

HOUSE BILL REPORT

SHB 2670

As Amended by the Senate

Title: An act relating to financial assurance requirements for landfill disposal facilities.

Brief Description: Authorizing the department of ecology to waive the requirement for a reserve account for local governments maintaining landfills.

Sponsors: By House Committee on Agriculture & Ecology (originally sponsored by Representatives Delvin, Linville, G. Chandler and Hankins).

Brief History:

Committee Activity:

Agriculture & Ecology: 1/28/00, 2/1/00 [DPS].

Floor Activity:

Passed House: 2/9/00, 96-1.

Senate Amended.

Passed Senate: 3/3/00, 47-0.

<p>Brief Summary of Substitute Bill</p> <ul style="list-style-type: none">· Landfill disposal facilities may use alternative forms of financial assurance to ensure funding is available to cover costs of closing the facility.

HOUSE COMMITTEE ON AGRICULTURE & ECOLOGY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives G. Chandler, Republican Co-Chair; Linville, Democratic Co-Chair; Cooper, Democratic Vice Chair; Koster, Republican Vice Chair; Anderson; B. Chandler; Delvin; Fortunato; Grant; Reardon; Schoesler; Stensen and Wood.

Staff: Bill Lynch (786-7092).

Background:

State law requires the holder or an applicant of a permit for a landfill disposal facility to establish a reserve account to cover the costs of closing the facility in accordance

with state and federal law. Post-closure care of a landfill is generally required for a period of thirty years, but this length of time may be increased or decreased by the jurisdictional health department under certain conditions. The reserve account must be designed to ensure that there will be adequate revenue available by the projected date of closure.

A landfill disposal facility maintained on private property for the sole use of the entity owning the site, however, is not required to establish a reserve account if the entity provides another form of financial assurance to the satisfaction of the Department of Ecology that is adequate to comply with the closure requirements. An irrevocable letter of credit is an example of another form of financial assurance.

Summary of Bill:

A landfill disposal facility is not required to establish a reserve account to cover the costs of closing a facility if, to the satisfaction of the Department of Ecology, the permit holder or applicant provides another form of financial assurance adequate to comply with the closure requirements. The department is not required to adopt rules pertaining to other approved forms of financial assurance.

EFFECT OF SENATE AMENDMENT(S): The amendments extend the authority to use approved forms of financial assurances in lieu of a reserve account to cover the costs of closing a landfill facility only to landfills operated and maintained by a government. The House bill extended this authority to all landfill facilities. The state Solid Waste Advisory Committee is required to direct a study by the Department of Ecology on the adequacy of financing to assure landfill closure. The study must include a description of the financial assurance mechanisms currently authorized, a summary of the financial assurances currently in place for landfills in the state, and the effect of various financial assurance mechanisms on consumers' rates. The report is due by December 15, 2000.

Appropriation: None.

Fiscal Note: Requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This will provide needed flexibility. Money will be available if it is needed without having to accumulate reserves.

(Comments) The bill should be expanded to include landfills and federal property.

Testimony Against: None

Testified: (In support) David Arbaugh, City of Richland; Jerry Greenfield, Richland City Council; and Dan Underwood, City of Richland, Finance Officer.

(Neutral) Laurie Davies, Department of Ecology.