

SENATE BILL REPORT

2SHB 1162

As Reported By Senate Committee On:
Ecology & Parks, March 28, 1995

Title: An act relating to the collection of hazardous waste generation fees.

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).

Brief History:

Committee Activity: Ecology & Parks: 3/22/95, 3/28/95 [DPA].

SENATE COMMITTEE ON ECOLOGY & PARKS

Majority Report: Do pass as amended.

Signed by Senators Fraser, Chair; C. Anderson, Vice Chair; McAuliffe, McDonald, Spanel and Swecker.

Staff: David Danner (786-7784)

Background: Legislation enacted in 1990 created a fee of \$35 assessed on known and potential generators of hazardous wastes. Funds from the fee are used by the Department of Ecology (DOE) 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 DOE as likely to generate any quantity of hazardous waste.

Legislation enacted in 1994 suspended the \$35 fee assessed to potential generators for one year due to taxpayer confusion and controversy about who is subject to the fee. DOE 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. Its preferred recommendation was to assess the fee only to known generators and to make up the resultant shortfall by charging multiple facilities individually and seeking additional funding from a portion of a 1 percent tax on hazardous substances. Its second recommendation was to modify the category of potential generators to include those businesses that are the most likely to generate waste.

DOE estimates that the \$35 fee on potential generators would generate a total of \$1 million during the 1995-97 biennium.

The Department of Revenue collects the annual fee which is due on July 1 of each year. It 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.

Potential generators are exempt from the fee if the value of products, gross proceeds of sales, or gross income is less than \$12,000 per year.

Summary of Amended Bill: DOE must collect the \$35 hazardous waste fees from all "hazardous waste generators," which are defined as all persons whose primary business activities are identified by the Department of Ecology to generate any quantity of hazardous waste in the calendar year for which the fee is imposed. References to "known generators" and "potential generators" are deleted.

Fees currently collected by the Department of Revenue may be collected by a designee of the department.

DOE may assess late fees of up to 1 percent per month. The Office of Financial Management can waive the fees.

Where DOE uses funds from the hazardous waste assistance account to provide compliance education, it must contract with private businesses, where practicable, to provide such education.

Amended Bill Compared to Substitute Bill: References to "known generators" are deleted and substituted with the term "hazardous waste generators" and definition thereof. The Department of Revenue is authorized to designate an entity to collect hazardous waste fees.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: While a technical assistance program is important, funding should not come from fees on "potential generators," which may include persons or companies which use photocopier toner, shop rags, and key filings. Funding from the general fund or fees imposed on known generators may be more appropriate. The bill should be a vehicle for changes in solid waste regulations, which define wood treated with creosote as "solid waste" and not as "woodwaste." This means that a paper company cannot use a safe and readily obtainable fuel source for a new woodwaste boiler which serves as an electrical cogenerator for 17,000 homes.

Testimony Against: The bill eliminates a valuable assistance program for local governments. Emphasis on prevention reduces the likelihood of costs of cleanup and resulting liability at a later date. Fees are an irreplaceable source of funding for technical assistance.

Testified: Dick Abrams, Scott Paper Co. (pro); Tony Meinhardt, IBA (pro); Megan White, Department of Ecology (con); Scott Merriman, Washington Environmental Council (con); Bruce Wishart, Sierra Club (con).