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## ENGROSSED SUBSTITUTE SENATE BILL 5756

State of Washington 52nd Legislature 1991 Regular Session

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

Read first time March 6, 1991.

- AN ACT Relating to low-level waste sites; amending RCW 81.04.010,
- 2 82.16.010, and 82.04.260; adding a new chapter to Title 81 RCW; adding
- 3 a new section to chapter 43.31 RCW; adding a new section to chapter
- 4 43.200 RCW; providing effective dates; and declaring an emergency.
- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 6 <u>NEW SECTION.</u> **Sec. 1.** State and national policy directs that
- 7 the management of low-level radioactive waste be accomplished by a
- 8 system of interstate compacts and the development of regional disposal
- 9 sites. The Northwest regional compact, comprised of the states of
- 10 Alaska, Hawaii, Idaho, Montana, Oregon, Utah, and Washington, has as
- 11 its disposal facility the low-level radioactive waste disposal site
- 12 located near Richland, Washington. This site is expected to be the
- 13 sole site for disposal of low-level radioactive waste for compact
- 14 members effective January 1, 1993. Future closure of this site will
- 15 require significant financial resources.

- 1 Low-level radioactive waste is generated by essential activities
- 2 and services that benefit the citizens of the state. Washington
- 3 state's low-level radioactive waste disposal site has been used by the
- 4 nation and the Northwest compact as a disposal site since 1965. The
- 5 public has come to rely on access to this site for disposal of low-
- 6 level radioactive waste, which requires separate handling from other
- 7 solid and hazardous wastes. The price of disposing of low-level
- 8 radioactive waste at the Washington state low-level radioactive waste
- 9 disposal site is anticipated to increase when the federal low-level
- 10 radioactive waste policy amendments act of 1985 is implemented and
- 11 waste generated outside the Northwest compact states is excluded.
- When these events occur, to protect Washington and other Northwest
- 13 compact states' businesses and services, such as electrical production,
- 14 medical and university research, and private industries, upon which the
- 15 public relies, there will be a need to regulate the rates charged by
- 16 the operator of Washington's low-level radioactive waste disposal site.
- 17 This chapter is adopted pursuant to section 8, chapter 21, Laws of
- 18 1990.
- 19 <u>NEW SECTION.</u> **Sec. 2.** Definitions in this section apply
- 20 throughout this chapter unless the context clearly requires otherwise.
- 21 (1) "Commission" means the Washington utilities and transportation
- 22 commission.
- 23 (2) "Effective rate" means the highest permissible rate, calculated
- 24 as the lowest contract rate plus an administrative fee, if applicable,
- 25 determined pursuant to section 5 of this act.
- 26 (3) "Extraordinary volume" means volumes of low-level radioactive
- 27 waste delivered to a site caused by nonrecurring events, outside normal
- 28 operations of a generator, that are in excess of twenty thousand cubic

- 1 feet or twenty percent of the preceding year's total volume at such
- 2 site, whichever is less.
- 3 (4) "Extraordinary volume adjustment" means a mechanism that
- 4 allocates the potential rate reduction benefits of an extraordinary
- 5 volume between all generators and the generator responsible for such
- 6 extraordinary volume as described in section 8 of this act.
- 7 (5) "Generator" means a person, partnership, association,
- 8 corporation, or any other entity whatsoever that, as a part of its
- 9 activities, produces low-level radioactive waste.
- 10 (6) "Inflation adjustment" means a mechanism that adjusts the
- 11 maximum disposal rate by a percentage equal to the change in price
- 12 levels in the preceding period, as measured by a common, verifiable
- 13 price index as determined in section 5 of this act.
- 14 (7) "Initial rate proceeding" means the proceeding described in
- 15 section 5 of this act.
- 16 (8) "Maximum disposal rate" means the rate described in section 6
- 17 of this act.
- 18 (9) "Site" means a location, structure, or property used or to be
- 19 used for the storage, treatment, or disposal of low-level radioactive
- 20 waste for compensation within the state of Washington.
- 21 (10) "Site operator" means a low-level radioactive waste site
- 22 operating company as defined in RCW 81.04.010.
- 23 (11) "Volume adjustment" means a mechanism that adjusts the maximum
- 24 disposal rate in response to material changes in volumes of waste
- 25 deposited at the site during the preceding period so as to provide a
- 26 level of total revenues sufficient to recover the costs to operate and
- 27 maintain the site.
- 28 **Sec. 3.** RCW 81.04.010 and 1981 c 13 s 2 are each amended to read
- 29 as follows:

