



Washington voters approved Initiative 97 (The Model Toxics Control Act) "to raise sufficient funds to clean up all hazardous waste sites and to prevent the creation of future hazards due to improper disposal of toxic wastes into the state's land and waters."

To meet its objectives, the Act imposed a 0.7% tax on the wholesale value of hazardous materials entering the state. About 90% of the tax revenues generated by this hazardous substances tax are from petroleum products and are paid by Washington's petroleum refiners.

The Model Toxics Control Act (MTCA) generates substantial tax revenues for environmental clean-up.

It's estimated that the MTCA tax will generate more than \$300 million in the 2011-13 biennium.

These revenues are not currently going to the most important environmental clean-up priorities.

The legislature has diverted more than \$250 million from MTCA to the general fund since the 2009 supplemental budget. This is money that could have been used to address the state's environmental priorities.

Additionally, MTCA taxes have been used to fund a wide variety of projects unrelated to the voter's original intent in creating the fund. While many of these projects may be important, paying for them from the MTCA account violates the clean-up purpose of Initiative 97 and dilutes its effectiveness in dealing with clean-up priorities. The Governor's proposed 2011-13 operating and capital budgets provide instructive examples:

Some of these projects represent multi-year funding commitments. For instance, including the 2011-13 figures, nearly \$1 million has gone to the motor vehicle mercury removal program, \$6 million will have been spent on curbing wood-stove pollution, and \$10 million is expected to go into curbing diesel emissions.

The 2011-13 budget proposals also contain use of MTCA dollars to help fund the DOE oil spill program, as well as appropriations for local governments updating their shoreline programs.

<i>MTCA-funded projects included in proposed 2011-13 operating and capital budgets</i>	
Motor vehicle mercury removal program	\$ 250,000
Mason County consortium	\$ 500,000
Wood Stove pollution reduction	\$ 2,000,000
Reducing health threats from diesel emissions	\$ 5,000,000
Promoting organic composting (Beyond Waste)	\$ 4,000,000
Alternatives to backyard burning of waste materials	\$ 2,000,000
Department of Health	\$ 3,729,000
Department of Agriculture	\$ 5,162,000
Puget Sound Partnership	\$ 706,000

The legislature should provide clear and focused direction for investment of MTCA dollars.

Given the current fiscal crisis, it's critical that programs like MTCA are reviewed and prioritized to ensure that the state is getting the most for its money. In light of past decisions to expand the use of the MTCA fund, WSPA believes now is the time to focus funds back toward top priorities like cleaning up toxic sites and helping local governments meet their federally imposed stormwater management requirements. Once these two priorities are adequately addressed, any additional available money could be appropriated to other projects.

Alternatively, the legislature could adopt a spending formula that is consistent with its priorities. For example, 50% of the MTCA fund could go to clean-up of toxic sites; 33% for stormwater projects; and the remaining 17% for miscellaneous legislative priorities. If this formula were adopted in the 2011-2013 biennium:

- \$150 million would be available for cleanup of toxic waste sites
- \$100 million for local government stormwater needs
- \$50 million for miscellaneous environmental priorities



WSPA urges the Washington State Legislature to review MTCA account appropriations and focus the bulk of this tax resource on funding clean-up of toxic sites and local government stormwater needs.