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SENATE BILL 6491

State of Washington 62nd Legislature 2012 Regular Session

By Senator Nelson; by request of Department of Health and Department of Ecology

Read first time 01/26/12. Referred to Committee on Environment.

AN ACT Relating to transferring the low-level radioactive waste site use permit program from the department of ecology to the department of health; amending RCW 43.200.015, 43.200.080, 43.200.170, 43.200.180, 43.200.190, 43.200.200, 43.200.230, 70.98.030, 70.98.085, 70.98.095, 70.98.098, and 70.98.130; adding a new section to chapter 70.98 RCW; adding a new section to chapter 43.200 RCW; repealing RCW 43.200.210; and providing an effective date.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

- 9 **Sec. 1.** RCW 43.200.015 and 1989 c 322 s 1 are each amended to read 10 as follows:
- 11 As used in this chapter, the following terms have the meanings 12 indicated unless the context clearly requires otherwise.
- 13 (1) "High-level radioactive waste" means "high-level radioactive waste" as the term is defined in 42 U.S.C. Sec. 10101 (P.L. 97-425).
- 15 (2) "Low-level radioactive waste" means waste material that 16 contains radioactive nuclides emitting primarily beta or gamma 17 radiation, or both, in concentrations or quantities that exceed 18 applicable federal or state standards for unrestricted release. Low-19 level waste does not include waste containing more than one hundred

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- nanocuries of transuranic contaminants per gram of material, nor spent nuclear fuel, nor material classified as either high-level radioactive waste or waste that is unsuited for disposal by near-surface burial under any applicable federal regulations.
- 5 (3) "Radioactive waste" means both high-level and low-level 6 radioactive waste.
 - (4) "Spent nuclear fuel" means spent nuclear fuel as the term is defined in 42 U.S.C. Sec. 10101.
 - (5) "Department" means the department of ecology.

- 10 (6) "Commercial low-level radioactive waste disposal facility" has
 11 the same meaning as "facility" as defined in RCW 43.145.010.
- **Sec. 2.** RCW 43.200.080 and 2003 1st sp.s. c 21 s 1 are each 13 amended to read as follows:

The director of ecology shall, in addition to the powers and duties otherwise imposed by law, have the following special powers and duties:

- (1) To fulfill the responsibilities of the state under the lease between the state of Washington and the federal government executed September 10, 1964, as amended, covering approximately one ((thousand)) hundred fifteen acres of land lying within the Hanford reservation near Richland, Washington. The department of ecology may sublease to private or public entities all or a portion of the land for specific purposes or activities which are determined, after public hearing, to be in agreement with the terms of the lease and in the best interests of the citizens of the state consistent with any criteria that may be developed as a requirement by the legislature;
- (2) To assume the responsibilities of the state under the perpetual care agreement between the state of Washington and the federal government executed July 29, 1965, and the sublease between the state of Washington and the site operator of the ((Hanford)) commercial low-level radioactive waste disposal facility. In order to finance perpetual surveillance and maintenance under the agreement and ensure site closure under the sublease, the department of ecology shall impose and collect fees from parties holding radioactive materials for waste management purposes. The fees shall be established by rule adopted under chapter 34.05 RCW and shall be an amount determined by the department of ecology to be necessary to defray the estimated liability of the state. Such fees shall reflect equity between the disposal