- 1 As used in this title, unless specially defined otherwise or unless
- 2 the context indicates otherwise:
- 3 "Commission" means the utilities and transportation commission.
- 4 "Commissioner" means one of the members of such commission.
- 5 "Corporation" includes a corporation, company, association or joint
- 6 stock association.
- 7 <u>"Low-level radioactive waste site operating company" includes every</u>
- 8 corporation, company, association, joint stock association,
- 9 partnership, and person, their lessees, trustees, or receivers
- 10 appointed by any court whatsoever, owning, operating, controlling, or
- 11 managing a low-level radioactive waste disposal site or sites located
- 12 within the state of Washington.
- 13 <u>"Low-level radioactive waste" means low-level waste as defined by</u>
- 14 RCW 43.145.010.
- 15 "Person" includes an individual, a firm or copartnership.
- 16 "Street railroad" includes every railroad by whatsoever power
- 17 operated, or any extension or extensions, branch or branches thereof,
- 18 for public use in the conveyance of persons or property for hire, being
- 19 mainly upon, along, above or below any street, avenue, road, highway,
- 20 bridge or public place within any one city or town, and includes all
- 21 equipment, switches, spurs, tracks, bridges, right of trackage,
- 22 subways, tunnels, stations, terminals and terminal facilities of every
- 23 kind used, operated, controlled or owned by or in connection with any
- 24 such street railroad, within this state.
- 25 "Street railroad company" includes every corporation, company,
- 26 association, joint stock association, partnership and person, their
- 27 lessees, trustees or receivers appointed by any court whatsoever, and
- 28 every city or town, owning, controlling, operating or managing any
- 29 street railroad or any cars or other equipment used thereon or in
- 30 connection therewith within this state.

- 1 "Railroad" includes every railroad, other than street railroad, by
- 2 whatsoever power operated for public use in the conveyance of persons
- 3 or property for hire, with all bridges, ferries, tunnels, equipment,
- 4 switches, spurs, tracks, stations and terminal facilities of every kind
- 5 used, operated, controlled or owned by or in connection with any such
- 6 railroad.
- 7 "Railroad company" includes every corporation, company,
- 8 association, joint stock association, partnership or person, their
- 9 lessees, trustees or receivers appointed by any court whatsoever,
- 10 owning, operating, controlling or managing any railroad or any cars or
- 11 other equipment used thereon or in connection therewith within this
- 12 state.
- "Express company" includes every corporation, company, association,
- 14 joint stock association, partnership and person, their lessees,
- 15 trustees or receivers appointed by any court whatsoever, who shall
- 16 engage in or transact the business of carrying any freight, merchandise
- 17 or property for hire on the line of any common carrier operated in this
- 18 state.
- 19 "Common carrier" includes all railroads, railroad companies, street
- 20 railroads, street railroad companies, steamboat companies, express
- 21 companies, car companies, sleeping car companies, freight companies,
- 22 freight line companies, and every corporation, company, association,
- 23 joint stock association, partnership and person, their lessees,
- 24 trustees or receivers appointed by any court whatsoever, and every city
- 25 or town, owning, operating, managing or controlling any such agency for
- 26 public use in the conveyance of persons or property for hire within
- 27 this state.
- 28 "Vessel" includes every species of watercraft, by whatsoever power
- 29 operated, for public use in the conveyance of persons or property for
- 30 hire over and upon the waters within this state, excepting all

- 1 towboats, tugs, scows, barges, and lighters, and excepting rowboats and
- 2 sailing boats under twenty gross tons burden, open steam launches of
- 3 five tons gross and under, and vessels under five tons gross propelled
- 4 by gas, fluid, naphtha or electric motors.
- 5 "Steamboat company" includes every corporation, company,
- 6 association, joint stock association, partnership and person, their
- 7 lessees, trustees or receivers, appointed by any court whatsoever,
- 8 owning, controlling, leasing, operating or managing any vessel over and
- 9 upon the waters of this state.
- 10 "Transportation of property" includes any service in connection
- 11 with the receiving, delivery, elevation, transfer in transit,
- 12 ventilation, refrigeration, icing, storage and handling of the property
- 13 transported, and the transmission of credit.
- 14 "Transportation of persons" includes any service in connection with
- 15 the receiving, carriage and delivery of the person transported and his
- 16 baggage and all facilities used, or necessary to be used in connection
- 17 with the safety, comfort and convenience of the person transported.
- 18 "Public service company" includes every common carrier.
- 19 The term "service" is used in this title in its broadest and most
- 20 inclusive sense.
- 21 <u>NEW SECTION.</u> **Sec. 4.** (1) The commission shall have
- 22 jurisdiction over the sites and site operators as set forth in this
- 23 chapter.
- 24 (2)(a) The commission shall establish rates to be charged by site
- 25 operators. In establishing the rates, the commission shall assure that
- 26 they are fair, just, reasonable, and sufficient considering the value
- 27 of the site operator's leasehold and license interests, the unique
- 28 nature of its business operations, the site operator's liability
- 29 associated with the site, its investment incurred over the term of its

