

Multiple Agency Fiscal Note Summary

Bill Number: 1799 2S HB AMH FITZ H2667.2	Title: Organic materials management
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Estimated Cash Receipts

Agency Name	2021-23			2023-25			2025-27		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of Attorney General	0	0	12,000	0	0	48,000	0	0	12,000
Total \$	0	0	12,000	0	0	48,000	0	0	12,000

Agency Name	2021-23		2023-25		2025-27	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2021-23				2023-25				2025-27			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of Attorney General	.0	0	0	12,000	.2	0	0	48,000	.0	0	0	12,000
Department of Commerce	.3	80,327	80,327	80,327	.6	160,654	160,654	160,654	.6	160,654	160,654	160,654
Department of Ecology	4.2	0	0	1,763,899	7.5	0	0	2,741,948	7.8	0	0	2,542,649
Department of Ecology	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Environmental and Land Use Hearings Office	.0	0	0	0	.6	139,138	139,138	139,138	.8	180,168	180,168	180,168
State Conservation Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Agriculture	1.0	306,400	306,400	306,400	2.0	3,586,800	3,586,800	3,586,800	2.0	3,586,800	3,586,800	3,586,800
Total \$	5.5	386,727	386,727	2,162,626	10.9	3,886,592	3,886,592	6,676,540	11.2	3,927,622	3,927,622	6,482,271

Agency Name	2021-23			2023-25			2025-27		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Department of Ecology	.0	0	0	.0	0	0	.0	0	0
Environmental and Land Use Hearings Office	.0	0	0	.0	0	0	.0	0	0
State Conservation Commission	.0	0	0	.0	0	0	.0	0	0
Department of Agriculture	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2021-23			2023-25			2025-27		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Lisa Borkowski, OFM	Phone: (360) 742-2239	Date Published: Final 2/18/2022
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Individual State Agency Fiscal Note

Bill Number: 1799 2S HB AMF FITZ H2667.2	Title: Organic materials management	Agency: 100-Office of Attorney General
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2022	FY 2023	2021-23	2023-25	2025-27
Legal Services Revolving Account-State 405-1		12,000	12,000	48,000	12,000
Total \$		12,000	12,000	48,000	12,000

Estimated Operating Expenditures from:

ACCOUNT	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.0	0.1	0.1	0.2	0.1
Account					
Legal Services Revolving Account-State 405-1	0	12,000	12,000	48,000	12,000
Total \$	0	12,000	12,000	48,000	12,000

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Greg Vogel	Phone: 360-786-7413	Date: 02/11/2022
Agency Preparation: Allyson Bazan	Phone: 360-586-3589	Date: 02/16/2022
Agency Approval: Dianna Wilks	Phone: 360-709-6463	Date: 02/16/2022
OFM Review: Tyler Lentz	Phone: (360) 790-0055	Date: 02/17/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 1 is the intent section.

Section 101 would require the state to set a goal to reduce organics disposal in landfills.

Section 102 would require each jurisdiction that implements a local solid waste plan to provide organics collection services and management to all residents and to businesses that generate more than half a cubic yard of organic materials, with Ecology authority to issue waivers and adopt rules.

Section 103 amends RCW 70A.205.040 to include organic materials requirements in the comprehensive solid waste management plan.

Section 104 requires Ecology to work with stakeholders and contract with a third-party to conduct a study on the adequacy of local government solid waste management funding.

Section 105 amends RCW 70A.205.015 to add definition of organic materials.

Sec. 201 would require Ecology to determine which local governments must provide organics collection service to businesses, to be enforced by Jurisdictional Health Departments (JHDs); deadlines for increasing threshold; rulemaking authority to adopt alternative volumetric threshold; definitions.

Section 301 amends RCW 69.80.031 (Good Samaritan Act) to include protections for donors when donating perishable food products under specified conditions; immunity from civil or criminal liability when donating.

Section 401 contains definitions for the new chapter established in Section 402.

Section 402 would establish the Washington Center for Sustainable Food Management (WCSFM) in the Department of Ecology and outlines the primary tasks of the WCSFM; including research and guidance for commercial solid waste collection for organics; rulemaking authority for Ecology

Section 403 would authorize Ecology to establish a voluntary data collection system to track food donations, which would need to be compatible with data reported to the Department of Agriculture (Agriculture) under the food assistance program (RCW 43.23.290) to minimize reporting burdens and requirements for donors and recipients.

Section 404 would require Agriculture to coordinate with Ecology to ensure that the information and referral service for persons and organizations participating in food donation programs under Chapter 69.80 RCW is implemented in a manner consistent with the activities of sections 402 and 403.

Section 405 would require Ecology to consult with the Attorney General to adopt model ordinances for voluntary use by local governments.

Section 406 exempts local nonproject actions to adopt/implement model amendments in Section 405 from Chapter 43.21C RCW.

Section 501 would expand the Sustainable Farms and Fields Grant program (amending RCW 89.08.615) to include funding support for promote farm use of biofuel feedstock and anaerobic digester digestate.

