68
32 RCW to read as follows:

33 (1) The department, in consultation with the department of
34 ecology and the department of health, must offer technical assistance
35 to airport operators to inform them of the requirements of section 2
36 of this act and to assist and advise in their implementation of lead
37 exposure minimization best management practices.

38 (2) Beginning January 1, 2026, the department must give
39 consideration in its review of grant applications under all state-

1 level aviation grant programs including, but not limited to, the
2 airport aid grant program established in RCW 47.68.090, to airport
3 operators that the department determines to be making a reasonably
4 good faith effort to implement the lead exposure minimization best
5 practices identified in section 2 of this act.

6 (3)(a) By January 1, 2024, the department's aviation division,
7 must have developed a mechanism for and must begin providing rebates
8 to all Washington state aircraft owners for full cost of purchasing
9 either 94UL or 100UL supplemental type certificates, in an amount of
10 up to \$500 from each authorized provider. The rebates will support
11 reimbursement for up to one each supplemental type certificate for up
12 to a rebate total of two rebates, one for each type of unleaded
13 aviation gas. To be eligible, the aircraft owner must provide
14 evidence of current Washington state aircraft registration
15 accompanied by a receipt from an authorized supplemental type
16 certificate provider and the required aviation division submission
17 form.

18 (b) The rebate program will be funded using accumulated airport-
19 derived tax revenues collected through the hazardous substance tax
20 which are located in the accounts created under chapter 70A.305 RCW
21 or accumulated airport-derived tax revenues collected through the
22 petroleum products tax which have been continuously deposited into
23 the Washington state pollution liability insurance program trust
24 since 1989 subject to coordination with the Washington state
25 department of revenue.

26 (4) The definitions in section 2(3) of this act apply throughout
27 this section unless the context clearly requires otherwise.

28 NEW SECTION. **Sec. 4.** By December 1, 2023, the department of
29 transportation must submit a report to the appropriate committees of
30 the legislature addressing whether a revolving loan fund established
31 for the purposes of generating orders for 100UL aviation gasoline
32 would be a useful mechanism to expedite the state's transition to
33 unleaded aviation fuel. If the report includes a recommendation for
34 the establishment of a revolving loan fund, the report must also
35 recommend how such a program should be structured, including which
36 entities should be eligible for such loans, the logistics of
37 implementing a revolving loan program, and estimates of the
38 appropriate funding scale of this effort.

1 NEW SECTION. **Sec. 5.** (1) This section is the tax preference
2 performance statement for the tax preferences contained in sections 6
3 and 7, chapter . . ., Laws of 2023 (sections 6 and 7 of this act).
4 This performance statement is only intended to be used for subsequent
5 evaluation of the tax preferences. It is not intended to create a
6 private right of action by any party or to be used to determine
7 eligibility for preferential tax treatment.

8 (2) The legislature categorizes these tax preferences as ones
9 intended to improve industry competitiveness as indicated in RCW
10 82.32.808(2)(b).

11 (3) It is the legislature's specific public policy objective to
12 encourage the production, distribution, and use of 100 octane
13 unleaded aviation gasoline. It is also the legislature's intent to
14 support the development of the 100 octane unleaded aviation gasoline
15 industry in Washington by providing targeted tax relief for such
16 businesses.

17 (4) If a review finds that the production and use of 100 octane
18 unleaded aviation gasoline has increased because of the tax
19 preferences contained in this act, then the legislature intends to
20 extend the expiration date of these tax preferences.

21 (5) In order to obtain the data necessary to perform the review
22 in subsection (4) of this section, the joint legislative audit and
23 review committee may refer to any data collected by the state.

24 NEW SECTION. **Sec. 6.** A new section is added to chapter 82.04
25 RCW to read as follows:

26 (1) Upon every person engaging within the state in the business
27 of manufacturing 100 octane unleaded aviation gasoline; as to such
28 persons, the amount of the tax with respect to such business is, in
29 the case of manufacturers, equal to the value of the product
30 manufactured, or in the case of processors for hire, equal to the
31 gross income of the business, multiplied by the rate of 0.275
32 percent.

33 (2) Upon every person engaging in making sales, at retail or
34 wholesale, of manufactured 100 octane unleaded aviation gasoline; as
35 to such persons, the amount of the tax with respect to such business
36 is equal to the gross proceeds of sales of the 100 octane unleaded
37 aviation gasoline, multiplied by the rate of 0.275 percent.