- 1 operations, and the rate of return equivalent to that earned by
- 2 comparable enterprises. Such rates shall only take effect following a
- 3 finding that the site operator is a monopoly pursuant to section 11 of
- 4 this act.
- 5 (b) In exercising the power in this subsection the commission may
- 6 use any standard, formula, method, or theory of valuation reasonably
- 7 calculated to arrive at the objective of prescribing and authorizing
- 8 fair, just, reasonable, and sufficient rates. The relation of site
- 9 operator expenses to site operator revenues may be deemed the proper
- 10 test of a reasonable return.
- 11 (3) In all respects in which the commission has power and authority
- 12 under this chapter, applications and complaints may be made and filed
- 13 with it, process issued, hearings held, opinions, orders, and decisions
- 14 made and filed, petitions for rehearing filed and acted upon, and
- 15 petitions for review to the superior court filed therewith, appeals
- 16 filed with the appellate courts of this state, considered and disposed
- 17 of by said courts in the manner, under the conditions, and subject to
- 18 the limitations, and with the effect specified in this title for public
- 19 service companies generally.
- 20 (4) At any time after January 1, 1992, the commission may: (a)
- 21 Prescribe a system of accounts for site operators using as a starting
- 22 point the existing system used by site operators; (b) audit the books
- 23 of site operators; (c) obtain books and records from site operators;
- 24 (d) assess penalties; and (e) require semiannual reports regarding the
- 25 results of operations for the site.
- 26 (5) The commission may adopt rules necessary to carry out its
- 27 functions under this chapter.
- 28 NEW SECTION. Sec. 5. (1) On or before March 1, 1992, site
- 29 operators shall file a request with the commission to establish an

- 1 initial maximum disposal rate. The filing shall include at a minimum
- 2 testimony, exhibits, workpapers, summaries, annual reports, cost
- 3 studies, proposed tariffs, and other documents as required by the
- 4 commission in rate cases generally under its jurisdiction.
- 5 (2) After receipt of a request, the commission shall set the
- 6 request for a hearing and require the site operator to provide for
- 7 notice to all known customers that ship or deliver waste to the site.
- 8 The proceedings before the commission shall be conducted in accordance
- 9 with chapter 34.05 RCW and rules of procedure established by the
- 10 commission.
- 11 (3) No later than January 1, 1993, the commission shall establish
- 12 the initial maximum disposal rates that may be charged by site
- 13 operators.
- 14 (4) In the initial rate proceeding the commission also shall
- 15 determine the factors necessary to calculate the inflation, volume, and
- 16 extraordinary volume adjustments.
- 17 (5) The commission also shall determine the administrative fee,
- 18 which shall be a percentage or an amount that represents increased
- 19 administrative costs associated with acceptance of small volumes of
- 20 waste by a site operator. The administrative fee may be revised by the
- 21 commission from time to time upon its own motion or upon the petition
- 22 of an interested person.
- 23 (6) The rates specified in this section shall only take effect
- 24 following a finding that the site operator is a monopoly pursuant to
- 25 section 11 of this act.
- NEW SECTION. Sec. 6. (1) The maximum disposal rates that a
- 27 site operator may charge generators shall be determined in accordance
- 28 with this section. The rates shall include all charges for disposal
- 29 services at the site.

- 1 (2) Initially, the maximum disposal rates shall be the initial 2 rates established pursuant to section 5 of this act.
- 3 (3) Subsequently, the maximum disposal rates shall be adjusted
- 4 semiannually in January and July of each year to incorporate inflation
- 5 and volume adjustments. Such adjustments shall take effect thirty days
- 6 after filing with the commission unless the commission authorizes that
- 7 the adjustments take effect earlier, or the commission contests the
- 8 calculation of the adjustments, in which case the commission may
- 9 suspend the filing. A site operator shall provide notice to its
- 10 customers concurrent with the filing.
- 11 (4)(a) Subsequently, a site operator may also file for revisions to
- 12 the maximum disposal rates due to:
- 13 (i) Changes in any governmentally imposed fee, surcharge, or tax
- 14 assessed on a volume or a gross revenue basis against or collected by
- 15 the site operator, including site closure fees, perpetual care and
- 16 maintenance fees, business and occupation taxes, site surveillance
- 17 fees, leasehold excise taxes, commission regulatory fees, municipal
- 18 taxes, and a tax or payment in lieu of taxes authorized by the state to
- 19 compensate the county in which a site is located for that county's
- 20 legitimate costs arising out of the presence of that site within that
- 21 county; or
- 22 (ii) Factors outside the control of the site operator such as a
- 23 material change in regulatory requirements regarding the physical
- 24 operation of the site.
- 25 (b) Revisions to the maximum disposal rate shall take effect thirty
- 26 days after filing with the commission unless the commission suspends
- 27 the filing or authorizes the proposed adjustments to take effect
- 28 earlier.
- 29 (5) Upon establishment of a contract rate pursuant to section 7 of
- 30 this act for a disposal fee, the site operator may not collect a

