

ANALYSIS OF HB 1854

*House Agriculture & Ecology Committee
1997*

February 17,

BACKGROUND:

In 1986, the Legislature created the water quality account and funded it through sales taxes on cigarettes, tobacco, and water pollution control equipment through fiscal year 2021. Most of the funds available from the water quality account are appropriated to the Department of Ecology. The Department uses these funds to administer a competitive grant and loan program for local government water quality projects. The account generates approximately \$63 to \$65 million dollars per bienium. State law requires that the state general fund provide sufficient funds to ensure that the water quality account receives a total of 90 million dollars per biennium.

From 1987 to 1995, the Department was required to distribute water quality account funds appropriated to it using a statutory distribution formula. This distribution formula expired on June 30, 1995. State law also directed that 2.5 percent of the amount distributed by the Department be appropriated to the state Conservation Commission. The Commission used this appropriation to fund water pollution control activities conducted by local conservation districts.

The Department is directed to enter into extended grant payments with local governments. Each biennium, \$35 million dollars of the water quality account is currently dedicated to help defray the costs of two local government water quality projects.

SUMMARY:

For the next 10 years, 10 million dollars from the water quality account must be appropriated to the state conservation commission each biennium. The commission must distribute these funds to local conservation districts to address non-point pollution problems. These funds may not be used to issue bonds. The distribution formulas for the prior biennia are deleted. The bill is subject to an emergency clause.