

UST Tank Fee Increase in 2018

Underground storage tank (UST) fees will increase from \$166.99 to \$173.80 per tank on July 1, 2018.

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Special accommodations

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This increase is the second of two increases. The first increase from \$160 to \$166.99 was announced February 2016 and takes effect July 1, 2017. The second increase from \$166.99 to \$173.80 takes effect July 1, 2018.

The two fee increases result in an overall increase in the UST fee from \$160 to \$173.80. These fee increases will offset decreasing federal funding assistance and increasing program costs. Washington's UST Program financing is outlined below.

UST Program Financing: Funding Sources: Washington's UST Program has three main sources of funding: UST fees, Environmental Protection Agency (EPA) grant funds, and the State Toxics Control Account.

Revenues: The last UST program fee increase was July 1, 2009 (from \$140 to \$160). Since FY 2010, program revenues have declined from approximately \$2.4 million a year to about \$2.0 million a year. This decline is largely due to reductions in EPA grant funding over the last several years.

Expenditures: Tank fees help fund the UST regulatory program. Currently, the fees do not cover the entire state cost of the program, which is funded by a combination of federal grants, State Toxics Control Account funds, and the per-tank fee. Since FY 2010, Ecology has used State Toxics Control Account money to fund UST Program expenditures, as federal funding has declined and operational costs to run the program have increased. The increases are mainly for cost-of-living and benefit rate adjustments supporting the UST inspector staff. Ecology anticipates these types of program costs will continue to increase.

Fiscal growth factor: As required by law, the fiscal growth factor was used to determine the amount of the fee increase. The fiscal growth factor is calculated by the Economic and Revenue Forecast Council and adopted by the Expenditure Limit Committee using the average growth in state personal income for the previous ten fiscal years.

Future fee increases: The UST fee will increase from \$160 to \$173.80 over the course of the next 18 months. Ecology will reassess the program budget in the future to determine if this fee increase is enough to close the budget gap.