- 1 disposal fee that is greater than the effective rate. The effective
- 2 rate shall be in effect so long as such contract rate remains in
- 3 effect. Adjustments to the maximum disposal rates may be made during
- 4 the time an effective rate is in place. Contracts for disposal of
- 5 extraordinary volumes pursuant to section 8 of this act shall not be
- 6 considered in determining the effective rate.
- 7 (6) The site operator may petition the commission for new maximum
- 8 disposal rates at any time. Upon receipt of such a petition, the
- 9 commission shall set the matter for hearing and shall issue an order
- 10 within seven months of the filing of the petition. The petition shall
- 11 be accompanied by the documents required to accompany the filing for
- 12 initial rates. The hearing on the petition shall be conducted in
- 13 accordance with the commission's rules of practice and procedure.
- 14 (7) This section shall only take effect following a finding that
- 15 the site operator is a monopoly pursuant to section 11 of this act.
- 16 <u>NEW SECTION.</u> **Sec. 7.** (1) At any time, a site operator may
- 17 contract with any person to provide a contract disposal rate lower than
- 18 the maximum disposal rate.
- 19 (2) A contract or contract amendment shall be submitted to the
- 20 commission for approval at least thirty days before its effective date.
- 21 The commission may approve the contract or suspend the contract and set
- 22 it for hearing. If the commission takes no action within thirty days
- 23 of filing, the contract or amendment shall go into effect according to
- 24 its terms. Each contract filing shall be accompanied with
- 25 documentation to show that the contract does not result in
- 26 discrimination between generators receiving like and contemporaneous
- 27 service under substantially similar circumstances and provides for the
- 28 recovery of all costs associated with the provision of the service.

- 1 (3) This section shall only take effect following a finding that
- 2 the site operator is a monopoly pursuant to section 11 of this act.
- 3 <u>NEW SECTION.</u> **Sec. 8.** (1) In establishing the extraordinary
- 4 volume adjustment, unless the parties agree to a contract disposal
- 5 rate, one-half of the extraordinary volume delivery shall be priced at
- 6 the maximum disposal rate and one-half shall be priced at the site
- 7 operator's incremental cost to receive the delivery. Such incremental
- 8 cost shall be determined in the initial rate proceeding.
- 9 (2) For purposes of the subsequent calculation of the volume
- 10 adjustment, one-half of the total extraordinary volume shall be
- 11 included in the calculation.
- 12 (3) This section shall only take effect following a finding that
- 13 the site operator is a monopoly pursuant to section 11 of this act.
- 14 <u>NEW SECTION.</u> **Sec. 9.** (1) At any time, the commission or an
- 15 interested person may file a complaint against a site operator alleging
- 16 that the rates established pursuant to section 5 or 6 of this act are
- 17 not in conformity with the standards set forth in section 4 of this act
- 18 or that the site operator is otherwise not acting in conformity with
- 19 the requirements of this chapter. Upon filing of the complaint, the
- 20 commission shall cause a copy thereof to be served upon the site
- 21 operator. The complaining party shall have the burden of proving that
- 22 the maximum disposal rates determined pursuant to section 6 of this act
- 23 are not just, fair, reasonable, or sufficient. The hearing shall
- 24 conform to the rules of practice and procedure of the commission for
- 25 other complaint cases.
- 26 (2) The commission shall encourage alternate forms of dispute
- 27 resolution to resolve disputes between a site operator and any other
- 28 person regarding matters covered by this chapter.