38 (3) For the purposes of this section, "unleaded aviation
39 gasoline" has the same meaning as defined in section 2 of this act.

1 (4) A person reporting under the tax rate provided in this
2 section must file a complete annual tax performance report with the
3 department under RCW 82.32.534.

4 NEW SECTION. **Sec. 7.** A new section is added to chapter 82.04
5 RCW to read as follows:

6 (1)(a) Subject to the limits and provisions of this section, a
7 credit is allowed against the tax otherwise due under this chapter
8 for persons engaged in the manufacturing of 100 octane unleaded
9 aviation gas.

10 (b) Except as provided in (c) of this subsection, the credit
11 under this section is equal to \$1.00 for each gallon of 100 octane
12 unleaded aviation gas sold during the prior calendar year by:

13 (i) A business that produces 100 octane unleaded aviation gas and
14 is located in this state; or

15 (ii) A business's designated 100 octane unleaded aviation gas
16 producer that is located in this state.

17 (c) A person may not receive credit under both (b)(i) and (ii) of
18 this subsection.

19 (d) Contract pricing for sales of 100 octane unleaded aviation
20 gas between a person claiming the credit under this section and the
21 final consumer must reflect the per gallon credit under (b) of this
22 subsection.

23 (2) To claim a credit under this section, a person must
24 electronically file with the department all returns, forms, and any
25 other information required by the department, in an electronic format
26 as provided or approved by the department.

27 (3) To claim a credit under this section, the person applying
28 must complete an application for the credit that must include:

29 (a) The name, business address, and tax identification number of
30 the applicant;

31 (b) Documentation of the total amount of 100 octane unleaded
32 aviation gas manufactured and sold in the prior calendar year; and

33 (c) Any other information deemed necessary by the department to
34 support administration or reporting of the program.

35 (4) The department must notify applicants of credit approval or
36 denial within 60 days of receipt of a final application and
37 documentation.

1 (5) If a person fails to supply the information as required in
2 subsection (3) of this section, the department must deny the
3 application.

4 (6) (a) The credit under this section may only be claimed against
5 taxes due under section 6 of this act.

6 (b) The credit may be carried over until used, as provided in
7 subsection (8) of this section.

8 (c) No refunds may be granted for credits under this section.

9 (7) For the purposes of this section, "100 octane unleaded
10 aviation gas" has the same meaning as "unleaded aviation gasoline"
11 defined in section 2 of this act.

12 (8) Credits may be earned and claimed for a period of 10 calendar
13 years beginning on the effective date of this section.

14 (9) A person claiming the credit provided in this section must
15 file a complete annual tax performance report with the department
16 under RCW 82.32.534.

17 NEW SECTION. **Sec. 8.** If any provision of this act or its
18 application to any person or circumstance is held invalid, the
19 remainder of the act or the application of the provision to other
20 persons or circumstances is not affected.

21 NEW SECTION. **Sec. 9.** This act is necessary for the immediate
22 preservation of the public peace, health, or safety, or support of
23 the state government and its existing public institutions, and takes
24 effect immediately."

25 Correct the title.

EFFECT: Specifies that the department of transportation
(transportation) guidance for airport operators is instead a template
to be provided to airport operators to use as a guide to reasonable
steps to reduce environmental lead on or near airports;

Eliminates penalties for airport operators that do not comply
with requirements to implement lead exposure reduction plans;

Requires transportation to give priority in its review of grant
applications to airport operators that transportation determines to
be making reasonably good faith efforts to implement lead exposure
minimization best practices;

Requires transportation to begin providing rebates, funded
through hazardous substance tax or petroleum product tax revenues, to
aircraft owners for the cost of purchasing two types of unleaded
aviation gasoline, in an amount of up to \$500 from each authorized
provider, and up to a total of two rebates;

Requires transportation to submit a report to the legislature by December 1, 2023, evaluating the potential and recommended structure of a revolving loan fund to generate orders of unleaded aviation gas fuel;

Establishes a business and occupation tax preferential rate of 0.275 percent for the manufacture and sale of unleaded aviation gasoline, and a credit of one dollar per gallon of aviation gas manufactured, against tax otherwise due;

Amends the intent section.

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