facilities of this and other states. A site closure account and a perpetual surveillance and maintenance account ((is)) are hereby created in the state treasury. Site use permit fees collected by the department of health under RCW 70.98.085(3) must be deposited in the site closure account and must be used as specified in RCW 70.98.085(3). Funds in the site closure account other than site use permit fee funds shall be exclusively available to reimburse, to the extent that moneys are available in the account, the site operator for its costs plus a reasonable profit as agreed by the operator and the state, or to reimburse the state licensing agency and any agencies under contract to the state licensing agency for their costs in final closure and decommissioning of the ((Hanford)) commercial low-level radioactive waste disposal facility. If a balance remains in the account after satisfactory performance of closure and decommissioning, this balance shall be transferred to the perpetual surveillance and maintenance The perpetual surveillance and maintenance account shall be used exclusively by the state to meet post-closure surveillance and maintenance costs, or for otherwise satisfying surveillance and maintenance obligations. Appropriations are required to permit expenditures and payment of obligations from the site closure account and the perpetual surveillance and maintenance account. ((All moneys, including earnings from the investment of balances in the site closure and the perpetual surveillance and maintenance account, less the allocation to the state treasurer's service fund, pursuant to RCW 43.08.190 accruing under the authority of this section shall be directed to the site closure account until December 31, 1992. Thereafter receipts including earnings from the investment of balances in the site closure and the perpetual surveillance and maintenance account, less the allocation to the state treasurer's service fund, pursuant to RCW 43.08.190)) Receipts shall be directed to the site closure account and the perpetual surveillance and maintenance account specified by the department. Additional moneys specifically appropriated by the legislature or received from any public or private source may be placed in the site closure account and the perpetual surveillance and maintenance account. During the 2003-2005 fiscal biennium, the legislature may transfer up to thirteen million eight hundred thousand dollars from the site closure account to the general fund;

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(3)(a) Subject to the conditions in (b) of this subsection, on July 1, 2008, and each July 1st thereafter, the treasurer shall transfer from the perpetual surveillance and maintenance account to the site closure account the sum of nine hundred sixty-six thousand dollars. The nine hundred sixty-six thousand dollars transferred on July 1, 2009, and thereafter shall be adjusted to a level equal to the percentage increase in the United States implicit price deflator for personal consumption. The last transfer under this section shall occur on July 1, 2033.

- (b) The transfer in (a) of this subsection shall occur only if written agreement is reached between the state department of ecology and the United States department of energy pursuant to section 6 of the perpetual care agreement dated July 29, 1965, between the United States atomic energy commission and the state of Washington. If agreement cannot be reached between the state department of ecology and the United States department of energy by June 1, 2008, the treasurer shall transfer the funds from the general fund to the site closure account according to the schedule in (a) of this subsection.
- (c) If for any reason the ((Hanford)) commercial low-level radioactive waste disposal facility is closed to further disposal operations during or after the 2003-2005 biennium and before 2033, then the amount remaining to be repaid from the 2003-2005 transfer of thirteen million eight hundred thousand dollars from the site closure account shall be transferred by the treasurer from the general fund to the site closure account to fund the closure and decommissioning of the facility. The treasurer shall transfer to the site closure account in full the amount remaining to be repaid upon written notice from the secretary of health that the department of health has authorized closure or that disposal operations have ceased. The treasurer shall complete the transfer within sixty days of written notice from the secretary of health.
- (d) To the extent that money in the site closure account together with the amount of money identified for repayment to the site closure account, pursuant to (a) through (c) of this subsection, equals or exceeds the cost estimate approved by the department of health for closure and decommissioning of the facility, the money in the site closure account together with the amount of money identified for

repayment to the site closure account shall constitute adequate financial assurance for purposes of the department of health financial assurance requirements;

- (4) To assure maintenance of such insurance coverage by state licensees, lessees, or sublessees as will adequately, in the opinion of the director, protect the citizens of the state against nuclear accidents or incidents that may occur on privately or state-controlled nuclear facilities;
- (5) ((To institute a user permit system and issue site use permits, consistent with regulatory practices, for generators, packagers, or brokers using the Hanford low-level radioactive waste disposal facility. The costs of administering the user permit system shall be borne by the applicants for site use permits. The site use permit fee shall be set at a level that is sufficient to fund completely the executive and legislative participation in activities related to the Northwest Interstate Compact on Low-Level Radioactive Waste Management;
- (6))) To make application for or otherwise pursue any federal funds to which the state may be eligible, through the federal resource conservation and recovery act or any other federal programs, for the management, treatment or disposal, and any remedial actions, of wastes that are both radioactive and hazardous at all ((Hanford)) commercial low-level radioactive waste disposal facilities; and
- (((7))) (6) To develop contingency plans for duties and options for the department and other state agencies related to the ((Hanford)) commercial low-level radioactive waste disposal facility based on various projections of annual levels of waste disposal. These plans shall include an analysis of expected revenue to the state in various taxes and funds related to low-level radioactive waste disposal and the resulting implications that any increase or decrease in revenue may have on state agency duties or responsibilities. The plans shall be updated annually.
- Sec. 3. RCW 43.200.170 and 1990 c 21 s 3 are each amended to read as follows:

