

# SENATE BILL REPORT

## SB 6524

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As Reported By Senate Committee On:  
Environmental Quality & Water Resources, February 4, 2000

**Title:** An act relating to financial assurance requirements for landfill disposal facilities.

**Brief Description:** Authorizing the department of ecology to waive the requirement for a reserve account for local governments maintaining landfills.

**Sponsors:** Senators Hale, Patterson and Honeyford.

**Brief History:**

**Committee Activity:** Environmental Quality & Water Resources: 2/1/2000, 2/4/2000 [DPS].

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### SENATE COMMITTEE ON ENVIRONMENTAL QUALITY & WATER RESOURCES

**Majority Report:** That Substitute Senate Bill No. 6524 be substituted therefor, and the substitute bill do pass.

Signed by Senators Fraser, Chair; Eide, Vice Chair; Honeyford, Jacobsen, McAuliffe, Morton and Swecker.

**Staff:** Richard Ramsey (786-7412)

**Background:** Current law requires the holder or an applicant of a permit for a landfill to establish a reserve account to cover the costs of closing the landfill in accordance with state and federal law. Post-closure care of a landfill is generally required for a period of 30 years, but this length of time may be increased or decreased by the jurisdictional health department under certain conditions. The reserve account must be designed to ensure that there will be adequate revenue available by the projected date of closure.

Acceptable financial instruments for the reserve account include cash and investments, cash and investments in a trust fund, or other approved mechanisms. Reserve accounts are required of both public and privately owned landfills that accept public waste.

A landfill maintained on private property for the sole use of the entity owning the site, however, is not required to establish a reserve account if the entity provides another form of financial assurance to the satisfaction of the Department of Ecology that is adequate to comply with the closure requirements. Acceptable financial assurances include trust funds, surety bonds, letters of credit, insurance policies, and corporate guarantees.

**Summary of Substitute Bill:** A landfill disposal facility maintained by a government is not required to establish a reserve account to cover the costs of closing a facility if, to the satisfaction of the Department of Ecology, the government provides another form of financial assurance adequate to comply with the closure requirements.

**Substitute Bill Compared to Original Bill:** A landfill operated by a government entity is allowed to use approved forms of financial assurance to cover the costs of closing the facility. The original bill affected local governments only. The Department of Ecology is not required to adopt rules pertaining to the other approved forms of financial assurance. The title of the bill is narrowed.

**Appropriation:** None.

**Fiscal Note:** Requested.

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

**Testimony For:** For purposes of funding landfill closure, this bill levels the playing field between private and public landfills and is consistent with federal regulations. The City of Richland wishes to use a letter of credit to assure closure of the landfill operated by the city. Financial instruments for to ensure landfill closure should be legal. \$75 million in grants was spent between 1988 and 1994 to close landfills for which there were inadequate funds to assure closure. The bill should be expanded to include landfills operated by the federal government.

**Testimony Against:** None.

**Testified:** PRO: Senator Pat Hale, prime sponsor; Jerry Greenfield, City of Richland; Dave Arbaugh, City of Richland; Dan Underwood, City of Richland; Cullen Stephenson, Department of Ecology.