- 1 <u>NEW SECTION.</u> **Sec. 10.** (1) A site operator shall, on or before
- 2 May 1, 1992, and each year thereafter, file with the commission a
- 3 statement showing its gross operating revenue from intrastate
- 4 operations for the preceding calendar year, or portion thereof, and pay
- 5 to the commission a fee equal to one percent of the amount of the gross
- 6 operating revenue, exclusive of site surveillance fees, perpetual care
- 7 and maintenance fees, site closure fees, and state or federally imposed
- 8 out-of-region surcharges.
- 9 (2) Fees collected under this chapter shall reasonably approximate
- 10 the cost of supervising and regulating site operators. The commission
- 11 may order a decrease in fees by March 1st of any year in which it
- 12 determines that the moneys then in the radioactive waste disposal
- 13 companies account of the public service revolving fund and the fees
- 14 currently to be paid will exceed the reasonable cost of supervising and
- 15 regulating site operators.
- 16 (3) Fees collected under this section or under any other provision
- 17 of this chapter shall be paid to the commission and shall be
- 18 transmitted to the state treasurer within thirty days to be deposited
- 19 to the credit of the public service revolving fund.
- 20 <u>NEW SECTION.</u> **Sec. 11.** (1) A low-level waste disposal site
- 21 operator is exempt as specified in sections 4(2)(a), 5(6), 6(7), 7(3),
- 22 and 8(3) of this act unless a monopoly situation exists with respect to
- 23 the site operated by such site operator. A monopoly situation exists
- 24 if either of the following is present:
- 25 (a) No disposal facility is available to Northwest compact
- 26 generators of low-level radioactive waste other than the site or sites
- 27 operated by such site operator or its affiliates; or
- 28 (b) Disposal rates at other sites are not reasonable alternatives
- 29 for Northwest compact generators, considering: Disposal rates at other

- 1 facilities; current disposal rates charged by the site operator;
- 2 historic relationships between the site operator's rates and rates at
- 3 other facilities; and changes in the operator's rates considering
- 4 changes in waste volumes, taxes, and fees: PROVIDED, HOWEVER, That a
- 5 monopoly situation does not exist if either of the following facilities
- 6 operates or is projected to operate after December 31, 1992:
- 7 (i) Any existing low-level radioactive waste disposal site outside
- 8 the state of Washington, other than facilities operated by affiliates
- 9 of a site operator, provided that such site or sites do not charge
- 10 disposal rates that discriminate against Northwest compact generators,
- 11 except to the extent, through December 31, 1994, such discrimination is
- 12 authorized by amendment of current federal law.
- 13 (ii) An existing facility within the Northwest compact not
- 14 receiving low-level radioactive waste offers to receive such waste
- 15 under substantially similar terms and conditions.
- 16 (2) Such exemption shall be in effect until such time as the
- 17 commission finds, after notice and hearing, upon motion by the
- 18 commission or upon petition by any interested party, that a monopoly
- 19 situation exists or will exist as of January 1, 1993. Such finding
- 20 shall be based upon application of the criteria set forth in this
- 21 section. The commission may assess a site operator for all of the
- 22 commission's costs of supervision and regulation prior to and relative
- 23 to determining whether such exemption applies to the site operator. If
- 24 the commission determines that a site operator is not subject to such
- 25 exemption, it shall collect its costs of supervision and regulation
- 26 under section 10 of this act.
- 27 (3) When such an exemption is in effect, any increase in the rates
- 28 charged by the operator effective January 1, 1993, for services other
- 29 than the base rate for disposal of solid material in packages of twelve

- 1 cubic feet or less shall be no more than the percentage increase in
- 2 said base rate in effect on January 1, 1993.
- 3 NEW SECTION. Sec. 12. (1) At any time after this chapter has
- 4 been implemented with respect to a site operator, such site operator
- 5 may petition the commission to be classified as competitive. The
- 6 commission may initiate classification proceedings on its own motion.
- 7 The commission shall enter its final order with respect to
- 8 classification within seven months from the date of filing of a
- 9 company's petition or the commission's motion.
- 10 (2) The commission shall classify a site operator as a competitive
- 11 company if the commission finds, after notice and hearing, that the
- 12 disposal services offered are subject to competition because the
- 13 company's customers have reasonably available alternatives. In
- 14 determining whether a company is competitive, the commission's
- 15 consideration shall include, but not be limited to:
- 16 (a) Whether the system of interstate compacts and regional disposal
- 17 sites established by federal law has been implemented so that the
- 18 Northwest compact site located near Richland, Washington is the
- 19 exclusive site option for disposal by customers within the Northwest
- 20 compact states;
- 21 (b) Whether waste generated outside the Northwest compact states is
- 22 excluded; and
- 23 (c) The ability of alternative disposal sites to make functionally
- 24 equivalent services readily available at competitive rates, terms, and
- 25 conditions.
- 26 (3) The commission may reclassify a competitive site operator if
- 27 reclassification would protect the public interest as set forth in this
- 28 section.