Section 502 would require Agriculture to implement a compost reimbursement pilot program to reimburse farming operations for purchasing and using compost products not generated by the farming operation; reporting requirements.

Section 503 amends RCW 43.155.020 to add composting and other organic materials management facilities to the list of eligible public works projects.

Sections 601, 602, and 603 would require updated growth management plans to allow for siting of organic materials management facilities in appropriate areas to provide for local management capacity.

Section 604 contains a deadline for comprehensive plan updates for siting.

Section 701 would set a timeline for local governments to adopt an ordinance to implement the provisions of RCW 43.19A.150 and develop a compost procurement plan; considerations for outreach; reporting requirements.

Section 702 amends RCW 39.30.040 to allow for preferential purchase of compost.

Section 703 requires government to require use of compost to the maximum extent economical feasible when contracting.

Section 801 states an intent for state to stop false or misleading environmental claims

Section 802 amends RCW 70A.455.020 to add definitions for producer and Ecology.

Section 803 amends RCW 70A.455.040 to add definitions for labeling requirements.

Section 804 amends RCW 70A.455.050 to extend requirements to producers.

Section 805 amends RCW 70A.455.060 to extend requirements to producers; add requirements for labeling.

Section 806 amends RCW 70A.455.070 to prohibit and discourage various types of labeling.

Section 807 amends RCW 70A.455.080 to extend to producers.

Section 808 amends RCW 70A.455.090 to authorize Ecology to enforce the provisions of RCW Chapter 70A.455 for producers, and would require that enforcement be complaint-based. Ecology would be required to establish and maintain a forum.

Section 809 amends RCW 70A.255.100 to extend to producers; penalty authority to Ecology; penalty authority for local governments.

Section 810 authorizes Ecology to adopt rules as needed to implement, administer, or enforce RCW 70A.455 on producers; and enforcement would be required to begin by January 1, 2024.

Section 811 amends RCW 70A.455.030 to extend to producers and conform with the act.

Section 812 amends RCW 43.21B.110 to include appeals of Ecology enforcement order issued pursuant to RCW 70A.455.080 to the jurisdiction of the Pollution Control Hearings Board (PCHB).

Section 813 amends RCW 43.21B.300 to include penalties under RCW 70A.455.090 to the jurisdiction of the PCHB.

Section 901 codification instructions.

Section 902 would repeal RCW 70A.455.110, which establishes the Compostable Products Revolving Account.

Section 903 repeals RCW 70A.455.110 and RCW 70A.455.900

Section 904 is a severability clause.

Section 905 is a null and void provision if funding is not appropriated this session.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Cash receipts are assumed to equal the Legal Services Revolving Account (LSRA) cost estimates. These will be billed through the revolving account to the client agency.

The client agency is the Department of Ecology. The Attorney General's Office (AGO) will bill this client for legal services rendered.

These cash receipts represent the AGO's authority to bill and are not a direct appropriation to the AGO. The direct appropriation is reflected in the client agency's fiscal note. Appropriation authority is necessary in the AGO budget.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Attorney General's Office (AGO) Agency Assumptions:

1. This bill is assumed effective 90 days after the end of the 2022 legislative session.
2. Location of staffing housed is assumed to be in a non-Seattle office building.
3. Total workload impact in this request includes standard assumption costs for good & services, travel, and capital outlays for all FTE identified.
4. Agency administration support FTE are included in the tables, for every one Assistant Attorney General (AAG), the AGO include 0.5 FTE for a Legal Assistant 3 (LA) and 0.25 of a Management Analyst 5 (MA5). The MA5 is used as a representative classification.

Assumptions for the AGO Ecology Division's (ECY) Legal Services for the Department of Ecology (Ecology):

1. The AGO will bill Ecology for legal services based on the enactment of this bill.
2. Legal services include, but are not limited to:

Advice on the rulemaking authorized by Sec. 102, which is to specify the process and information requirements for applications for waiver from the requirement of local government jurisdictions to provide for organic solid waste management collection. 0.05 AAG FTE in FY 25 and in FY 26.

Advice to the Washington Center for Sustainable Food Management, created within Ecology, on adoption of model city and county solid waste collection and disposal ordinances that include financial or other disincentives for generation of organic waste and its disposal in landfills. 0.05 AAG FTE in FY 23, 0.10 AAG FTE in FY 24, and 0.05 AAG FTE in FY 25.

ECY: Total non-Seattle workload impact:

FY 2023: 0.05 AAG, and 0.03 LA at a cost of \$12,000.

FY 2024 and FY 2025: 0.10 AAG, and 0.05 LA at a cost of \$24,000.

FY 2026: 0.05 AAG, and 0.03 LA at a cost of \$12,000.

