

# SENATE BILL REPORT

## SHB 2670

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As Reported By Senate Committee On:  
Environmental Quality & Water Resources, February 25, 2000

**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 landfills.

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

**Brief History:**

**Committee Activity:** Environmental Quality & Water Resources: 2/17/2000, 2/25/2000 [DPA].

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### SENATE COMMITTEE ON ENVIRONMENTAL QUALITY & WATER RESOURCES

**Majority Report:** Do pass as amended.

Signed by Senators Fraser, Chair; Eide, Vice Chair; Honeyford, Jacobsen, Morton and Swecker.

**Staff:** Richard Ramsey (786-7412)

**Background:** Current law requires the holder or an applicant of a permit for a landfill to establish a reserve account to cover the costs of closing the landfill in accordance with state and federal law. Post-closure care of a landfill is generally required for a period of 30 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.

Acceptable financial instruments for the reserve account include cash and investments or cash and investments in a trust fund. Reserve accounts are required of both public and privately owned landfills that accept public waste.

A landfill 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. Acceptable financial assurances include trust funds, surety bonds, letters of credit, insurance policies, and corporate guarantees.

**Summary of Amended Bill:** A landfill disposal facility operated and maintained by a government 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 government 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.

The state solid waste advisory committee is directed to conduct a study on the adequacy of financing alternatives generally to assure landfill closure and at each landfill.

**Amended Bill Compared to Original Bill:** The provision in the original bill allowing all landfills to use alternatives to reserve accounts to assure landfill closure is limited to landfills operated and maintained by governments. A provision is added for the state solid waste advisory committee to conduct a study on the adequacy of financing alternatives generally to assure landfill closure and at each landfill.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** The bill is intended to resolve a disagreement between the local health department and the City of Richland. It's a good idea to broaden the tools available to pay for adequate landfill closure. The private landfills are the largest in the state and it's not fair to exclude them from flexible financing. Private landfills have never failed to meet obligations.

**Testimony Against:** Having a level playing field is a good thing; but private companies have fiscal resources that cities and counties do not. Private facilities' books are not open. If seeking to create a level playing field for financing, then private landfill operators should have the same obligations as public landfills. For purposes of approving pass-through costs in rates to consumers, with a 1997 statute change, UTC no longer has the ability to examine the books of a landfill that is affiliated with a hauler. UTC has no mechanism to verify the accounting activity of haulers and landfills owned by the same company.

**Testified:** PRO: Representative Jerome Delvin, prime sponsor; Jeff Kelley-Clarke, Snohomish County; Dave Arbaugh, Dan Underwood, City of Richland; Cullen Stephenson, Department of Ecology; Jim Sells, Washington Refuse and Recycling Association; Jim Boldt, Rabanco/Allied (OK); Teresa Osinski, Gene Eckhardt, Utilities and Transportation Commission.