- 1 (4) Competitive low-level radioactive waste disposal companies
- 2 shall be exempt from commission regulation and fees during the time
- 3 they are so classified.
- 4 <u>NEW SECTION.</u> **Sec. 13.** Nothing in this chapter shall be
- 5 construed to affect the jurisdiction of another state agency.
- 6 Sec. 14. RCW 82.16.010 and 1989 c 302 s 203 are each amended to
- 7 read as follows:
- 8 For the purposes of this chapter, unless otherwise required by the
- 9 context:
- 10 (1) "Railroad business" means the business of operating any
- 11 railroad, by whatever power operated, for public use in the conveyance
- 12 of persons or property for hire. It shall not, however, include any
- 13 business herein defined as an urban transportation business.
- 14 (2) "Express business" means the business of carrying property for
- 15 public hire on the line of any common carrier operated in this state,
- 16 when such common carrier is not owned or leased by the person engaging
- 17 in such business.
- 18 (3) "Railroad car business" means the business of renting, leasing
- 19 or operating stock cars, furniture cars, refrigerator cars, fruit cars,
- 20 poultry cars, tank cars, sleeping cars, parlor cars, buffet cars,
- 21 tourist cars, or any other kinds of cars used for transportation of
- 22 property or persons upon the line of any railroad operated in this
- 23 state when such railroad is not owned or leased by the person engaging
- 24 in such business.
- 25 (4) "Water distribution business" means the business of operating
- 26 a plant or system for the distribution of water for hire or sale.
- 27 (5) "Light and power business" means the business of operating a
- 28 plant or system for the generation, production or distribution of

- 1 electrical energy for hire or sale and/or for the wheeling of
- 2 electricity for others.
- 3 (6) "Telegraph business" means the business of affording
- 4 telegraphic communication for hire.
- 5 (7) "Gas distribution business" means the business of operating a
- 6 plant or system for the production or distribution for hire or sale of
- 7 gas, whether manufactured or natural.
- 8 (8) "Motor transportation business" means the business (except
- 9 urban transportation business) of operating any motor propelled vehicle
- 10 by which persons or property of others are conveyed for hire, and
- 11 includes, but is not limited to, the operation of any motor propelled
- 12 vehicle as an auto transportation company (except urban transportation
- 13 business), common carrier or contract carrier as defined by RCW
- 14 81.68.010 and 81.80.010: PROVIDED, That "motor transportation
- 15 business" shall not mean or include the transportation of logs or other
- 16 forest products exclusively upon private roads or private highways.
- 17 (9) "Urban transportation business" means the business of operating
- 18 any vehicle for public use in the conveyance of persons or property for
- 19 hire, insofar as (a) operating entirely within the corporate limits of
- 20 any city or town, or within five miles of the corporate limits thereof,
- 21 or (b) operating entirely within and between cities and towns whose
- 22 corporate limits are not more than five miles apart or within five
- 23 miles of the corporate limits of either thereof. Included herein, but
- 24 without limiting the scope hereof, is the business of operating
- 25 passenger vehicles of every type and also the business of operating
- 26 cartage, pickup, or delivery services, including in such services the
- 27 collection and distribution of property arriving from or destined to a
- 28 point within or without the state, whether or not such collection or
- 29 distribution be made by the person performing a local or interstate
- 30 line-haul of such property.

- 1 (10) "Public service business" means any of the businesses defined
- 2 in subdivisions (1), (2), (3), (4), (5), (6), (7), (8), and (9) or any
- 3 business subject to control by the state, or having the powers of
- 4 eminent domain and the duties incident thereto, or any business
- 5 hereafter declared by the legislature to be of a public service nature,
- 6 except telephone business as defined in RCW 82.04.065 and low-level
- 7 radioactive waste site operating companies as defined in RCW 81.04.010.
- 8 It includes, among others, without limiting the scope hereof: Airplane
- 9 transportation, boom, dock, ferry, log patrol, pipe line, toll bridge,
- 10 toll logging road, water transportation and wharf businesses.
- 11 (11) "Tugboat business" means the business of operating tugboats,
- 12 towboats, wharf boats or similar vessels in the towing or pushing of
- 13 vessels, barges or rafts for hire.
- 14 (12) "Gross income" means the value proceeding or accruing from the
- 15 performance of the particular public service or transportation business
- 16 involved, including operations incidental thereto, but without any
- 17 deduction on account of the cost of the commodity furnished or sold,
- 18 the cost of materials used, labor costs, interest, discount, delivery
- 19 costs, taxes, or any other expense whatsoever paid or accrued and
- 20 without any deduction on account of losses.
- 21 (13) The meaning attributed, in chapter 82.04 RCW, to the term "tax
- 22 year, " "person, " "value proceeding or accruing, " "business, " "engaging
- 23 in business, " "in this state, " "within this state, " "cash discount" and
- 24 "successor" shall apply equally in the provisions of this chapter.
- 25 **Sec. 15.** RCW 82.04.260 and 1990 c 21 s 2 are each amended to read
- 26 as follows:
- 27 (1) Upon every person engaging within this state in the business of
- 28 buying wheat, oats, dry peas, dry beans, lentils, triticale, corn, rye
- 29 and barley, but not including any manufactured or processed products