The AGO Agricultural and Health Division has reviewed this bill and determined it will not significantly increase or decrease the division’s workload in representing the Department of Commerce and Washington State Department of Agriculture. New legal services are nominal and costs are not included in this request.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
405-1	Legal Services	State	0	12,000	12,000	48,000	12,000
	Revolving Account						
Total \$			0	12,000	12,000	48,000	12,000

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years		0.1	0.1	0.2	0.1
A-Salaries and Wages		8,000	8,000	32,000	8,000
B-Employee Benefits		3,000	3,000	10,000	3,000
C-Professional Service Contracts					
E-Goods and Other Services		1,000	1,000	6,000	1,000
G-Travel					
J-Capital Outlays					
Total \$		0	12,000	48,000	12,000

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2022	FY 2023	2021-23	2023-25	2025-27
Assistant Attorney General	112,200		0.1	0.0	0.1	0.0
Legal Assistant 3	54,108		0.0	0.0	0.1	0.0
Management Analyst 5	88,644		0.0	0.0	0.0	0.0
Total FTEs			0.1	0.1	0.2	0.1

III. D - Expenditures By Program (optional)

Program	FY 2022	FY 2023	2021-23	2023-25	2025-27
Ecology Division (ECY)		12,000	12,000	48,000	12,000
Total \$			12,000	48,000	12,000

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 1799 2S HB AMF FITZ H2667.2	Title: Organic materials management	Agency: 103-Department of Commerce
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.0	0.6	0.3	0.6	0.6
Account					
General Fund-State 001-1	0	80,327	80,327	160,654	160,654
Total \$	0	80,327	80,327	160,654	160,654

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Greg Vogel	Phone: 360-786-7413	Date: 02/11/2022
Agency Preparation: Buck Lucas	Phone: 360-725-3180	Date: 02/15/2022
Agency Approval: Darrell Stoa	Phone: (360) 725-2723	Date: 02/15/2022
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/16/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Differences between the engrossed second substitute and the second substitute bill :

- Modifies the requirement for certain jurisdictions, beginning in January 2027, for organic solid waste collection services to every other week or at least 26 weeks annually. Requires cities with new independent solid waste plans to provide biweekly organic material waste collection services after July, 1 2022.
- Requires county designation of priority areas for the siting of organic material management facilities within rural, industrial, or agricultural zones, and prohibits siting in overburdened communities.
- Clarifies the Department of Ecology (Ecology) study of local government solid waste management funding adequacy to include findings and recommendations.
- Requires Ecology to produce model ordinances for optional adoption by cities and counties to promote organic material collection and disposal, and to reduce disposal of organic materials in landfills.
- Provides cities and counties an exemption from SEPA review requirements if the model ordinance to promote organic material collection and disposal, and to reduce disposal of organic materials in landfills are adopted.

Summary 2SHB 1799:

Section 1 states the intent of the bill is to find opportunities to promote the diversion of organic materials to productive uses in order to reduce methane emissions. The goal is to identify opportunities to remove any barriers to composting.

Section 101 adds a new section to RCW 70A.205 to establish state targets for landfill disposal of organic materials to a 75 percent reduction by 2030 compared to 2015 levels, and no less than 20 percent of the volume of edible food disposed of in 2015 be recovered for human consumption by 2025.

Section 102 adds a new section to RCW 70A.205 requiring each jurisdiction that implements a solid waste plan to provide source-separated organic waste collection services at least every other week for at least 26 weeks annually to all residents, and nonresidential customers that generate .25 cubic yard of organic materials by January 2027.

Section 103 amends RCW 70A.205.040 would change the date by which newly developed, updated, or amended solid waste management plans would consider the transition to the new requirements in section 102 from July 1, 2022, to July 1, 2024. Priority for siting organic materials management facilities for counties would be limited to industrial, agricultural, or rural zones and not be located in overburdened communities as defined by Ecology in RCW 70A.65.020(1). The volumetric capacity of each facility must be consistent with the goals established in Section 101.

Section 104 adds a new section requiring a study by Ecology to contract for a study on the adequacy of local government solid waste management funding, including funding options and recommendations. The study must include Washington Association of County Solid Waste Managers, the association of Washington cities and other stakeholders prior to submittal to the Legislature.

Section 405 adds a new section to RCW 70A to require Ecology to research and adopt model ordinances for consideration by cities and counties that provide for model mechanisms for commercial solid waste collection and disposal that can also establish financial disincentives for the generation of organic waste and disposal in landfills.

Section 406 adds a new section to RCW 43.21C to exempt cities and counties that adopt the model ordinances created in Section 105 from State Environmental Policy Act review requirements.

Section 503 amends RCW 43.155.020 defining what a public works project is to include “composting and other organic materials management facilities.” By changing the definition of public works project for the Public Works Board, this bill

provides explicit authority for the Public Works Board to fund projects coming from local governments for this purpose.

Section 601 amends RCW 36.70.330 and required element of county comprehensive plans to require development regulations of developed, updated, or amended comprehensive plans after January 1, 2025 to allow for the siting or organic materials management facilities in the priority areas outlined in Section 103 with specific volumetric capacity in alignment with Section 101.

