
SENATE BILL 6564

State of Washington

54th Legislature

1996 Regular Session

By Senators Fraser, Swecker, Loveland, Rasmussen, Roach, Cantu, Hargrove, Schow, Winsley and Finkbeiner

Read first time 01/17/96. Referred to Committee on Ecology & Parks.

1 AN ACT Relating to the wastewater discharge permit program;
2 amending RCW 90.48.465; adding a new section to chapter 50.13 RCW;
3 adding new sections to chapter 82.04 RCW; adding new sections to
4 chapter 82.16 RCW; creating new sections; providing an effective date;
5 and providing an expiration date.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** The legislature finds that the current
8 wastewater discharge permit fee structure has developed in a manner
9 that has resulted in a basic and inherent lack of fairness in the
10 system. The legislature further finds that there is a strong
11 administrative accountability and fee equity benefit to be derived from
12 basing a fee structure upon a workload approach, and that the
13 inequities in a workload-based fee structure are more easily identified
14 and mitigated than would be the case with a continued reliance upon the
15 current fee structure. The legislature further finds in conjunction
16 with moving to a workload approach and increased accountability it is
17 also necessary to ensure that all costs borne by permittees are
18 rationally related to the achievement of the fundamental goal of clean
19 water. It is the intent of the legislature to provide for a workload-

1 based fee structure and to provide mitigation for those small
 2 businesses and small municipalities that would face an undue economic
 3 impact under a workload-based fee structure, and provide phased
 4 mitigation for other permittees inordinately impacted by the revision
 5 of the fee structure. It is further the intent of the legislature to
 6 provide for cooperative program development and review in order to most
 7 efficiently and rationally achieve the fundamental goal of clean water.
 8 It is further the intent of the legislature to provide for
 9 interdepartmental cooperation in achieving the purposes of this act.

10 NEW SECTION. **Sec. 2.** (1) The department of ecology may raise
 11 wastewater discharge permit fees required under RCW 90.478.465 in
 12 excess of the fiscal growth factors defined in RCW 43.135.055 in order
 13 to implement the following fee schedule:

14 Workload Model	Annual
15 Permit Category	Fee or Rate
16 General Storm Water	\$500
17 General Construction Site	\$250
18 General Boatyard	\$786
19 General Aquaculture	\$1,666
20 General Aggregate-Active Site	\$1,284
21 General Aggregate-Inactive Site	\$500
22 General Crop Preparing	\$1,734
23 General Dairy	\$1.00/head
24 Major Industrial NPDES	\$21,549
25 Minor Industrial NPDES Level 3	\$14,862
26 Minor Industrial NPDES Level 2	\$8,422
27 Minor Industrial NPDES Level 1	\$5,945
28 State Industrial Land Level 3	\$21,055
29 State Industrial Land Level 2	\$9,660
30 State Industrial Land Level 1	\$5,449
31 State Industrial User Level 3	\$4,954
32 State Industrial User Level 2	\$3,963
33 State Industrial User Level 1	\$3,220
34 Small Discharger Level 3	\$2,000
35 Small Discharger Level 2	\$1,000
36 Small Discharger Level 1	\$500
37 Industrial Section-Pulp and Paper With Bleach	\$25,265

1	Industrial Section-Pulp and Paper Without Bleach	\$25,265
2	Industrial Section-Oil Refinery	\$25,513
3	Industrial Section-Aluminum Smelter	\$22,045
4	Industrial Section-Minor NPDES	\$4,954
5	Industrial Section-State Permit	\$3,716
6	Hanford-State Permit	\$16,101
7	Resource Conservation and Recovery Act NPDES	\$19,816
8	Municipal Storm Water	\$44,820
9	Minor Municipal NPDES Level 3-nonmunicipality	\$10,838
10	Minor Municipal NPDES Level 2-nonmunicipality	\$7,451
11	Minor Municipal NPDES Level 1B-nonmunicipality	\$5,645
12	Minor Municipal Land Level 2-nonmunicipality	\$8,580
13	State Municipal Land Level 1-nonmunicipality	\$6,096
14	Municipality with total residential equivalents of:	
15	(a) 25,000 and greater	\$1.36/RE
16	(b) Less than 25,000 (subject to minimum fees)	\$1.80/RE
17	State Biosolids Permit Development Fee	\$0.054/RE
18	(2) The minimum fees for municipalities with total residential	
19	equivalents of less than twenty-five thousand shall be as follows:	

