

HOUSE BILL REPORT

HB 2823

*As Reported By House Committee on:
Environmental Affairs
Revenue*

Title: An act relating to payment of fees for hazardous substances incineration facilities.

Brief Description: Creating fees for hazardous substances incineration facilities.

Sponsor(s): Representatives Bray, Chandler, Ludwig, Neher, Grant, Dorn, Hochstatter, D. Sommers, May, Valle, Rust, R. Meyers, Pruitt and Nealey.

Brief History:

Reported by House Committee on:
Environmental Affairs, February 7, 1992, DPS;
Revenue, February 8, 1992, DPS(ENA).

**HOUSE COMMITTEE ON
ENVIRONMENTAL AFFAIRS**

Majority Report: *The substitute bill be substituted therefor and the substitute bill do pass.* Signed by 8 members: Representatives Rust, Chair; Valle, Vice Chair; Bray; Brekke; J. Kohl; Neher; Sprengle; and Van Luven.

Minority Report: *Without recommendation.* Signed by 2 members: Representatives Horn, Ranking Minority Member and Edmondson, Assistant Ranking Minority Member.

Staff: Harry Reinert (786-7110).

Background: Two companies have filed initial applications for hazardous waste incinerators. One other company has filed a notice of intent to file an application. The Hazardous Waste Management Act requires the proponent of a hazardous waste disposal facility to negotiate with citizens in the area affected by the proposed facility to address concerns of the community about the impact of the proposal.

In 1991 the Legislature modified the tax on the disposal of low-level radioactive waste. At the same time, the Legislature also established a new surcharge on generators of low-level radioactive waste who use the low-level disposal facility. A portion of the surcharge is deposited

in the Hanford area economic investment fund. The fund is managed by a committee appointed by the governor subject to approval by the director of the Department of Trade and Economic Development.

Summary of Substitute Bill: There is a fee on hazardous waste received at a hazardous waste incinerator. If a hazardous waste incinerator is located in a county that is also the site of a low-level radioactive waste disposal facility, a fee of \$35 per ton of hazardous waste received shall be deposited in the economic investment fund established for that county.

If an incinerator is located in a county that does not have a low-level radioactive waste disposal facility, the fee is \$35 per ton, or an equivalent fee amount considering other payments made by the proponent of the facility in lieu of the fee. The amount of the fee is then to be determined as part of the citizen proponent negotiation process.

Substitute Bill Compared to Original Bill: The original bill required an applicant for a permit for a new hazardous waste incinerator to pay a fee at the time a permit application is filed. This fee is not included in the substitute. In the original bill, the impact fee applied only to hazardous waste incinerators located in one county in eastern Washington. The substitute applies to all hazardous waste incinerators in the state.

Fiscal Note: Requested January 29, 1992.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect immediately.

Testimony For: Communities which may be impacted by hazardous waste incinerators need some assurance that, in addition to the immediate economic benefits from jobs brought by a facility, the fee provided for in this bill will assist the local community in addressing other impacts of the project.

Testimony Against: The fee provided for in the bill is too high and may make it uneconomical for a company to establish a hazardous waste incinerator in this state.

Witnesses: Representative Lane Bray, Prime Sponsor (pro); Senator Jim Jesernig (pro); and Dave Michener and Greg McElroy, Chemical Waste, Inc. (con).

**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 9 members: Representatives Wang, Chair; Fraser, Vice Chair; Appelwick; Belcher; Day; J. Kohl; Leonard; Morris; and Rust.

Minority Report: *Without recommendation.* Signed by 5 members: Representatives Brumsickle, Ranking Minority Member; Wynne, Assistant Ranking Minority Member; Carlson; Morton; and Silver.

Staff: Robin Appleford (786-7093).

Summary of Recommendation of Committee on Revenue Compared to Recommendation of Committee on Environmental Affairs: Same as Committee on Environmental Affairs.

Fiscal Note: Requested February 10, 1992.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: We need the fee to offset the negative impact to local farms of having the state site a hazardous waste incinerator in the Hanford area. The loan fund provides a way to diversify the local economy.

Testimony Against: The competitive disadvantage from this proposal is obvious. The cost of siting an incinerator in the Hanford area is higher than in other counties. If this passes, the planned chemical waste facility will pay \$1.4 million in property taxes, \$1.2 million in fees, plus B&O taxes. The state should allow facilities to negotiate fees with local governments throughout the state.

Witnesses: Representative Lane Bray, Prime Sponsor (in favor). Jim Boldt, Rabanco Environmental Securities; and David Michener, Chemical Waste Management (both oppose).