

FINAL BILL REPORT

ESSB 5756

C 272 L 91

SYNOPSIS AS ENACTED

Brief Description: Providing rate regulation for low-level waste sites.

SPONSORS: Senate Committee on Energy & Utilities (originally sponsored by Senators Hayner, Jesernig and Thorsness; by request of Utilities & Transportation Commission).

SENATE COMMITTEE ON ENERGY & UTILITIES

SENATE COMMITTEE ON WAYS & MEANS

HOUSE COMMITTEE ON ENERGY & UTILITIES

BACKGROUND:

Federal legislation passed in 1980 allowed states to form compacts for the purpose of collectively finding solutions to the problem of disposing commercial low-level radioactive waste. Amendments to the federal legislation were passed in 1985 when certain enforcement mechanisms in the original legislation proved ineffective.

Washington is the host state for the Northwest Interstate Compact on Low-Level Radioactive Waste. Other compact members include the states of Alaska, Hawaii, Idaho, Montana, Oregon and Utah.

The Hanford facility is located on federal land leased to the state and then subleased to the operator of the site. This facility is scheduled to remain open after 1992, when federal law requires all states to develop their own sites or form compacts to develop a collective site. Of the three operating sites in the nation, only Hanford will remain open after 1992.

Beginning in 1993 the Hanford site is expected to be the only disposal option for in-region generators of this type of waste material. Entities generating this type of waste include industrial facilities, commercial power plants, hospitals, research universities, and biomedical research firms.

SUMMARY:

If the Washington Utilities and Transportation Commission (WUTC) finds that a monopoly situation exists for disposal of commercial low-level radioactive waste, the WUTC is directed to regulate the disposal rates for low-level radioactive waste.

By March 1, 1992, a low-level radioactive waste disposal site operator is directed to file a request with the WUTC for an initial maximum disposal rate, with the rate to be effective January 1, 1993. The maximum disposal rates are to be adjusted every six months. Disposal site operators may contract with waste generators for lower disposal rates. Provisions are made for allowing different disposal rates for extraordinary volumes of waste.

Conditions are outlined defining when a monopoly situation exists for disposal of low-level radioactive waste. The disposal site operator may petition the WUTC to be classified as competitive. If classified as competitive, the disposal site operator shall be exempt from WUTC regulation.

The basic rate of business and occupation tax on entities disposing of low-level radioactive waste is reduced from 15 percent to 10 percent on the day the bill is signed. The rate is further reduced to 5 percent on January 1, 1992, and then to 3 percent on July 1, 1993.

Beginning in 1993, a surcharge of \$6.50 on each cubic foot of low-level radioactive waste disposed in the state is made on the generator of such waste. The surcharge will be distributed as follows: in 1993, the entire amount to the host county; in 1994, \$3.25 to the host county and \$3.25 to a Hanford area economic investment fund established in the custody of the State Treasurer; and in 1995 and thereafter, \$2.00 to the host county and \$4.50 to the economic investment fund. Disbursements from the fund may only be made on authorization of the director of the Department of Trade and Economic Development or the director's designee. The authorization to collect a surcharge will be invalidated if the Legislature or any administrative agency, prior to January 1, 1993, imposes new fees or increases existing fees on the site operator or generators of waste using the disposal facility.

Effective January 1, 1993, a committee is created to make recommendations to the director of the Department of Trade and Economic Development on projects eligible for funding from the Hanford area economic investment fund. "Hanford area" is defined as Benton and Franklin counties. The committee is to consist of 11 members, with representation from local elected officials, local ports, labor and business. Terms of membership are specified.

When determining the leasehold excise tax for subleased lands on the Hanford reservation, "taxable rent" is defined to only include the annual cash payment made by the subleasing entity to the Department of Ecology.

VOTES ON FINAL PASSAGE:

Senate	45	4	
House	97	0	(House amended)
Senate	34	5	(Senate concurred)

EFFECTIVE: May 20, 1991 (Section 15)
July 1, 1991 (Sections 1-14, 22)
January 1, 1993 (Sections 16-21, 23)