The governor may assess surcharges and penalty surcharges on the disposal of waste at the ((Hanford)) commercial low-level radioactive waste disposal facility. The surcharges may be imposed up to the maximum extent permitted by federal law. Ten dollars per cubic foot of

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- 1 the moneys received under this section shall be transmitted monthly to
- 2 the site closure account established under RCW 43.200.080. The rest of
- 3 the moneys received under this section shall be deposited in the
- 4 general fund.

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- 5 **Sec. 4.** RCW 43.200.180 and 1998 c 245 s 81 are each amended to 6 read as follows:
 - Except as provided in chapter 70.98 RCW related to administration of a user permit system, the department of ecology shall be the state agency responsible for implementation of the federal low-level radioactive waste policy amendments act of 1985, including:
- 11 (1) Collecting and administering the surcharge assessed by the 12 governor under RCW 43.200.170;
- 13 (2) Collecting low-level radioactive waste data from disposal 14 facility operators, generators, intermediate handlers, and the federal 15 department of energy;
- 16 (3) Developing and operating a computerized information system to 17 manage low-level radioactive waste data;
- 18 (4) Denying and reinstating access to the ((Hanford)) commercial 19 low-level radioactive waste disposal facility pursuant to the authority 20 granted under federal law;
 - (5) Administering and/or monitoring (a) the maximum waste volume levels for the ((Hanford)) commercial low-level radioactive waste disposal facility, (b) reactor waste allocations, (c) priority allocations under the Northwest Interstate Compact on Low-Level Radioactive Waste Management, and (d) adherence by other states and compact regions to federal statutory deadlines; and
- 27 (6) Coordinating the state's low-level radioactive waste disposal 28 program with similar programs in other states.
- 29 **Sec. 5.** RCW 43.200.190 and 1998 c 245 s 82 are each amended to 30 read as follows:

31 The department of ecology shall perform studies, by contract or 32 otherwise, to define site closure and perpetual care and maintenance 33 requirements for the ((Hanford)) commercial low-level radioactive waste 34 disposal facility and to assess the adequacy of insurance coverage for 35 general liability, radiological liability, and transportation liability 36 for the facility.

1 **Sec. 6.** RCW 43.200.200 and 1998 c 245 s 83 are each amended to 2 read as follows:

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- (1) The director of the department of ecology ((shall)) may periodically review the potential for bodily injury and property damage arising from the transportation and disposal of commercial low-level radioactive waste under permits issued by the state.
- (2) ((The director may require permit holders to demonstrate financial assurance in an amount that is adequate to protect the state and its citizens from all claims, suits, losses, damages, or expenses on account of injuries to persons and property damage arising or growing out of the transportation or disposal of commercial low-level radioactive waste. The financial assurance may be in the form of insurance, cash deposits, surety bonds, corporate guarantees, and other acceptable instruments or guarantees determined by the director to be acceptable evidence of financial assurance.
- (3)) In making the determination of the appropriate level of financial assurance, the director shall consider:
- (a) The nature and purpose of the activity and its potential for injury and damages to or claims against the state and its citizens;
- (b) The current and cumulative manifested volume and radioactivity of waste being packaged, transported, buried, or otherwise handled;
- (c) The location where the waste is being packaged, transported, buried, or otherwise handled, including the proximity to the general public and geographic features such as geology and hydrology, if relevant; and
- 26 (d) The legal defense cost, if any, that will be paid from the 27 required financial assurance amount.
- 28 (((4) The director may establish different levels of required 29 financial assurance for various classes of permit holders.
- 30 (5) The director shall establish by rule the instruments or 31 mechanisms by which a permit applicant or holder may demonstrate 32 financial assurance as required by RCW 43.200.210.))
- 33 **Sec. 7.** RCW 43.200.230 and 1991 c 272 s 16 are each amended to read as follows:
- 35 The director of the department of ecology shall require that 36 generators of waste pay a fee for each cubic foot of waste disposed at 37 any facility in the state equal to six dollars and fifty cents. The

