

HOUSE BILL REPORT

SSB 6494

*As Reported By House Committee on:
Energy & Utilities*

Title: An act relating to state lease of Hanford reservation land.

Brief Description: Modifying sublease and rent requirements concerning the ninety-nine-year lease of Hanford reservation land.

Sponsor(s): Senate Committee on Energy & Utilities
(originally sponsored by Senators Thorsness and Jesernig).

Brief History:

Reported by House Committee on:
Energy & Utilities, February 27, 1992, DPA.

**HOUSE COMMITTEE ON
ENERGY & UTILITIES**

Majority Report: *Do pass as amended.* Signed by 11 members: Representatives Grant, Chair; H. Myers, Vice Chair; May, Ranking Minority Member; Hochstatter, Assistant Ranking Minority Member; Bray; Casada; Cooper; R. Fisher; Jacobsen; Miller; and Rayburn.

Staff: Fred Adair (786-7113).

Background:

In 1964, the federal government and the state of Washington entered into a 99-year lease of 1,000 acres of land located on the Hanford reservation. The land is owned by the federal government and is leased to the state for the purpose of sub-leasing the land to nuclear-related industries.

Only one portion of the 1,000 acres has been subleased since 1964. This sublease is for 100 acres and is used as a commercial low-level radioactive waste disposal facility.

The lease provides that the state should use any sublease rent money paid to the state that is in excess of that paid by the state to the federal government to promote the site and promote development of nuclear-related industries in the Tri-City area. After it had been determined that these

funds (recently \$6,000 per year) had not been used for these purposes, in 1990 the Legislature enacted a measure to promote the site. This measure directed the Department of Trade and Economic Development (DTED) to promote the site and included a \$40,000 appropriation. DTED executed a contract with the local associate development organization for the site promotion.

The \$40,000 appropriation was not spent by the end of the 1989-91 biennium. The \$40,000 subsequently reverted to the state general fund.

Recently there has been renewed interest in use of the 1,000 acre site. If further development of the site occurs, the potential exists for the annual rent to reach significant levels. Without a change in the original lease, the terms of the lease would still require that excess rent money be spent on further sublease promotion and nuclear industry development in the Tri-City area.

Summary of Amended Bill:

When promoting the 1,000 acres at Hanford, the Department of Trade and Economic Development is directed to work in cooperation with any associate development organization located in or near the Tri-Cities area.

The Hanford sublease rent account is created in the state treasury. Monies in the account may be spent only after appropriation and for the purposes of promoting the existence of the site, promoting the opportunity to sublease the land, promoting nuclear-related industry in the Tri-City area, and executing any new sublease agreements that meet the terms of the lease.

Sources for the account shall include any rent payments from subleases of the land and any other funding from local, state, or federal agencies. Any existing agreements or contracts pertaining to sublease rental disbursements are not affected by this measure.

Amended Bill Compared to Substitute Bill: Nuclear-related industry in the Tri-City area will be promoted as well as further subleasing of the leased land.

Fiscal Note: Not requested.

Appropriation: \$40,000 from the general fund.

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

Testimony For: The sublease rent is much greater than the lease rent.

Testimony Against: None.

Witnesses: Barry Bede, U.S. Ecology (neutral).