Section 602 adds a new section to RCW 36.70A for counties to add siting of organic materials management facilities in specific areas under Section 103 with specific volumetric capacity in alignment with Section 101.

Section 603 adds a new section to RCW 35.63 for cities and town to add siting of organic materials management facilities in specific areas under Section 103 with specific volumetric capacity in alignment with Section 101.

Section 604 adds a new section to RCW 35A.63 for code cities to add siting of organic materials management facilities in specific areas under Section 103 with specific volumetric capacity in alignment with Section 101.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

There is no fiscal impact to the Public Works Board from the proposed legislation. Outreach and education to local governments would be needed to ensure there is understanding that projects specific for composting and organic materials facilities can be proposed for funding under the Public Works Board traditional funding program. While currently, the definition includes solid waste facilities, under which organic materials management could be included, this bill clarifies and provides explicit authority. Any outreach will likely require at least minimal Public Works board staff time that could be provided within current outreach activities, including coordination with the proposed Washington Center for Sustainable Food Management program led by the Department of Ecology.

The Department of Commerce (department) will experience impacts from the proposed legislation. The department assumes 0.50 FTE annually to provide technical assistance on siting, coordination with local planners, and adding organic materials management facility siting to the appropriate comprehensive plan (periodic update) checklists will be required to implement the proposed legislation.

0.50 FTE Commerce Specialist 3 (1,044 hours) in FY23-FY27 to provide program technical assistance to local planners; providing or building capacity around organic waste facility siting; and providing program engagement and outreach to cities and counties on organic waste facilities in the comprehensive plan update process.

Salary and Benefits:

FY23-FY27: \$53,802 per fiscal year

Goods and Services:

FY23-FY27: \$6,265 per fiscal year

Travel:

Travel includes outreach and engagement at the Washington Organic Recycling Council annual Conference, including membership. In addition to membership to the Solid Waste Association of North America. Annual conference travel FY23-FY27 assumes 4 days of outreach and engagement.

FY23-FY27: \$1,967 per fiscal year

Intra-agency Reimbursements:

FY23-FY27: \$18,293 per fiscal year

Note: Standard goods and services costs include supplies and materials, employee development and training, Attorney General costs, central services charges and agency administration. Intra-agency Reimbursement-Agency administration costs (e.g., payroll, HR, IT) are funded under a federally approved cost allocation plan.

Total Costs:

FY23-FY27: \$80,327 per fiscal year

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	0	80,327	80,327	160,654	160,654
Total \$			0	80,327	80,327	160,654	160,654

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years		0.6	0.3	0.6	0.6
A-Salaries and Wages		39,450	39,450	78,900	78,900
B-Employee Benefits		14,352	14,352	28,704	28,704
C-Professional Service Contracts					
E-Goods and Other Services		6,265	6,265	12,530	12,530
G-Travel		1,967	1,967	3,934	3,934
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		18,293	18,293	36,586	36,586
9-					
Total \$	0	80,327	80,327	160,654	160,654

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2022	FY 2023	2021-23	2023-25	2025-27
Administrative Services - Indirect	69,552		0.1	0.1	0.1	0.1
Commerce Specialist 3	78,900		0.5	0.3	0.5	0.5
Total FTEs			0.6	0.3	0.6	0.6

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 1799 2S HB AMF FITZ H2667.2	Title: Organic materials management	Agency: 461-Department of Ecology
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.0	8.4	4.2	7.5	7.8
Account					
Model Toxics Control Operating Account-State 23P-1	0	1,763,899	1,763,899	2,741,948	2,542,649
Total \$	0	1,763,899	1,763,899	2,741,948	2,542,649

In addition to the estimates above, there are additional indeterminate costs and/or savings . Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Greg Vogel	Phone: 360-786-7413	Date: 02/11/2022
Agency Preparation: Lori Peterson	Phone: 360-280-4075	Date: 02/16/2022
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 02/16/2022
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/16/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Compared to SHB 1799, 2SHB 1799 AMH FITZ H2667.2 has the following substantive changes :

Section 103 would require Department of Ecology (Ecology) to refer to the overburdened communities identified for the Climate Commitment Act in RCW 70A.65.020, rather than the communities identified by Department of Health (DOH) under Chapter 70A.02 RCW, when evaluating organic waste management facility siting priorities in Solid Waste Management Plan review.

Section 104 would clarify the requirements for the study and change the submittal date for the legislative report from December 1, 2023 to July 1, 2023.

Section 405 would require Ecology, with Office of the Attorney General (AGO) consultation, to research and adopt model ordinances by January 1, 2025, for commercial solid waste collection, which could be used by local governments.

Section 701 would increase the minimum population criteria from greater than 10,000 to 25,000 for cities and counties that would be required to prepare compost procurement ordinances and report to Ecology beginning in calendar year 2024.

