

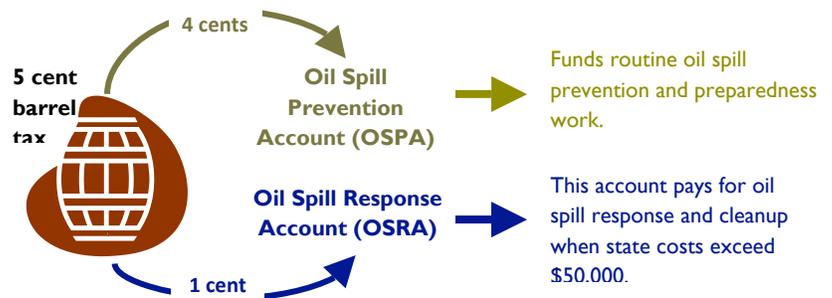
# Department of Ecology Spills Program

## Overview of Oil Spill Response Account

### HISTORY OF THE FUND

In the wake of the 1988 *Nestucca* fuel barge spill in Washington and the catastrophic 1989 *Exxon Valdez* tanker spill in Alaska, the 1991 Washington Legislature created two dedicated accounts to fund the Department of Ecology’s oil spill prevention, preparedness, and response activities.

These two accounts are the **Oil Spill Prevention Account (OSPA)** and **Oil Spill Response Account (OSRA)**. The accounts receive revenue from the Oil Spill Administration Tax (commonly known as the barrel tax). The current barrel tax is 5 cents per barrel (42 gallons) of oil imported into the state. Of this 5 cent per barrel tax, 4 cents goes into the OSPA and one cent goes into the OSRA.



### HOW THE FUND IS USED

The Oil Spill Response Account (RCW 90.56.500) is used exclusively for costs associated with responses to oil spills to water that are likely to exceed \$50,000. Ecology uses its appropriation from the OSRA to pay for natural resource damage assessments (NRDA), response costs, containment, clean up and disposal costs, wildlife rescue, contracts, and equipment costs during large oil spill incidents. Ecology seeks reimbursement for all response costs from the oil spiller. All state response costs that are recovered (excluding penalties or NRDA assessments) are deposited back into the OSRA.

### REVENUE HISTORY

The OSRA has a cap of \$9 million. Once the balance in the account reaches \$9 million the tax is “turned off”. When the account balance drops to \$8 million or below, the tax is turned back on. The tax has been turned off one time from January 2002 to March 2007. The original cap in 1991 was \$25 million. The cap was lowered in 1997 and again in 1999 to the current \$9 million cap.

Year	Revenue
2000	\$1,154,017
2001	\$1,229,103
2002	\$749,690
2003	\$(160,738)*
2004	\$(100,760)*
2005	\$66,782
2006	\$(9,361)*
2007	\$(274,940)*
2008	\$1,148,887

\*Negative amounts are the result of tax credits from prior years that happened during the time the tax was turned off.

There have been three transfers from the OSRA to the OSPA between 1997 and 2001. These transfers total \$2.7 million and were done to support budget appropriations that exceeded revenue forecasts in the Oil Spill Prevention Account.