- 1 thereof, and selling the same at wholesale; the tax imposed shall be
- 2 equal to the gross proceeds derived from such sales multiplied by the
- 3 rate of one-hundredth of one percent.
- 4 (2) Upon every person engaging within this state in the business of
- 5 manufacturing wheat into flour, barley into pearl barley, soybeans into
- 6 soybean oil, or sunflower seeds into sunflower oil; as to such persons
- 7 the amount of tax with respect to such business shall be equal to the
- 8 value of the flour, pearl barley, or oil manufactured, multiplied by
- 9 the rate of one-eighth of one percent.
- 10 (3) Upon every person engaging within this state in the business of
- 11 splitting or processing dried peas; as to such persons the amount of
- 12 tax with respect to such business shall be equal to the value of the
- 13 peas split or processed, multiplied by the rate of one-quarter of one
- 14 percent.
- 15 (4) Upon every person engaging within this state in the business of
- 16 manufacturing seafood products which remain in a raw, raw frozen, or
- 17 raw salted state at the completion of the manufacturing by that person;
- 18 as to such persons the amount of tax with respect to such business
- 19 shall be equal to the value of the products manufactured, multiplied by
- 20 the rate of one-eighth of one percent.
- 21 (5) Upon every person engaging within this state in the business of
- 22 manufacturing by canning, preserving, freezing or dehydrating fresh
- 23 fruits and vegetables; as to such persons the amount of tax with
- 24 respect to such business shall be equal to the value of the products
- 25 canned, preserved, frozen or dehydrated multiplied by the rate of
- 26 three-tenths of one percent.
- 27 (6) Upon every nonprofit corporation and nonprofit association
- 28 engaging within this state in research and development, as to such
- 29 corporations and associations, the amount of tax with respect to such
- 30 activities shall be equal to the gross income derived from such

- 1 activities multiplied by the rate of forty-four one-hundredths of one 2 percent.
- 3 (7) Upon every person engaging within this state in the business
- 4 of slaughtering, breaking and/or processing perishable meat products
- 5 and/or selling the same at wholesale only and not at retail; as to such
- 6 persons the tax imposed shall be equal to the gross proceeds derived
- 7 from such sales multiplied by the rate of twenty-five one-hundredths of
- 8 one percent through June 30, 1986, and one-eighth of one percent
- 9 thereafter.
- 10 (8) Upon every person engaging within this state in the business
- 11 of making sales, at retail or wholesale, of nuclear fuel assemblies
- 12 manufactured by that person, as to such persons the amount of tax with
- 13 respect to such business shall be equal to the gross proceeds of sales
- 14 of the assemblies multiplied by the rate of twenty-five one-hundredths
- 15 of one percent.
- 16 (9) Upon every person engaging within this state in the business
- 17 of manufacturing nuclear fuel assemblies, as to such persons the amount
- 18 of tax with respect to such business shall be equal to the value of the
- 19 products manufactured multiplied by the rate of twenty-five one-
- 20 hundredths of one percent.
- 21 (10) Upon every person engaging within this state in the business
- 22 of acting as a travel agent; as to such persons the amount of the tax
- 23 with respect to such activities shall be equal to the gross income
- 24 derived from such activities multiplied by the rate of twenty-five one-
- 25 hundredths of one percent.
- 26 (11) Upon every person engaging within this state in business as
- 27 an international steamship agent, international customs house broker,
- 28 international freight forwarder, vessel and/or cargo charter broker in
- 29 foreign commerce, and/or international air cargo agent; as to such
- 30 persons the amount of the tax with respect to only international

