

Changes to MTCRA in the 2013 Legislative Session

Overview
Implementation
Challenges

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The Big Picture

What has changed?

- Defines brownfield properties and makes several changes to facilitate their cleanup and reuse.
 - Mechanisms to focus state and local resources.
 - Changes to remedial action grant program.
 - New tools to speed cleanups.
- Expands MTRCA reporting requirements for accountability.
- Establishes stormwater funding programs.
- Changes distribution and use of MTRCA funds and the ways those funds are managed.

The Big Picture



What has not changed?

- The legislation has not changed the polluter pays principle in MTCA. It does not change the liability of any person or the ability of the state to recover public funds from liable persons.
- The legislation also has not changed the process or standards for cleaning up contaminated sites.

Focusing of Resources

The legislation provides local governments mechanisms to focus and prioritize funds and resources.

- Redevelopment Opportunity Zones
- Brownfield Renewal Authorities
- Brownfield Redevelopment Trust Fund Accounts

Changes to Cleanup Grants

The legislation makes several changes to the remedial action grant program to encourage and expedite cleanup of brownfield properties by local governments.

- Extended Grant Agreements
- Planning for Cleanup and Reuse
- Area-wide Groundwater Investigations
- Periodic Reimbursement of Independent Cleanups

New Tools to Speed Cleanups

The legislation provides additional tools to encourage and expedite the cleanup and reuse of brownfield properties.

- Model Remedies for Lower Risk Sites
- Simplified Prospective Purchaser Agreements
- Mixed Funding Agreements to Leverage Redevelopment of Brownfields that Provide a Public Benefit in Addition to Cleanup

Reporting and Accountability

The legislation expands Ecology's reporting requirements to improve transparency and accountability in use of public funds.

- Biennial Report on Cleanups (Dec. 2013) (revised)
- Ten-Year Financing Plans for Cleanups (Sept. 2014) (revised)
- Brownfield Redev. Trust Fund Account Rpt (Oct. 2015) (new)
- Voluntary Cleanup Program Report (Nov. 2015) (new)
- Model Remedy Report (Nov. 2016) (new)

Stormwater Funding

The legislation authorizes funding for local government stormwater projects.

- Grants for stormwater projects that work in conjunction with or protect cleanups (under Local Toxics Control Account).
- Competitive stormwater grants to address impacts from existing development (under Environmental Legacy Stewardship Account).

Changes to Toxics Accounts

- ◎ Changes distribution and use of revenue from Hazard Substance Tax.
 - \$140 million cap for State and Local Toxics Control Accounts (STCA and LTCA) with no inflationary or fiscal growth factor.
 - Creates Environmental Legacy Stewardship Account (ELSA).
- ◎ Requires cash management approach and short-term acceleration of MTCAs funds.
 - “Burn rates” for five large Ecology capital programs.
 - 2013-15 appropriation \$119 million more than projected revenue.
 - Ecology contracting full amounts now.
- ◎ Funding capacity in 2015-17:
 - Historically, \$200 to \$225 million available for new capital projects.
 - \$119 million already obligated from burn rate assumptions.

Implementation

◎ Remedial Action Grant Program

- Amend grant rules by June 30, 2014.
- Use interpretative guidance until rules adopted.

◎ Stormwater Grant Program

- In August 2013, provided funding to local governments to determine needs and prepare project designs.
- By August 2014, develop criteria for competitive grant program in consultation with stakeholders.
- In September 2014, open application period for competitive stormwater grants as part of existing application cycle.

◎ Model Remedies

- Completed model remedies for properties located within Tacoma Smelter Plume.
- Plan to develop model remedies for two additional categories of sites by the end of the biennium.
- Requesting funding in supplemental budget.

◎ Reporting

- Complete next Biennial Report by December 1, 2013, and next Ten-Year Financing Plan by September 20, 2014.

Challenges

- ◎ Completing the work necessary to carry out the legislation within prescribed timeframes (such as model remedy development).
- ◎ Establishing funding needs for new remedial action grant programs in time for 2015-17 budget development.
- ◎ Ensuring that remedial action grant program and stormwater grant program work in tandem to protect cleanup investments of local governments.
- ◎ Adapting to new fund management requirements.