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fee shall be imposed specifically on the generator of the waste and shall not be considered to apply in any way to the low-level site operator's disposal activities. The fee shall be allocated in accordance with RCW 43.200.233 and 43.200.235. ((This subsection shall be invalidated and the authorization to collect a surcharge removed if the legislature or any administrative agency of the state of Washington prior to January 1, 1993, (1) imposes fees, assessments, or charges other than perpetual care and maintenance, site surveillance, and site closing fees currently applicable to the Hanford commercial low-level waste site operator's activities, (2) imposes any additional fees, assessments, or charges on generators using the Hanford commercial low-level waste site, or (3) increases any existing fees, assessments, or charges.)) Failure to comply with this section may result in denial or suspension of the generator's site use permit pursuant to RCW 70.98.085.

- Sec. 8. RCW 70.98.030 and 1991 c 3 s 355 are each amended to read as follows:
- (1) "By-product material" means any radioactive material (except special nuclear material) yielded in or made radioactive by exposure to the radiation incident to the process of producing or utilizing special nuclear material.
 - (2) "Ionizing radiation" means gamma rays and x-rays, alpha and beta particles, high-speed electrons, neutrons, protons, and other atomic or subatomic particles; but not sound or radio waves, or visible, infrared, or ultraviolet light.
 - (3)(a) "General license" means a license effective pursuant to rules promulgated by the state radiation control agency, without the filing of an application, to transfer, acquire, own, possess, or use quantities of, or devices or equipment utilizing, by-product, source, special nuclear materials, or other radioactive material occurring naturally or produced artificially.
- (b) "Specific license" means a license, issued after application to use, manufacture, produce, transfer, receive, acquire, own, or possess quantities of, or devices or equipment utilizing by-product, source, special nuclear materials, or other radioactive materials occurring naturally or produced artificially.

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(4) "Person" means any individual, corporation, partnership, firm, association, trust, estate, public or private institution, group, agency, political subdivision of this state, any other state or political subdivision or agency thereof, and any legal successor, representative, agent, or agency of the foregoing, other than the United States Atomic Energy Commission, or any successor thereto, and other than federal government agencies licensed by the United States Atomic Energy Commission, or any successor thereto.

- (5) "Source material" means (a) uranium, thorium, or any other material which is determined by the United States Nuclear Regulatory Commission or its successor pursuant to the provisions of section 61 of the United States Atomic Energy Act of 1954, as amended (42 U.S.C. Sec. 209) to be source material; or (b) ores containing one or more of the foregoing materials, in such concentration as the commission may by regulation determine from time to time.
- (6) "Special nuclear material" means (a) plutonium, uranium enriched in the isotope 233 or in the isotope 235, and any other material which the United States Nuclear Regulatory Commission or its successor, pursuant to the provisions of section 51 of the United States Atomic Energy Act of 1954, as amended (42 U.S.C. Sec. 2071), determines to be special nuclear material, but does not include source material; or (b) any material artificially enriched by any of the foregoing, but does not include source material.
- (7) "Registration" means registration with the state department of health by any person possessing a source of ionizing radiation in accordance with rules adopted by the department of health.
- (8) "Radiation source" means any type of device or substance which is capable of producing or emitting ionizing radiation.
- 29 <u>(9) "Site use permit" means a permit, issued after application, to</u> 30 use the commercial low-level radioactive waste disposal facility.
- **Sec. 9.** RCW 70.98.085 and 1990 c 21 s 7 are each amended to read 32 as follows:
 - (1) The agency is empowered to <u>administer a user permit system and</u> issue site use permits for generators, packagers, or brokers to use the <u>commercial low-level radioactive waste disposal facility</u>. The agency may issue a site use permit consistent with the requirements of this <u>chapter and the rules adopted under it and the requirements of the</u>

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Northwest Interstate Compact on Low-Level Radioactive Waste Management under chapter 43.145 RCW. The agency may deny an application for a site use permit or modify, suspend ((and reinstate)), or revoke a site use permit((s consistent with current regulatory practices and in coordination with the department of ecology, for generators, packagers, or brokers using the Hanford low-level radioactive waste disposal facility)) in any case in which it finds that the permit was obtained by fraud or there is or has been a failure, refusal, or inability to comply with the requirements of this chapter or rules adopted under this chapter or the requirements of the Northwest Interstate Compact on Low-Level Radioactive Waste Management under chapter 43.145 RCW. The agency may also deny or suspend a site use permit for failure to comply with RCW 43.200.230.

