SENATE BILL REPORT
SHB 1302

As of March 14, 2025

Title: An act relating to allowing local governments to encourage sustainable technology and resiliency by waiving utility connection charges for organizations utilizing industrial symbiosis.

Brief Description: Concerning utility connection charge waivers.

Sponsors: House Committee on Environment & Energy (originally sponsored by Representatives Cortes, Barnard, Simmons, Reed, Springer and Timmons).

Brief History: Passed House: 2/13/25, 93-1.
Committee Activity: Environment, Energy & Technology: 3/14/25.

Brief Summary of Bill

- Authorizes a municipal utility to adopt, by ordinance, a program waiving utility connection charges for properties owned or developed by public or private organizations utilizing the property for industrial symbiosis.

SENATE COMMITTEE ON ENVIRONMENT, ENERGY & TECHNOLOGY

Staff: Matt Shepard-Koningsor (786-7627)

Background: Industrial Waste Coordination and Industrial Symbiosis Grant Programs. The Department of Commerce (Commerce) administers an Industrial Waste Coordination Program to provide expertise, technical assistance, and best practices to support local industrial symbiosis projects. Commerce also administers a Competitive Industrial Symbiosis Grant Program (grant program). Eligible uses of grant program funds include, in part:

- existing and emerging industrial symbiosis efforts by public or private sector organizations, including projects arising from the Industrial Waste Coordination Program;

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- research on product development using a specific waste flow; and
- feasibility studies to evaluate biobased resources, certain business models, and potential symbiosis connection with other regional businesses.

Since the grant program began in 2021, recipient grant projects included, among others, projects to: (1) manufacture biochar from waste biomass and incorporate it into concrete, (2) transform waste fly ash into a usable form delivered to agricultural soils using conventional farm equipment, and (3) deliver renewable natural gas to a local food manufacturing plant and capture waste heat from the facility to manufacture certified organic dry fertilizer.

Utility Connection Charges. State law grants a city or town (municipality) authority to acquire, build, operate, and maintain utility infrastructure to provide utility services, such as gas, electricity, water, and sewerage services, to the municipality and its residents. In providing these services, a municipality may charge property owners a reasonable connection charge, subject to certain conditions. A connection charge, sometimes called a "hook-up fee," is a one-time fee paid by a property owner to connect their property to the applicable utility services.

Municipalities may establish, by ordinance, a program to waive or delay utility connection charges for certain individuals and properties. Those eligible for a waiver or delay include low-income individuals, and properties owned or developed by, or on behalf of, a nonprofit organization, public development authority, housing authority, or local agency that provides certain emergency, transitional, supportive, or affordable housing options. Waived connection charges must be funded using general funds, grant dollars, or another identified revenue stream. When a property no longer meets the requirements for a connection charge waiver, any connection charges waived are immediately due and payable to the utility as a condition of continued service.

Summary of Bill: Municipal utilities may waive connection charges for properties owned or developed by public or private organizations that utilize the property for industrial symbiosis. A municipality waiving a connection charge must adopt, by ordinance, a program to waive the connection charge.

Industrial symbiosis means collaboration among businesses or organizations to exchange materials, energy, water, and byproducts to optimize resource use and enhance environmental, economic, and social outcomes for projects demonstrating measurable reductions in resource consumption or greenhouse gas emissions while supporting sustainable development and long-term community benefits.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: While our environment is facing a number of challenges, thankfully there are companies working on innovative technologies, including innovative ways to use waste. This bill would give municipalities the option to waive connection charges, which could be covered by federal grants. This is another tool for municipalities to use to attract these companies to our state. If passed, this bill would also codify the first definition of industrial symbiosis in the U.S.

The bill should specify some measurement of industrial symbiosis to qualify for a connection charge waiver and make it a meaningful thing. Washington is a leader in industrial symbiosis. This is permissive authority and will require collaboration with local governments. Industrial symbiosis is a priority under the CCA, and there is a very successful grant program at Commerce.

Persons Testifying: PRO: Representative Julio Cortes, Prime Sponsor; Heather Trim, Zero Waste Washington; Rhys Roth, Center for Sustainable Infrastructure; Isaac Kastama, Center for Sustainable Infrastructure.

Persons Signed In To Testify But Not Testifying: No one.