The changes to sections 104 and 405 would change the fiscal impact to Ecology. In addition, Ecology revised assumptions for section 103 to refine workloads and timing for evaluation of priority siting areas and volumetric capacity analysis for organic materials management facilities.

Under current law, chapter 70A.205 RCW, solid waste management in Washington State is based on partnerships between Ecology, local governments, and private industry. Local governments are responsible for ensuring services and facilities safely manage waste. The private sector provides waste and recycling services, and owns and operates many of the waste handling, recycling, and disposal facilities. Ecology provides regulations, permit approval, and technical assistance for safe waste handling to ensure contaminants do not reach the environment through groundwater, surface water, or discharges to the air. Ecology also provides planning guidance and approval and financial assistance for organic management programs, in addition to technical assistance on food waste reduction and other organic management strategies.

Under current law, RCW 70A.205.040 requires local jurisdictions to establish and routinely update solid waste management plans. Plan updates are required every five years. Ecology provides technical assistance for plan development, and reviews all plans and updates for compliance with the requirements set under statute. Also under current law, Chapter 43.19A RCW – Recycled Product Procurement – local governments and state agencies are required to consider utilizing composted products that meet quality standards established by Ecology in Washington Administrative Code (WAC) 173-350-220.

Also under current law, RCW 70A.205.715 sets statewide food waste reduction goals and required Ecology to adopt a food waste reduction plan, determine baseline food waste data, and annually measure progress toward statewide food waste reduction goals. In collaboration with the Departments of Agriculture (Agriculture) and Health (DOH), Ecology adopted the Use Food Well Washington Plan and prepared a draft report to the Legislature.

Also under current law, Chapter 70A.455 RCW specifies labeling requirements for compostable plastics and precludes the use of certain labeling and tinting for non-compostable materials. Per this chapter, the Office of the Attorney General (AGO), cities, and counties have enforcement authority for these requirements; Ecology does not have enforcement

authority under current law.

This bill would amend Chapter 70A.205 RCW to set goals and requirements to reduce the disposal of organic waste in landfills and set requirements for organics management by businesses. It would ensure that solid waste management plan requirements under RCW 70A.205.040 incorporate goals to reduce organic solid waste and food waste in landfills. It would also amend Chapter 43.19A RCW to encourage procurement of locally produced compost products, in alignment with standards set under WAC 173-350-220, and it would implement a recommendation in the draft legislative report required under RCW 70A.205.715 by establishing the WCSFM within Ecology. This bill would also amend Chapter 70A.455 RCW regarding requirements for labeling of compostable materials to expand labeling requirements and restrictions, and transfer enforcement authority from the AGO to Ecology.

Section 101 would require the state to set a goal to reduce organics disposal in landfills by 75 percent by 2030, relative to 2015 levels, and to set a goal that no less than 20 percent of the volume of edible food that was disposed of as of 2015 be recovered for human consumption by 2025.

Section 102 would amend Chapter 70A.205 RCW to require each jurisdiction implementing a local solid waste plan, or beginning to implement a plan after July 1, 2022, to provide organics collection services and management every other week to all residents and non-residential customers that generate more than a quarter of a cubic yard of organic materials on a weekly basis, beginning January 1, 2027.

- These requirements would not apply if Ecology were to determine the jurisdiction has a population of fewer than 25,000 people, or the jurisdiction disposed of less than 5,000 tons of solid waste in the most recent year of data.
- The requirements would not apply in census tracts that have a population density of less than 75 people per square mile that are serviced by the jurisdiction and in unincorporated portions of a county, as determined by Ecology, in counties not planning per Growth Management requirements in Chapter 36.70A RCW. The requirements would also not apply outside of urban growth areas in unincorporated portions of counties planning under the Growth Management statute.
- Ecology would be authorized to issue renewable waivers to jurisdictions, or portions of jurisdictions, for up to five years, based on certain factors like the distance to organic materials management facilities. Ecology would be authorized to adopt rules for the waiver application and adopt rules to reverse the exemptions specified in this section, if Ecology determined that the goals in section 101 would not be achieved.

Section 103 would amend RCW 70A.205.040 to require new solid waste management plans, and updates and amendments to existing plans after July 1, 2024, to address the requirements of section 102; counties would be required to identify priority locations for siting organic management facilities meeting the section's specified criteria, and organic materials management facility volumetric capacity required for the jurisdiction to meet the goals established in section 101.

Section 104 would require Ecology to work with specified stakeholders to scope and review a study prepared by a third party consultant, which would address adequacy of local government solid waste management funding, and recommend funding mechanisms to support solid waste management programs in the future if significant statewide policy changes were to be enacted. Ecology would submit a report of the study findings and recommendations to the Legislature by July 1, 2023.

Section 201 would require Ecology to determine which local governments would be required to provide organics collection service to businesses, which would be enforced by Jurisdictional Health Departments (JHDs). Ecology would make this determination annually, beginning July 1, 2023, and would post determinations on its website.