- 1 activities shall be equal to the gross income derived from such 2 activities multiplied by the rate of thirty-three one-hundredths of one 3 percent.
- 4 (12) Upon every person engaging within this state in the business 5 of stevedoring and associated activities pertinent to the movement of 6 goods and commodities in waterborne interstate or foreign commerce; as to such persons the amount of tax with respect to such business shall 7 be equal to the gross proceeds derived from such activities multiplied 8 9 by the rate of thirty-three one hundredths of one percent. 10 subject to taxation under this subsection shall be exempt from payment of taxes imposed by chapter 82.16 RCW for that portion of their 11 business subject to taxation under this subsection. Stevedoring and 12 associated activities pertinent to the conduct of goods and commodities 13 14 in waterborne interstate or foreign commerce are defined as all activities of a labor, service or transportation nature whereby cargo 15 may be loaded or unloaded to or from vessels or barges, passing over, 16 17 onto or under a wharf, pier, or similar structure; cargo may be moved 18 to a warehouse or similar holding or storage yard or area to await 19 further movement in import or export or may move to a consolidation 20 freight station and be stuffed, unstuffed, containerized, separated or otherwise segregated or aggregated for delivery or loaded on any mode 21 of transportation for delivery to its consignee. Specific activities 22 included in this definition are: Wharfage, handling, loading, 23 24 unloading, moving of cargo to a convenient place of delivery to the consignee or a convenient place for further movement to export mode; 25 documentation services in connection with the receipt, delivery, 26 checking, care, custody and control of cargo required in the transfer 27 of cargo; imported automobile handling prior to delivery to consignee; 28 29 terminal stevedoring and incidental vessel services, including but not limited to plugging and unplugging refrigerator service to containers, 30

- 1 trailers, and other refrigerated cargo receptacles, and securing ship
- 2 hatch covers.
- 3 (13) Upon every person engaging within this state in the business
- 4 of disposing of low-level waste, as defined in RCW 43.145.010; as to
- 5 such persons the amount of the tax with respect to such business shall
- 6 be equal to the gross income of the business, excluding any fees
- 7 imposed under chapter 43.200 RCW, multiplied by the rate of fifteen
- 8 percent.
- 9 (a) The rate specified in this subsection shall be reduced to ten
- 10 percent ((upon the effective date of legislation adopted pursuant to
- 11 RCW 81.04.520 governing regulation of the business of low-level
- 12 radioactive waste disposal)) on the effective date of this section.
- 13 (b) The rate specified in this subsection shall be further reduced
- 14 to five percent on January 1, 1992((, if (a) of this subsection has
- 15 taken effect)).
- 16 If the gross income of the taxpayer is attributable to activities
- 17 both within and without this state, the gross income attributable to
- 18 this state shall be determined in accordance with the methods of
- 19 apportionment required under RCW 82.04.460.
- 20 (14) Upon every person engaging within this state as an insurance
- 21 agent, insurance broker, or insurance solicitor licensed under chapter
- 22 48.17 RCW; as to such persons, the amount of the tax with respect to
- 23 such licensed activities shall be equal to the gross income of such
- 24 business multiplied by the rate of one percent.
- 25 NEW SECTION. Sec. 16. A new section is added to chapter 43.200
- 26 RCW to read as follows:
- 27 The director of the department of ecology shall require that
- 28 generators of waste pay a fee for each cubic foot of waste disposed at
- 29 any facility in the state equal to five dollars and twenty-five cents.

- 1 The fee shall be imposed specifically on the generator of the waste and
- 2 shall not be considered to apply in any way to the low-level site
- 3 operator's disposal activities. Two dollars of the fee on each cubic
- 4 foot of waste shall be deposited in the fund created in section 17 of
- 5 this act and three dollars and twenty-five cents of the fee shall be
- 6 remitted monthly to the county in which the low-level radioactive waste
- 7 disposal facility is located.
- 8 <u>NEW SECTION.</u> **Sec. 17.** A new section is added to chapter 43.31 RCW
- 9 to read as follows:
- 10 The Hanford area economic investment fund is established in the
- 11 custody of the state treasurer. Moneys in the fund shall only be used
- 12 to contract with Hanford area associate development organizations for
- 13 local infrastructure projects or economic development projects. Up to
- 14 ten percent of moneys in the fund may be used for program
- 15 administration and technical assistance to eligible recipients. For
- 16 the purpose of this chapter, "Hanford area" means Benton and Franklin
- 17 counties. Disbursements from the fund shall be on the authorization of
- 18 the director of trade and economic development or the director's
- 19 designee. The fund is subject to the allotment procedures under
- 20 chapter 43.88 RCW, but no appropriation is required for disbursements.
- 21 The legislature intends to establish similar economic investment funds
- 22 for areas that develop low-level radioactive waste disposal facilities.
- NEW SECTION. Sec. 18. Sections 1, 2, and 4 through 13 of this
- 24 act shall constitute a new chapter in Title 81 RCW.
- NEW SECTION. Sec. 19. (1) Sections 1 through 15 and 17 and 18
- 26 of this act are necessary for the immediate preservation of the public
- 27 peace, health, or safety, or support of the state government and its

- 1 existing public institutions, sections 1 through 14 and 17 and 18 of
- 2 this act shall take effect July 1, 1991, and section 15 of this act
- 3 shall take effect immediately.
- 4 (2) Section 16 of this act shall take effect January 1, 1993.