

FINAL BILL REPORT

2SHB 1162

C 207 L 95

Synopsis as Enacted

Brief Description: Changing collection of hazardous waste fees.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Schoesler and Mastin; by request of Department of Ecology and Department of Revenue).

House Committee on Agriculture & Ecology
House Committee on Appropriations
Senate Committee on Ecology & Parks

Background: Legislation enacted in 1990 created an annual fee of \$35 assessed on known and potential generators of hazardous wastes. Funds from the fee are used by the Department of Ecology for technical assistance to waste generators and for grants to local governments. "Known generators" are those who generate 220 pounds or more of dangerous or hazardous waste per month. "Potential generators" are those whose primary business activities are identified by the Department of Ecology as likely to generate any quantity of hazardous waste. A potential generator is exempt from the fee if the value of its products, its gross proceeds of sales, or its gross income is less than \$12,000 per year.

Legislation enacted in 1994 suspended the \$35 fee assessed on potential generators for one year due to taxpayer confusion and controversy about who is subject to the fee. The Department of Ecology convened a task force during the 1994 interim for the purpose of simplifying the administration of the fee. The task force recommended two options for addressing potential generators. The task force's preferred recommendation was to assess the fee only to known generators and to make up the resultant shortfall by charging fees on each facility of a known generator that generates the minimum level of waste and seeking additional funding from a portion of a one percent tax on hazardous substances. The second option recommended modifying the category of potential generators to include those businesses that are the most likely to generate waste.

The Department of Ecology estimates that the \$35 fee on potential generators would generate a total of one million dollars during the 1995-97 biennium.

The Department of Revenue collects the annual fee which is due on July 1 of each year. The Department of Revenue enforces late payment of fees. The Department is

authorized to assess a 5 percent penalty (\$1.75) if the fee is not paid within 30 days, 10 percent if not paid within 60 days, and 20 percent if not paid within 90 days. Hazardous waste generators and hazardous substance users that are required to prepare voluntary reduction plans also must pay annual fees to support the Department of Ecology's costs associated with the reduction plans, including plan review and technical assistance.

Summary: The categories of "known" and "potential" generator are replaced with a single category of "hazardous waste" generator. The \$35 annual fee is assessed on anyone generating hazardous waste, regardless of quantity. A generator is exempt from the fee if the value of its products, gross proceeds from its sales, or its gross income is less than \$12,000 per year.

General administrative provisions for excise taxes no longer apply to the annual fees imposed on waste generators or to the annual fees imposed on hazardous waste generators and hazardous substance users required to prepare voluntary reduction plans. Among other changes, the Department of Ecology shall collect these fees instead of the Department of Revenue. A 1 percent per month penalty is imposed on late payments of both the annual fee on waste generators and the annual fee imposed on waste generators and hazardous substance users required to prepare the voluntary reduction plans.

The Department of Ecology must contract with private businesses, where practicable, to provide compliance education.

Votes on Final Passage:

House	83	15	
Senate	46	0	(Senate amended)
House	92	0	(House concurred)

Effective: May 3, 1995