Section 402 would establish the WCSFM in Ecology, to begin operations by January 1, 2024. The purpose of the WCSFM would be to help coordinate statewide food waste reduction. This section describes the primary tasks authorized for the WCSFM. Ecology would be authorized to enter into an interagency agreement with other agencies to carry out the responsibilities of the center.

Section 403 would authorize Ecology to establish a voluntary data collection system to track food donations, which would need to be compatible with data from Agriculture under the food assistance program (RCW 43.23.290) to minimize

reporting burdens and requirements for donors and recipients.

Section 404 would require Agriculture to coordinate with Ecology to ensure that the information and referral service for persons and organizations participating in food donation programs under RCW 69.80.040 is implemented in a manner consistent with the activities of sections 402 and 403.

Section 405 would require Ecology, with AGO consultation, to research and adopt model ordinances by January 1, 2025, for commercial solid waste collection, which could be used by local governments.

Section 406 would exempt the model ordinances developed in section 405 from requirements under the State Environmental Policy Act (SEPA, Chapter 43.21C RCW).

Sections 601, 602, and 603 would require, after January 1, 2025, newly developed, updated, or amended growth management plans to allow for siting of organic materials management facilities in appropriate areas described in section 103 (RCW 70A.205.040), to provide for local management capacity. Ecology assumes required updates in these sections would be based on solid waste management plan updates made for section 103, that counties would coordinate with cities that maintain independent solid waste management plans regarding organic materials facility siting decisions, and that Ecology would not need to provide additional technical assistance for the growth management plan updates.

Section 701 would require cities or counties with populations greater than 25,000 to adopt a compost procurement ordinance, and submit a report to Ecology by December 31, 2024, and every other year thereafter, covering the previous year's compost procurement activities, the total tons of organic material diverted, the volume and cost of compost purchased, and the source(s) of the compost.

Local governments would be required to prioritize purchase of compost products meeting quality standards comparable to standards adopted by Ecology in rule. Ecology has adopted the standards referenced in this section in WAC 173-350-220 under current law. This section would not require further rulemaking.

Section 801 would authorize Ecology to enforce the provisions of Chapter 70A.455 RCW, which would provide for civil penalties.

Sections 804 through 806 would modify criteria for marking plastic bags, films, and food containers as compostable and discourage sale or distribution of plastics with such markings if they are not compostable.

Section 807 would authorize Ecology to request product information from manufacturers of products labeled as compostable or biodegradable.

Section 808 would remove AGO authority and add Ecology's authority to enforce the provisions of Chapter 70A.455 RCW, and would require that enforcement be complaint-based. Ecology would be required to establish and maintain a forum for filing complaints and collaborate with local governments to provide education and outreach to inform retail establishments, customers, and suppliers about the requirements of Chapter 70A.455 RCW.

Section 810 would authorize Ecology to adopt rules as needed to implement, administer, or enforce Chapter 70A.455 RCW, and require producers of compostable products, including bags, film products, and food service products, to submit a declaration of compliance to Ecology by January 1, 2024, or prior to the introduction of a new type of compostable product into Washington or the introduction of a compostable product with a materially changed method of compliance with compost labeling requirements. Enforcement on product degradability labeling claims would begin by July 1, 2024.

Section 903 would repeal RCW 70A.455.110, which would abolish the Compostable Products Revolving Account, administered by the AGO.

Section 905 would render the act null and void if specific funding for the purposes of the act is not provided by June 30, 2022, in the omnibus appropriations act.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

No cash receipts are estimated for the penalty provisions under section 801.

Section 801 would authorize Ecology to enforce the provisions of Chapter 70A.455 RCW, which would provide for civil penalties. Enforcement actions would be based on public complaints filed through the forum established by Ecology under this section, and focus on actions to encourage compliance. Enforcement actions and penalties are assumed to be limited, but unknown, and therefore are not estimated in this fiscal note.

Section 902 would repeal RCW 70A.455.110, which establishes the Compostable Products Revolving Account, to which penalties under Chapter 70A.455 RCW are deposited under current law. Section 902 would direct any penalty receipts to the state general fund.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

The expenditure impact to Ecology under this bill is estimated to be greater than \$50,000 in Fiscal Year (FY) 2023 and ongoing to implement the requirements of sections 102, 103, 104, 201, 402, 403, 405, 701, 808 and 810.

Ecology would have partially indeterminate fiscal impacts for solid waste and permitting and assistance (sections 103, 601, 602, 603), cost benefit analysis of policy recommendations for the WCSFM (section 402), and voluntary reporting system (section 403), beginning in the 2023-25 biennium.

Expenditures described below are estimated in the Model Toxics Control Operating Account (MTCA – Operating). MTCA-Operating currently supports the state’s responsibility for solid waste management, regulation, enforcement, technical assistance, and public education under Chapter 70A.205 RCW.

