

FISCAL OVERVIEW

Staff Presentation to the
Senate Environment, Water and Energy Committee



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Senate Ways & Means Committee
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Today's Presentation

- Overview of the Governor's 2009-11 budget proposal and the following accounts:
 - Water Quality Account
 - State Toxics Control Account
 - Local Toxics Control Account
 - Water Quality Permit Fee Account
- Summary of actions taken in the Governor's budget proposal that affect these accounts

2009-11 Governor's Budget Proposal Highlights

- Abolishes three Near General Fund State accounts, including the Water Quality Account
- Uses increased bond capacity to invest in new capital projects, which normally would be funded via other accounts
- Transfers funds from various accounts into the General Fund

Water Quality Account

- **Revenue:**
 - Taxes on the sale, use, consumption, distribution, etc. of cigarettes
 - Taxes on the sale, handling, or distribution of other tobacco products
 - General Fund-State transfers
- **Uses:**
 - Grants or loans to public bodies for water pollution control facilities and pollution prevention activities
- **Governor's Budget Proposal:**
 - Abolishes the Water Quality Account

Model Toxics Control Act Accounts

(Revenue and Uses)

STATE TOXICS CONTROL ACCOUNT

Revenue:

- 47.1% of the tax on the possession of hazardous substances in the state
- Hazardous and mixed waste fees
- Penalties and cost recovery from remedial actions

Uses:

- Hazardous and solid waste planning, management, regulation, enforcement, technical assistance, and public education

LOCAL TOXICS CONTROL ACCOUNT

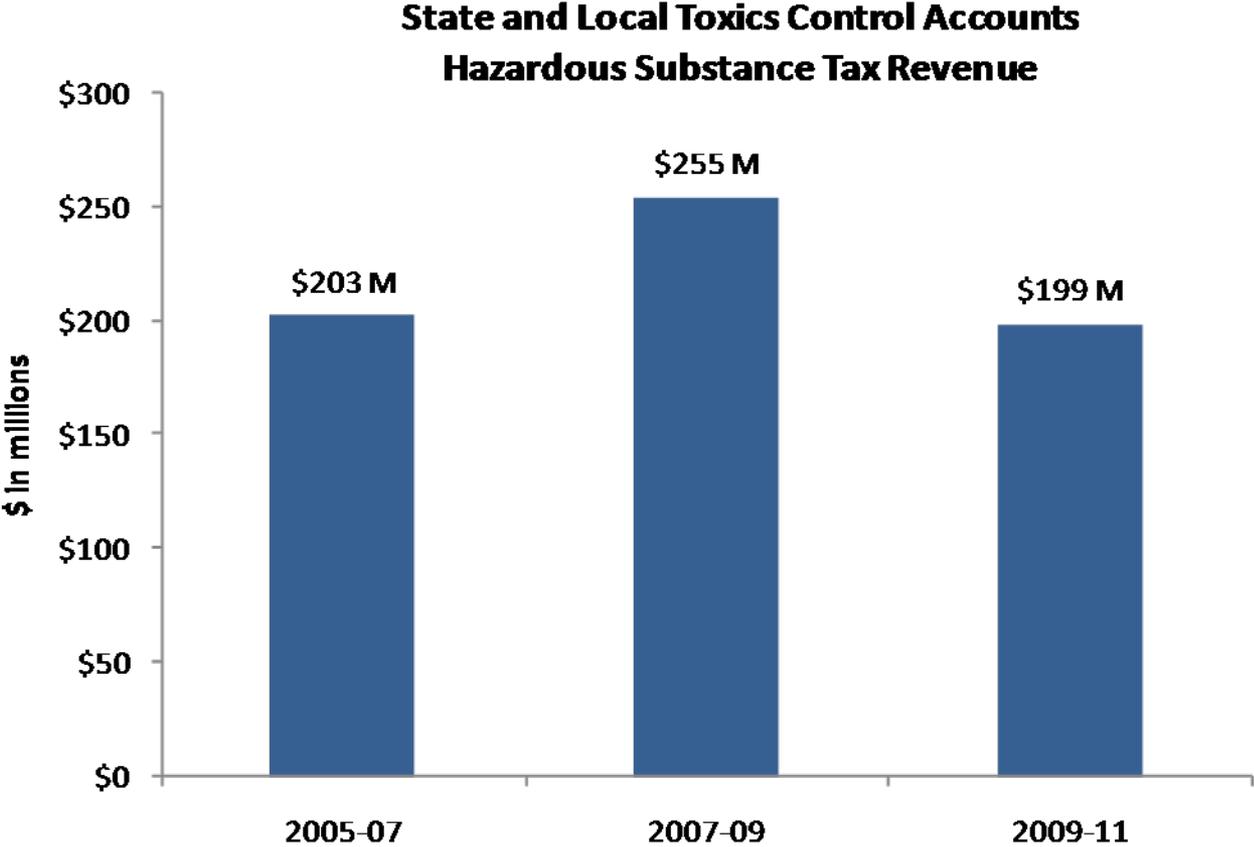
Revenue:

- 52.9% of the tax on the possession of hazardous substances in the state

Uses:

- Grants and loans to local governments for remedial actions and for hazardous and solid waste plans and programs

Hazardous substance tax revenue for the 2009-11 biennium is projected to decline by 22% from 2007-09 levels.



Source: Department of Revenue

Model Toxics Control Act Accounts (Governor's Budget Proposal)

STATE TOXICS CONTROL ACCOUNT

(2009-11 Beginning Fund Balance: \$45 million)

Governor's Budget Proposal:

- Invests a lesser amount in new capital projects than in previous biennia, using bond proceeds as the source of funding
- Transfers \$13 million to the General Fund
- Leaves a \$2.2 million ending fund balance

LOCAL TOXICS CONTROL ACCOUNT

(2009-11 Beginning Fund Balance: \$101 million)

Governor's Budget Proposal:

- Invests a lesser amount in new capital projects than in previous biennia, using bond proceeds as the source of funding
- Transfers \$75 million to the General Fund
- Transfers \$4.6 million to the Oil Spill Prevention Account
- Leaves a \$3.4 million ending fund balance

Water Quality Permit Fee Account

- **Revenue:**
 - Fees for wastewater and stormwater discharge permits
- **Uses:**
 - Water pollution abatement and sewage treatment projects
 - Permit administration
- **Governor's Budget Proposal:**
 - Reduces expenditures by \$3.1 million to match the decline in revenue