20	Workload Category	Annual
21	Permit Category	Minimum Fee
22	Minor Municipal NPDES Level 3	\$3,000
23	Minor Municipal NPDES Level 2	\$2,000
24	Minor Municipal NPDES Level 1B	\$1,000
25	Minor Municipal NPDES Level 1A	\$500
26	State Municipal Land Level 2	\$2,000
27	State Municipal Land Level 1	\$1,000

28 The state biosolids permit development fee for municipalities
29 subject to the minimum fees shall be three percent of the minimum fee.

30 (3) The department of ecology shall implement the fee schedule
31 included in this section for fiscal year 1997 fees.

32 (4) For the purposes of this section:

33 (a) "NPDES" means the national pollutant discharge elimination
34 system; and

35 (b) "RE" means residential equivalent.

36 (5) This section shall expire June 30, 1997.

1 **Sec. 3.** RCW 90.48.465 and 1992 c 174 s 17 are each amended to read
2 as follows:

3 (1) The department shall establish annual fees to collect expenses
4 for issuing and administering each class of permits under RCW
5 90.48.160, 90.48.162, 90.48.260, and 70.95J.020 through 70.95J.090. An
6 initial fee schedule shall be established by rule within one year of
7 March 1, 1989, and thereafter the fee schedule shall be adjusted no
8 more often than once every two years except as otherwise authorized by
9 the legislature. This fee schedule shall apply to all permits,
10 regardless of date of issuance, and fees shall be assessed
11 prospectively. All fees charged shall be based on factors relating to
12 the complexity of permit issuance and compliance and may be based on
13 pollutant loading and toxicity and be designed to encourage recycling
14 and the reduction of the quantity of pollutants. Fees shall be
15 established in amounts to fully recover and not to exceed expenses
16 incurred by the department in processing permit applications and
17 modifications, monitoring and evaluating compliance with permits,
18 conducting inspections, securing laboratory analysis of samples taken
19 during inspections, reviewing plans and documents directly related to
20 operations of permittees, overseeing performance of delegated
21 pretreatment programs, and supporting the overhead expenses that are
22 directly related to these activities.

23 (2) The annual fee paid by a municipality, as defined in 33 U.S.C.
24 Sec. 1362, for all domestic wastewater facility permits issued under
25 RCW 90.48.162(~~(7)~~) and 90.48.260(~~(7)~~ and 70.95J.020 through 70.95J.090))
26 shall not exceed the total of a maximum of fifteen cents per month per
27 residence or residential equivalent contributing to the municipality's
28 wastewater system(~~(. The department shall adopt by rule a schedule of~~
29 ~~credits for any municipality engaging in a comprehensive monitoring~~
30 ~~program beyond the requirements imposed by the department, with the~~
31 ~~credits available for five years from March 1, 1989, and with the total~~
32 ~~amount of all credits not to exceed fifty thousand dollars in the five-~~
33 ~~year period)), except that the legislature may establish minimum fees.~~

34 (3) The department shall ensure that indirect dischargers do not
35 pay twice for the administrative expense of a permit. Accordingly,
36 administrative expenses for permits issued by a municipality under RCW
37 90.48.165 are not recoverable by the department.

38 (4) In establishing fees, the department shall consider the
39 economic impact of fees on small dischargers and the economic impact of

1 fees on public entities required to obtain permits for storm water
2 runoff and shall provide appropriate adjustments.

3 (5) All fees collected under this section shall be deposited in the
4 water quality permit account hereby created in the state treasury.
5 Moneys in the account may be appropriated only for purposes of
6 administering permits under RCW 90.48.160, 90.48.162, 90.48.260, and
7 70.95J.020 through 70.95J.090.

8 ~~(6) ((The department shall submit an annual report to the
9 legislature showing detailed information on fees collected, actual
10 expenses incurred, and anticipated expenses for the current and
11 following fiscal years.~~

12 ~~(7) The legislative budget committee in 1993 shall review the fees
13 established under this section and report its findings to the
14 legislature in January 1994.))~~ Beginning with the biennium ending June
15 30, 1997, the department shall present a biennial progress report on
16 the use of moneys from the account to the legislature. The report will
17 be due December 31st of each odd-numbered year. The report shall
18 consist of information on fees collected, actual expenses incurred, and
19 anticipated expenses for the current and following fiscal years.

