

FINAL BILL REPORT

HB 2577

C 76 L 98

Synopsis as Enacted

Brief Description: Using and administering the Hanford area economic investment fund.

Sponsors: Representatives Hankins and Delvin.

House Committee on Energy & Utilities

Senate Committee on Energy & Utilities

Background: In 1991, the Legislature established the Hanford Area Economic Investment Fund (HAEIF) and required generators of low level radioactive waste to pay a surcharge of \$6.50 on each cubic foot of waste they disposed at the commercial disposal site located on the Hanford Reservation. The site operator collects the surcharges and forwards them to the state Department of Ecology, which remits \$4.50 of the surcharge to the HAEIF and sends the remaining \$2.00 to Benton County where the disposal site is located. The fund balance as of December 31, 1997, was \$2,117,976.57.

Moneys in the fund can only be spent pursuant to recommendations of the Hanford Area Economic Investment Fund Committee (established by the Legislature to oversee the fund), and with the approval of the director of the Department of Community, Trade, and Economic Development (DCTED).

Specifically, the funds can be used for the Hanford area revolving loan funds, infrastructure projects, and other economic development and diversification projects. "Hanford area" is defined as Benton and Franklin counties. In addition, while up to 5 percent of the moneys in the fund may be used for program administration, the law does not explicitly authorize the use of HAEIF funds to reimburse the Office of the Attorney General for costs incurred on behalf of the HAEIF Committee. State boards and committees are required to use the services of the Attorney General's Office.

Among its other authorities, the HAEIF Committee may make the following recommendations to the DCTED: (1) recommendations for administering the program, including the terms and rates of loans, and criteria for awarding grants, loans, and financial guarantees; (2) a strategy for spending the funds; and (3) up to two projects for funding each calendar year. While the director of the DCTED must approve projects prior to the actual expenditure of funds, current law is silent as to which entity (the committee or the DCTED) may actually establish and administer a revolving fund or make grants using HAEIF moneys.

At the time the HAEIF Committee was created, it was assumed the local associate development organization would provide the staffing. This turned out not to be the case, and the committee has contracted with a local businesswoman for administrative support services.

Summary: The committee may establish and administer a revolving fund, and may make grants from the Hanford Area Economic Investment Fund (HAEIF). The director of the DCTED still must approve the funding of projects prior to the expenditure of HAEIF funds, and projects must continue to meet existing statutory criteria.

Moneys from the HAEIF may be used for reasonable costs incurred by an assistant attorney general in support of the committee, and such expenditures are not subject to the 5 percent cap for program administration.

Statements that the local associate development organization will staff the committee are removed from existing statutes.

Votes on Final Passage:

House 96 0

Senate 47 0

Effective: June 11, 1998