

HOUSE BILL REPORT

SHB 1649

As Passed Legislature

Title: An act relating to municipal water discharge permit fees.

Brief Description: Updating municipality water discharge fees.

Sponsor(s): By House Committee on Environmental Affairs (originally sponsored by Representative Rust; by request of Department of Ecology and Office of Financial Management).

Brief History:

Reported by House Committee on:
Environmental Affairs, March 5, 1991, DPS;
Revenue, March 9, 1991, DPS(ENA);
Passed House, March 19, 1991, 65-28;
Passed Legislature, 65-28.

**HOUSE COMMITTEE ON
ENVIRONMENTAL AFFAIRS**

Majority Report: *That Substitute House Bill No. 1649 be substituted therefor, and the substitute bill do pass.* Signed by 9 members: Representatives Rust, Chair; Valle, Vice Chair; Horn, Ranking Minority Member; Bray; Brekke; G. Fisher; Phillips; Pruitt; and Sprenkle.

Minority Report: *Do not pass.* Signed by 3 members: Representatives Edmondson, Assistant Ranking Minority Member; Neher; and D. Sommers.

Staff: Harry Reinert (786-7110).

**HOUSE COMMITTEE ON
REVENUE**

Majority Report: *The substitute bill by Committee on Environmental Affairs be substituted therefor and the substitute bill do pass.* Signed by 11 members: Representatives Wang, Chair; Fraser, Vice Chair; Holland, Ranking Minority Member; Wynne, Assistant Ranking Minority Member; Belcher; Brumsickle; Day; Morris; Phillips; Rust; and Silver.

Minority Report: Do not pass. Signed by 1 member:
Representative Morton.

Staff: Harry Reinert (786-7110).

Background: Initiative 97, approved by the voters in 1988, included a provision directing the Department of Ecology to establish a fee schedule for pollution discharges for which the discharger has a permit. The department was directed to establish an initial fee schedule by March 1, 1990. The fee schedule may be adjusted every two years. The fees are to be based on the complexity of permit issuance and compliance. They may also be based on the level and toxicity of the pollutants discharged. The fees are to be set to fully recover the department's costs in processing permits, conducting inspections, obtaining laboratory analysis, and reviewing plans. In April 1990, the department adopted the fee schedule.

The initiative set a maximum fee that may be imposed on municipal domestic wastewater facility permits. The fee may not exceed five cents per residence per month.

Summary of Bill: The maximum fee for municipal domestic wastewater facility permits is increased to 15 cents per residence per month.

Fiscal Note: Available. The substitute was requested March 6, 1991.

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

Testimony For: (Environmental Affairs) The Department of Ecology's effluent permit program is severely underfunded. The cap included in the current law means that local governments do not pay their fair share of the administrative costs of the program. This means that industrial permit holders will be subsidizing the costs of the program unless the cap is removed.

(Revenue) The 15 cent cap is fair. It will require the Legislature to review future increases.

Testimony Against: (Environmental Affairs) Eliminating the municipal cap essentially gives the Department of Ecology a blank check to set whatever fee it sees fit. Many local governments are already facing severe financial problems as they attempt to come into compliance with the secondary sewage treatment standards. Raising this fee will put even more financial strain on these governments.

(Revenue) The substitute bill will cause industry to subsidize the permit system for municipalities. The original bill was more fair.

Witnesses: (Environmental Affairs) Mike Llewelyn, Department of Ecology (pro); Kathleen Collins, Association of Washington Cities (con on original bill); Ed Thorpe, Executive Director, Coalition for Clean Water (con on original bill); Denise Lahmann, City of Centralia (con on original bill); Bruce Wishart, Sierra Club and Citizens Toxic Coalition (pro); Chris Hedrick, Puget Sound Water Quality Authority (pro); Kris Backus, Association of Washington Business (pro); and Joe Daniels, Washington State Association of Water/Wastewater Districts (con on original bill).

Witnesses: (Revenue) Carol Jolly, Department of Ecology (preferred original bill); Kathleen Collins, AWC (pro); Chris Backes, AWB (preferred original bill); Llewellyn Matthews, NW Pulp and Paper Association (con on substitute bill); and Bruce Wishart, Sierra Club (preferred original bill).