20 (7) The department shall, after consultation with the members of
21 the wastewater permit program partnership established by the
22 department, develop a program to provide compliance cost incentives for
23 permittees. The department shall report to the legislature by December
24 1, 1996, on the progress made on development of the program, and shall
25 begin implementation of the program no later than July 1, 1997.
26 Beginning with the biennium ending June 30, 1999, the department shall
27 include in its biennial progress report information on efforts
28 undertaken to provide compliance cost incentives and the progress made
29 toward achieving the goal of clean water.

30 (8)(a) The department shall conduct a workload analysis biennially.
31 The department shall provide the opportunity for public review of and
32 comment on the workload analysis. The department shall review and
33 update its workload analysis during each biennial budget cycle, taking
34 into account information gathered by tracking previous revenues, time,
35 and expenditures and other information obtained through fiscal audits
36 and performance audits.

37 (b) The department shall prepare a biennial budget based upon the
38 resource requirements identified in the workload analysis for that
39 biennium. The department shall provide the opportunity for public

1 review of and comment on the proposed budget. The department shall
2 review and update its budget each biennium.

3 NEW SECTION. Sec. 4. A new section is added to chapter 50.13 RCW
4 to read as follows:

5 The commissioner of the employment security department shall
6 provide to the departments of ecology and revenue information relating
7 to the eligibility of a business for a tax credit under section 5 of
8 this act. The department of ecology shall deem information received
9 under this section private and confidential.

10 NEW SECTION. Sec. 5. A new section is added to chapter 82.04 RCW
11 to read as follows:

12 (1) Notwithstanding the provisions of section 6(1) of this act,
13 there may be credited against the tax imposed by this chapter upon
14 qualifying small businesses an amount not to exceed one-half of the
15 permit fee imposed under RCW 90.48.465.

16 (2) "Qualifying small businesses" means those small businesses as
17 defined in RCW 19.85.020 that have not had a violation of the
18 conditions of their permit in the previous year and that have provided
19 their unified business identifier number to the department of ecology.

20 (3) The department of ecology shall notify each qualifying small
21 business of the amount of the credit available within thirty days of
22 receipt of payment of the current permit fee.

23 (4) The department of revenue shall accept the notification
24 received by the qualifying small business from the department of
25 ecology as payment in lieu of taxes for the full amount of the credit.

26 NEW SECTION. Sec. 6. A new section is added to chapter 82.04 RCW
27 to read as follows:

28 (1) There may be credited against the tax imposed by this chapter
29 the following amounts:

30 (a) For fiscal year 1997, an amount equal to the permit fee imposed
31 under RCW 90.48.465 for fiscal year 1997 less the permit fee imposed
32 under RCW 90.48.465 for fiscal year 1996 as adjusted by the fiscal
33 growth factors as defined in RCW 43.135.055 for the years since fiscal
34 year 1996;

35 (b) For fiscal year 1998, four-fifths of an amount equal to the
36 permit fee imposed under RCW 90.48.465 for fiscal year 1998 less the

1 permit fee imposed under RCW 90.48.465 for fiscal 1996 as adjusted by
2 the fiscal growth factors as defined in RCW 43.135.055 for the years
3 since fiscal year 1996;

4 (c) For fiscal year 1999, three-fifths of an amount equal to the
5 permit fee imposed under RCW 90.48.465 for fiscal year 1999 less the
6 permit fee imposed under RCW 90.48.465 for fiscal year 1996 as adjusted
7 by the fiscal growth factors as defined in RCW 43.135.055 for the years
8 since fiscal year 1996;

9 (d) For fiscal year 2000, two-fifths of an amount equal to the
10 permit fee imposed under RCW 90.48.465 for fiscal year 2000 less the
11 permit fee imposed under RCW 90.48.465 for fiscal year 1996 as adjusted
12 by the fiscal growth factors as defined in RCW 43.135.055 for the years
13 since fiscal year 1996; and

14 (e) For fiscal year 2001, one-fifth of an amount equal to the
15 permit fee imposed under RCW 90.48.465 for fiscal year 2001 less the
16 permit fee imposed under RCW 90.48.465 for fiscal year 1996 as adjusted
17 by the fiscal growth factors as defined in RCW 43.135.055 for the years
18 since fiscal year 1996.

