

Amendment 1 to CB 119607: Recitals, reporting, and requirement extension v1

Sponsor: Councilmember Mosqueda

Description:

This would amend CB 119607 to: (1) add recitals regarding intent and potential impacts of the legislation; (2) require that the proposed implementation plan include a risk assessment and racial equity analysis; (3) require that outreach to residents should include financing options; (4) require that the implementation plan be submitted to the Green New Deal Oversight Board; (5) add that outreach prior to the effective date of the tax should include residents, labor unions, and heating oil suppliers; and (6) specify that the annual report on the Heating Oil Tax should include reporting on the number of homes converted from oil heat to electricity and workforce development support outcomes.

Notes:

Double underlines indicate new language to be added.

~~Double strikethroughs~~ indicate language proposed to be removed.

Amendments

1. Amend recitals of Council Bill 119607, as follows:

WHEREAS, the use of heating oil in the City emits carbon pollution that would be substantially lessened if heating oil users converted from oil-fired heating systems to electric systems; and

WHEREAS, ~~most~~ underground heating oil tanks ~~are well~~ should be analyzed for the risk they pose, as many could be beyond their useful life, posing an environmental hazard to soil, surface water, groundwater and property as a result of leaking tanks; and

~~WHEREAS, the Washington State Pollution Liability Protection Act (chapter 70.149 RCW) protects tank owners from the financial hardship related to damaged heating oil tanks and expires July 1, 2030; and~~

WHEREAS, to reduce future hazards of heating oil tank leaks, The City of Seattle intends to develop a plan to regulate heating oil tanks that will require owners to decommission or replace with a modern tank by December 31, 2028; and

WHEREAS, the City Council recognizes that the requirement to replace or decommission heating oil tanks may pose a financial burden to middle-income and fixed-income households, renters, and seniors, and commits to reducing the financial burden of converting from oil to electric heat; and

WHEREAS, the Washington State Pollution Liability Protection Act (chapter 70.149 RCW) protects tank owners from the financial hardship related to damaged heating oil tanks expires on July 1, 2030, and may require additional resources to fulfill claims from Seattle as a result of implementing this requirement; and

WHEREAS, promoting the use of biodiesel allows for a bridge option for the approximately 17,000 heating oil customers that helps to protect nearly one hundred high-wage, local union jobs for Teamsters Joint Council 28 and IBEW Local 46; and

WHEREAS, The City of Seattle intends to exercise its taxing authority, as granted by the Washington State Constitution and as authorized by the Washington State Legislature, to tax the business of selling heating oil in the City;

WHEREAS, a tax on businesses selling heating oil in Seattle will finance conversions from oil heating systems to electric heating systems for low-income households, including those participating the City's Utility Discount Program; NOW, THEREFORE,

2. Amend Section 14 of Council Bill 119607, as follows:

Section 14. By July 1, 2020, the Office of Sustainability and Environment, the Seattle Fire Department, the Seattle Department of Construction and Inspections, and other relevant

departments shall complete an implementation plan to address the prevention of future environmental hazards from leaking heating oil tanks with the intent that all heating oil storage tanks in Seattle are either decommissioned or replaced with a modern tank no later than December 31, 2028. The plan shall include but not be limited to residential and stakeholder outreach, necessary code updates or code authority, tank replacement, risk assessment, racial equity analysis, and decommissioning requirements and specifications. The residential outreach plan should include presenting residents with financing options for converting from an oil heating system to an electric heating system. A copy of the implementation plan should be submitted to the City Clerk, ~~and~~ the Chair of the Sustainability and Transportation Committee, or successor committee, and the Green New Deal Oversight Board.

3. Amend Section 15 of Council Bill 119607, as follows:

Section 15. The Council requests that the Office of Sustainability and Environment (OSE):

A. Provide a status update on outreach efforts to date regarding the new heating oil tax by July 1, 2020. The update should include the number of households contacted; any changes in the number of low-income households with oil heat enrolled in the City's Utility Discount Program following outreach efforts; a summary of feedback from residents, labor unions, and heating oil service providers, received during outreach efforts, including a description of challenges encountered during the outreach process; and proposed strategies for overcoming these challenges, if applicable; and

B. Report annually on Heating Oil Tax program status, including the number of homes the City has helped convert from oil heat to electricity and outcomes of workforce development support, and collaborate with the Office of Economic Development, Seattle Department of

Construction and Inspections, and the Office of Housing to determine a methodology to assess the following potential impacts of the Heating Oil Tax:

1. Job losses, gains, and retention in the Seattle area's home heating, ventilation, and air conditioning industry, with a focus on workers represented by labor unions and family-wage jobs, and what additional investments are necessary to support workers in the event of net job losses; and

2. Rates of conversion from oil heating systems to electric systems in homes occupied by renters enrolled in the Utility Discount Program, including identifying who is paying the costs of conversion and whether additional measures are necessary to alleviate the costs if renters are overly burdened.

OSE is requested to report to Council by July 1, 2021, and every year thereafter up to 2028.