- (2) Any permit issued by the department of ecology for a site use permit pursuant to chapter 43.200 RCW is valid until the first expiration date that occurs after July 1, 2012.
- (3) The agency shall collect a fee from the applicants for site use permits that is sufficient to fund the costs to the agency to administer the user permit system. The site use permit fee must be set at a level that is also sufficient to fund state participation in activities related to the Northwest Interstate Compact on Low-Level Radioactive Waste Management under chapter 43.145 RCW. The site use permit fees must be deposited in the site closure account established in RCW 43.200.080(2). Appropriations to the department of health or the department of ecology are required to permit expenditures using site use permit fee funds from the site closure account.
- (4) The agency shall collect a surveillance fee as an added charge on each cubic foot of low_level radioactive waste disposed of at the commercial low-level radioactive waste disposal site in this state which shall be set at a level that is sufficient to fund completely the radiation control activities of the agency directly related to the disposal site, including but not limited to the management, licensing, monitoring, and regulation of the site. ((The surveillance fee shall not exceed five percent in 1990, six percent in 1991, and seven percent in 1992 of the basic minimum fee charged by an operator of a low-level radioactive waste disposal site in this state. The basic minimum fee consists of the disposal fee for the site operator, the fee for the perpetual care and maintenance fund administered by the state, the fee

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for the state closure fund, and the tax collected pursuant to chapter 82.04 RCW. Site use permit fees and surcharges collected under chapter 43.200 RCW are not part of the basic minimum fee.)) The fee shall also provide funds to the Washington state patrol for costs incurred from inspection of low-level radioactive waste shipments entering this state. Disbursements for this purpose shall be by authorization of the secretary of the department of health or the secretary's designee.

- (5) The agency shall require that any person who holds or applies for a permit under this chapter indemnify and hold harmless the state from claims, suits, damages, or expenses on account of injuries to or death of persons and property damage, arising or growing out of any operations and activities for which the person holds the permit, and any necessary or incidental operations.
- 14 <u>(6)</u> The agency may adopt such rules as are necessary to carry out its responsibilities under this section.
- **Sec. 10.** RCW 70.98.095 and 1992 c 61 s 3 are each amended to read 17 as follows:
 - (1) The radiation control agency may require any person who applies for, or holds, a license under this chapter to demonstrate that the person has financial assurance sufficient to assure that liability incurred as a result of licensed operations and activities can be fully satisfied. Financial assurance may be in the form of insurance, cash deposits, surety bonds, corporate guarantees, letters of credit, or other financial instruments or guarantees determined by the agency to be acceptable financial assurance. The agency may require financial assurance in an amount determined by the secretary pursuant to RCW 70.98.098.
 - (2) The radiation control agency may require site use permit holders to demonstrate financial assurance in an amount that is adequate to protect the state and its citizens from all claims, suits, losses, damages, or expenses on account of injuries to persons and property damage arising or growing out of the transportation or disposal of commercial low-level radioactive waste. The financial assurance may be in the form of insurance, cash deposits, surety bonds, corporate guarantees, and other acceptable instruments or guarantees determined by the secretary to be acceptable evidence of financial

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1 <u>assurance</u>. The agency may require financial assurance in an amount 2 determined by the secretary pursuant to RCW 70.98.098.

(3) The radiation control agency shall refuse to issue a license or permit or suspend the license or permit of any person required by this section to demonstrate financial assurance who fails to demonstrate compliance with this section. The license or permit shall not be issued or reinstated until the person demonstrates compliance with this section.

