

Proposed Legislation

The Problem

In 2013, the Washington Legislature significantly revised the Model Toxics Control Act (RCW 70.105D), including the funding provisions. The Department of Ecology (Ecology) proposes a clarifying amendment in 2014 to those funding provisions to ensure stable, long-term funding for core environmental programs that protect Washington's air, land, and water. This includes continued support for contaminated site cleanup and other programs to protect the environment from toxic products and waste.

The Model Toxics Control Act (MTCA) was created by a citizens' initiative that voters passed in November 1988. This act governs the cleanup of contaminated sites in Washington. It also established a tax on hazardous chemicals such as petroleum products, pesticides, and other chemicals. The revenues generated by this tax have historically been deposited into two accounts – the State Toxics Control Account and the Local Toxics Control Account. Monies in these accounts not only help fund cleanup, but also fund state and local government programs that protect the environment and people, especially children, from threats posed by toxic chemicals.

One of the significant changes to MTCA in the 2013 legislative session was the capping of tax revenues to these two accounts at \$140 million per year. The remainder will be deposited into a new account – the Environmental Legacy Stewardship Account.

However, this cap does not include a periodic adjustment for inflation. Projections show that without such an adjustment, the purchasing power of the State and Local Toxic Control Accounts will decline over time. That will jeopardize funding for the state's core environmental protection programs.

The Solution

Ecology proposes amending the formula that distributes tax revenue to the three accounts to include an adjustment for inflation. It is vital that the new three-account MTCA

WHY IT MATTERS

In 1988, Washington voters passed Initiative 97, the Model Toxics Control Act (MTCA).

For 25 years, MTCA has supported a balanced investment strategy by state and local agencies in:

- Cleanup of land, air and water contaminated with toxics.
- Reducing the number and severity of toxic releases to the environment.
- Water and environmental health protection and monitoring.
- Solid and hazardous waste management, regulation and planning.
- Protecting Puget Sound and the lakes and rivers in our state from pollution.
- Identifying the types and amounts of toxic chemicals in the environment and their impacts on human health and ecological resources.
- Advising people about toxic threats and ways to reduce their exposure to chemicals.

This request legislation will sustain the balanced investment strategy by ensuring that inflation does not reduce the effective funding level for these state and local programs.

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framework ensure the Legislature can provide stable funding for cleanup of contaminated sites, programs that help prevent new toxic problems, protect air and water quality, produce scientific data and information, and support healthy, functioning watersheds. This proposed amendment will prevent the erosion of the intended “purchasing power” of investments under the State and Local Toxic Control Accounts.

Ecology’s Proposal

Ecology proposes a small but important amendment to MTCA. Specifically, Ecology proposes to account for inflation by applying the fiscal growth factor to adjust the \$140 million cap on tax revenue deposited in the State and Local Toxics Control Accounts.

In addition, other important clarifications could develop as Ecology works with the Office of Financial Management and legislative fiscal committee staff on implementing the new three-fund framework.

How it will work

The fiscal growth factor is defined in RCW 43.135.025. This factor is widely applied across the state budget. The bill would apply this universal budget factor to the MTCA funding formula.

How it will benefit Washington

State and local agencies provide a wide variety of services to protect our environment, including reducing and managing toxics and cleaning up contaminated sites. Unless the fiscal growth factor is applied to MTCA, the funding for many long-standing state and local programs will gradually erode as inflation affects the value of the dollar.

More information

Ecology’s website for the Washington Legislature: www.ecy.wa.gov/legislature.html

Special accommodations:

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