19 (2) The credit granted by this section shall be reduced by the
20 amount of any credit available under section 5 of this act.

21 (3) The department of ecology shall notify each taxpayer of the
22 amount of the credit available within thirty days of receipt of payment
23 of the current permit fee.

24 (4) The department of revenue shall accept the notification
25 received by the taxpayer from the department of ecology as payment in
26 lieu of taxes for the full amount of the credit.

27 NEW SECTION. **Sec. 7.** A new section is added to chapter 82.16 RCW
28 to read as follows:

29 (1) Notwithstanding section 8(1) of this act, there may be credited
30 against the tax imposed by this chapter upon qualifying municipalities
31 one-half of an amount equal to the current permit fee imposed under RCW
32 90.48.465 less the fee imposed under RCW 90.48.465 for fiscal year 1996
33 as adjusted by the accumulated fiscal growth factors as defined in RCW
34 43.135.055 for the years since fiscal year 1996.

35 (2) "Qualifying municipalities" means those municipalities as
36 defined in 33 U.S.C. Sec. 1362, with fewer than twenty-five thousand
37 residential equivalents, that have not had a violation of the
38 conditions of their permit in the previous year.

1 (3) The department of ecology shall notify each qualifying
2 municipality of the amount of the credit available within thirty days
3 of receipt of payment of the current permit fee.

4 (4) The department of revenue shall accept the notification
5 received by the qualifying municipality from the department of ecology
6 as payment in lieu of taxes for the full amount of the credit.

7 NEW SECTION. **Sec. 8.** A new section is added to chapter 82.16 RCW
8 to read as follows:

9 (1) There may be credited against the tax imposed by this chapter
10 the following amounts:

11 (a) For fiscal year 1997, an amount equal to the permit fee imposed
12 under RCW 90.48.465 for fiscal year 1997 less the permit fee imposed
13 under RCW 90.48.465 for fiscal year 1996 as adjusted by the fiscal
14 growth factors as defined in RCW 43.135.055 for the years since fiscal
15 year 1996;

16 (b) For fiscal year 1998, four-fifths of an amount equal to the
17 permit fee imposed under RCW 90.48.465 for fiscal year 1998 less the
18 permit fee imposed under RCW 90.48.465 for fiscal 1996 as adjusted by
19 the fiscal growth factors as defined in RCW 43.135.055 for the years
20 since fiscal year 1996;

21 (c) For fiscal year 1999, three-fifths of an amount equal to the
22 permit fee imposed under RCW 90.48.465 for fiscal year 1999 less the
23 permit fee imposed under RCW 90.48.465 for fiscal year 1996 as adjusted
24 by the fiscal growth factors as defined in RCW 43.135.055 for the years
25 since fiscal year 1996;

26 (d) For fiscal year 2000, two-fifths of an amount equal to the
27 permit fee imposed under RCW 90.48.465 for fiscal year 2000 less the
28 permit fee imposed under RCW 90.48.465 for fiscal year 1996 as adjusted
29 by the fiscal growth factors as defined in RCW 43.135.055 for the years
30 since fiscal year 1996; and

31 (e) For fiscal year 2001, one-fifth of an amount equal to the
32 permit fee imposed under RCW 90.48.465 for fiscal year 2001 less the
33 permit fee imposed under RCW 90.48.465 for fiscal year 1996 as adjusted
34 by the fiscal growth factors as defined in RCW 43.135.055 for the years
35 since fiscal year 1996.

36 (2) The credit granted by this section shall be reduced by the
37 amount of any credit available under section 7 of this act.

1 (3) The department of ecology shall notify each taxpayer of the
2 amount of the credit available within thirty days of receipt of payment
3 of the current permit fee.

4 (4) The department of revenue shall accept the notification
5 received by the taxpayer from the department of ecology as payment in
6 lieu of taxes for the full amount of the credit.

7 NEW SECTION. **Sec. 9.** Sections 5 through 8 of this act shall take
8 effect July 1, 1996.

9 NEW SECTION. **Sec. 10.** The director of the department of ecology,
10 the commissioner of the employment security department, and the
11 director of the department of revenue may take such steps as are
12 necessary to ensure that this act is implemented on its effective
13 dates.

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