 $((\frac{3}{2}))$ (4) The radiation control agency shall require (a) that any person required to demonstrate financial assurance, maintain with the agency current copies of any insurance policies, certificates of insurance, letters of credit, surety bonds, or any other documents used to comply with this section, (b) that the agency be notified of any changes in the financial assurance or financial condition of the person, and (c) that the state be named as an insured party on any insurance policy used to comply with this section.

- Sec. 11. RCW 70.98.098 and 2003 1st sp.s. c 21 s 2 are each amended to read as follows:
- (1) In making the determination of the appropriate level of financial assurance, the secretary shall consider: (a) ((The)) Any report prepared by the department of ecology pursuant to RCW 43.200.200; (b) the potential cost of decontamination, treatment, disposal, decommissioning, and cleanup of facilities or equipment; (c) federal cleanup and decommissioning requirements; and (d) the legal defense cost, if any, that might be paid from the required financial assurance.
- (2) The secretary may establish different levels of required financial assurance for various classes of permit or license holders.
- (3) The secretary shall establish by rule the instruments or mechanisms by which a person may demonstrate financial assurance as required by RCW 70.98.095.
- (4) To the extent that money in the site closure account together with the amount of money identified for repayment to the site closure account pursuant to RCW 43.200.080 equals or exceeds the cost estimate approved by the department of health for closure and decommissioning of the ((Hanford)) commercial low-level radioactive waste disposal facility, the money in the site closure account together with the

- 1 amount of money identified for repayment to the site closure account
- 2 shall constitute adequate financial assurance for purposes of the
- 3 department of health financial assurance requirements under RCW
- 4 70.98.095.

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- 5 **Sec. 12.** RCW 70.98.130 and 1989 c 175 s 133 are each amended to read as follows:
 - (1) In any proceeding under this chapter for the issuance or modification or repeal of rules relating to control of sources of ionizing radiation, the agency shall comply with the requirements of chapter 34.05 RCW, the administrative procedure act.
- (2) Notwithstanding any other provision of this chapter, whenever the agency finds that an emergency exists requiring immediate action to protect the public health, safety, or general welfare, the agency may, in accordance with RCW 34.05.350 without notice or hearing, adopt a rule reciting the existence of such emergency and require that such action be taken as is necessary to meet the emergency. As specified in RCW 34.05.350, such rules are effective immediately.
- 18 (3) In any case in which the department denies, modifies, suspends,
 19 or revokes a license or permit, RCW 43.70.115 governs notice of the
 20 action and provides the right to an adjudicative proceeding to the
 21 applicant or licensee or permittee. Such an adjudicative proceeding is
 22 governed by chapter 34.05 RCW.
- NEW SECTION. Sec. 13. A new section is added to chapter 70.98 RCW to read as follows:
- 25 The agency shall adopt rules for administering a site use permit 26 program under RCW 70.98.085.
- NEW SECTION. Sec. 14. A new section is added to chapter 43.200 RCW to read as follows:
- 29 (1) The site use permit program is transferred from the department 30 of ecology to the department of health.
- (2)(a) All reports, documents, surveys, books, records, files, papers, or written material in the possession of the department of ecology site use permit program shall be delivered to the custody of the department of health. All funds, credits, or other assets held by

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the department of ecology site use permit program shall be assigned to the department of health.

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- (b) Any appropriations made to the department of ecology for the site use permit program shall be transferred and credited to the department of health.
- (3) All rules of the department of ecology site use permit program shall be continued and acted upon by the department of health until new rules are adopted under RCW 70.98.085. All permit applications and pending business before the department of ecology site use permit program shall be continued and acted upon by the department of health. All existing contracts and obligations shall remain in full force and shall be performed by the department of health.
- (4) The transfer of the powers, duties, functions, and personnel of the department of ecology site use permit program to the department of health under this act shall not affect the validity of any activity performed before the effective date of this section.
- NEW SECTION. Sec. 15. This act takes effect July 1, 2012.
- NEW SECTION. Sec. 16. RCW 43.200.210 (Immunity of stateDemonstration of financial assurance--Suspension of permit) and 1992 c
 61 s 2, 1990 c 82 s 2, & 1986 c 191 s 2 are each repealed.

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