

HOUSE BILL REPORT

HB 1779

As Reported By House Committee On:
Environmental Affairs

Title: An act relating to hazardous substances incinerators.

Brief Description: Creating a hazardous substances incineration response tax.

Sponsors: Representatives Chandler, Hansen and Rust.

Brief History:

Reported by House Committee on:
Environmental Affairs, February 25, 1993, DPS.

HOUSE COMMITTEE ON ENVIRONMENTAL AFFAIRS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 10 members: Representatives Rust, Chair; Flemming, Vice Chair; Bray; Foreman; Hansen; Holm; L. Johnson; J. Kohl; Linville; and Sheahan.

Minority Report: Do not pass. Signed by 3 members: Representatives Horn, Ranking Minority Member; Van Luven, Assistant Ranking Minority Member; and Edmondson.

Staff: Harry Reinert (786-7110).

Background: The Department of Ecology's rules governing hazardous waste incinerators require the incinerator operator to have a plan to respond to significant adverse impacts of the facility.

The needs assessment recently completed by the department as part of the Hazardous Waste Management Plan estimates there is a need for hazardous waste incinerator capacity in this state of between 20,000 and 30,000 tons annually. There is no incinerator currently operating in the state. There is one active application for an incinerator pending with the department.

The state does not impose a tax on hazardous substances or waste received for incineration. Utah charges a fee of \$35 a ton for out-of-state waste and \$10 a ton for in-state waste.

Summary of Substitute Bill: A hazardous waste incinerator response tax is imposed on hazardous substances and hazardous wastes destined for incineration in this state. The tax is \$30 per ton of hazardous substances and is imposed on the owner of the substance immediately prior to its receipt at a hazardous waste incinerator in the state.

The receipts from the tax are deposited in the hazardous substances incineration response account. The tax shall be collected until the response account reaches \$25 million.

The account may only be used to pay for damages in excess of \$50,000 that result from a release from a hazardous substances incinerator. The director of the Department of Ecology must first seek payment from the owner of the facility before using the response account. The account may be used to reimburse natural resource damage assessments, response costs, economic losses, and agency expenses related to a release from a facility.

Substitute Bill Compared to Original Bill: The substitute removes a provision allowing direct payment of taxes to the Department of Revenue.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect immediately.

Testimony For: In the case of an accident at an incinerator, a fund to assist state agencies to respond to the accident will assure public safety.

Testimony Against: There are already other sources of funding to respond to a release from an incinerator. An incinerator operator is required to have a plan to respond to accidents. The operator is also required to meet financial responsibility requirements to cover losses that might occur due to an accident.

Witnesses: Representative Gary Chandler, Prime Sponsor (pro); Jim Boldt, Rabanco (con); Jeff Myers, EPIC (con); Harold Clinesmith, Citizens Hazardous Waste Coalition (pro); Bob Schrom, Farmer, Grant County (pro); Rich Callahan, Farmer/Exporter (pro); Bob Davis, Concerned Citizens of Royal Slope (pro); Norm Myrick, Citizen (pro); Margie Kelly, Greenpeace (pro); Betty Tabbut, Washington Environmental Council (pro); Doris Cellarius, Sierra Club (pro); and Larry Ganders, Washington State University (con).