ORGANICS MANAGEMENT (Sections 102, 103, 104, 201, 405, 601, 602, and 603)

Organics Collection Services Waivers & Exemptions (Section 102)

Section 102 would require each jurisdiction implementing a local solid waste plan, or beginning to implement a plan after July 1, 2022, to provide organics collection services and management every other week to all residents and non-residential customers that generate more than a quarter of a cubic yard of organic materials a week, beginning January 1, 2027.

Ecology would make determinations whether jurisdictions are exempted from this requirement, based population and population density and unincorporated status, and solid waste production relative to the criteria defined in the section.

Under current law, RCW 70A.250.240 solid waste collectors are required to report annually to Ecology the types and quantities of solid waste collected, and where it is delivered, and Ecology adopts reporting guidelines and keeps proprietary information confidential. Ecology’s other data source on solid waste in the state is the Waste Characterization Study, which is prepared through a contractor every five years. This study does not provide solid waste data at the jurisdiction level. Ecology does not have authority under current law to request data on solid waste tonnage from local jurisdictions. Based on available data, Ecology assumes that most jurisdictions with a solid waste management plan would exceed the exemption

threshold of 5,000 tons of solid waste production annually. If Ecology were to review the data on solid waste tonnage for each jurisdiction for purposes of determining exemptions, this would require a data audit contract, because Ecology does not have explicit authority to require this information from the jurisdictions. Ecology assumes that exemptions would benefit jurisdictions, and those meeting the criteria would submit the data required for an exemption determination to the regional Solid Waste plan reviewer. The plan reviewer would review submitted data to verify determination of exemption. Based on this assumption, Ecology assumes no substantial costs for determination of exemptions to the requirements under this section, as they would relate to solid waste production thresholds.

Ecology would review population and GIS data available at no cost from the U.S. Census Bureau and the Office of Financial Management to support determinations on an annual basis, beginning in FY 2026 for the January 1, 2027, commencement date for compliance requirements. This would require 0.05 FTE Environmental Specialist 5 (ES-5) each year in FY 2026 and ongoing to collect and analyze data, prepare determinations for each of the jurisdictions, and summarize and post determinations.

Section 102 would increase local solid waste planning requirements, driving increased need for technical assistance. Ecology regional staff would assist local governments in meeting compliance requirements and ensuring that routine plan updates incorporate the requirements of section 102. Ecology assumes 16 hours a week (4 hours per week of workload in each of the four regions) of an Environmental Specialist 4 (ES-4) would be required for outreach, technical assistance and tracking of exemptions, and processing waivers. This would require 0.40 FTE ES-4 each year in FY 2026 and ongoing.

Ecology would need to develop a web-based platform for waiver applications, and modify solid waste planning databases to track compliance, waivers, and exemptions under this section. This would require 0.20 FTE IT Application Development - Journey (ITAP-JOURNEY) in FY 2025 and 0.10 FTE in FY 2026 for web form design and development and database updates, and 0.05 FTE in FY 2027 and ongoing each fiscal year thereafter to maintain the web form and database.

Rulemaking for Waivers (Section 102)

Ecology would be authorized to issue renewable waivers to jurisdictions, or portions of jurisdictions, for up to five years, based on certain factors like the distance to organic materials management facilities. Ecology would be authorized to adopt rules specifying waiver application requirements, and to adopt rules to reverse the exemptions specified in this section, if Ecology determined that the goals in section 101 would not be achieved.

Ecology assumes that a rule would be needed to specify criteria and process for waivers and anticipates strong public interest. Because this would be a new rule, and to provide sufficient opportunity for stakeholder input, Ecology assumes a two-year rulemaking, beginning July 1, 2024, with rule adoption planned for June 30, 2026, to provide sufficient time for jurisdictions to submit waiver applications prior to January 1, 2027.

The following would be required:

A rule coordinator to oversee the rulemaking process to comply with the Administrative Procedures Act; oversee the rule development and communication plan; review and file the CR-101; oversee public meetings process; file the CR-102 and oversee coordination of public hearings with webinar access; coordinate economic impact analysis; work with technical staff to finalize rule language; and file the CR-103 for adoption. This would require 0.08 FTE Environmental Planner 5 (EP-5) each year in FY 2025 and FY 2026.

A rulemaking lead and primary subject matter expert would oversee rule timeline management, prepare rulemaking documentation including CR 101, 102 and 103, lead rule development, work with economist to develop economic impact analysis, manage stakeholder engagement including public meetings and hearings, incorporate waiver criteria and application process requirements, and conduct other tasks as necessary. This would require as follows: 0.65 FTE Environmental Planner 4 (EP-4) each year in FY 2025 and FY 2026.

A subject matter expert would advise on waiver criteria based on goals established in section 101 and exemptions outlined in section 102. This would require 0.40 FTE ES-5 each year in FY 2025 and FY 2026.

Based on anticipated public interest, communications and outreach support is included to ensure robust public engagement in the rulemaking process. An outreach coordinator would organize public meetings, prepare informational materials, and respond to stakeholder questions throughout the rulemaking process. This would require a Community Outreach & Environmental Education Specialist 3 (COEES-3), 0.1 FTE each year in FY 2025 and FY 2026.

The following positions would complete an economic and regulatory analysis of the rule and subsequent updates as required by law: Economic Analyst 3 (EA-3) 0.25 FTE in FY 2026, and Regulatory Analyst 2 (RA-2) 0.1 FTE in FY 2026.

Three public meetings would be held in FY 2025, and three public hearings would be held in FY 2026. Cost estimates include facility rental costs, estimated at \$1,000 per meeting for a total of \$3,000 each year in FY 2025 and FY 2026 in Object E.

Our Assistant Attorney General (AAG) has estimated that the following staff time AGO would be needed to provide legal support for rulemaking: 0.05 FTE AAG each year in FY 2025 and FY 2026, for a total of \$12,000 each year in FY 2025 and FY 2026.

In addition to the rule for waiver applications, Ecology would be authorized in section 102 to adopt rules to reverse the exemptions specified in this section, if the goals in section 101 were in jeopardy of not being achieved. Ecology assumes for purposes of this fiscal note that the goals of section 101 would be achieved, and this rulemaking would not be needed. In the event that Ecology were to determine that this rulemaking would be needed to support achievement of the goals, a budget request would be submitted for necessary rulemaking resources.

Planning for Organics Management Facilities (Sections 103, 601, 602, and 603)

Section 103 would amend RCW 70A.205.040 to require new solid waste management plans, and updates and amendments to existing plans after July 1, 2024, to address the requirements of section 102 and identify priority locations for siting organic management facilities meeting the section's specified criteria, and organic materials management facility volumetric capacity required for the jurisdiction to meet the goals established in section 101.

Section 103 (3) would require solid waste management plans to incorporate the following when updated :

- i) Priority areas within a jurisdiction for establishment of organic materials management facilities; areas must be in industrial zones, agricultural zones, or rural zones and not located in overburdened communities identified by Ecology under RCW 70A.65.020.
- ii) Organic materials management facility volumetric capacity required to manage the jurisdiction's organic materials in a manner consistent with the goals of section 101, which are as follows :
 - a. A 75% reduction of landfill disposal of organic materials in landfills, relative to 2015 levels, by 2030.
 - b. At least 20% of the volume of edible food disposed as of 2015 is recovered for human consumption by 2025.

We assume the required planning components specified in section 103 would be incorporated in plans during currently scheduled updates, and that we would not require additional plan changes outside of the current five-year plan review schedule. While local governments could opt to make the updates specified in section 103 prior to July 1, 2024, during scheduled plan updates, Ecology assumes that they would only make the changes as required under law at the time of the plan update. Local governments may seek to formally revise their solid waste management plans sooner, if they have a scheduled comprehensive plan update prior to their scheduled solid waste management plan update, and need to meet the requirements of sections 601, 602, or 603. Ecology currently has 43 active plans scheduled on a five-year review cycle. When plan updates are timely, this would result in an average of nine plans reviewed each year. Actual plan review schedules vary, and the time commitment for each plan review varies for each jurisdiction, as plans vary in complexity.

Based on the assumption that the comprehensive planning requirements in sections 601 through 603 may accelerate plan review needs, Ecology assumes a heavier plan review workload in the first four years as jurisdictions meet the requirements of these sections.

Indeterminate Cost Assumptions: The updates in Section 103, 601, 602, and 603 would support a goal to reduce organics disposal in landfills by 75 percent by 2030 by expanding the number of organic materials management facilities and possibly expanding capacity at existing facilities. As the number of organic materials management facilities grow and /or existing capacity is expanded, Ecology would expand workload related to Solid Waste Management facility technical assistance and regulatory requirements. Expansion of organic materials management facilities and /or capacity would also expand Air Quality permitting workload for Notice of Construction (NOC), New Source Review (NSR), Source Registration, and potentially Air Operating Permits (AOP). Because capacity and site planning would be determined through new and updated plans, the number of new or expanded organic materials management facilities, and workload impacts for solid waste and air quality permitting and assistance, is indeterminate at this time.

Evaluation of Priority Areas for Organic Materials Management Facilities

For purposes of this fiscal note, Ecology assumes the boundaries of the overburdened communities identified pursuant to RCW 70A.65.020 would be readily available from the Air Quality Program and shared with solid waste management planning staff to support evaluation of organic waste management facility priority siting areas. The basis for identifying overburdened communities under RCW 70A.65.020 is air pollutants, and we assume that we would not modify these criteria to support the considerations of section 103.

We also assume that local governments would provide copies of zoning maps to evaluate locations to ensure that they are located in the appropriate zones under the bill

Ecology assumes staff time would be required to review siting locations to ensure that they are not located in overburdened communities identified per RCW 70A.65.020, and confirm the appropriate zoning designations for priority siting areas. Ecology estimates 0.07 FTE ES-4 each year beginning FY 2025 and ongoing, for review of priority siting areas for organic materials management facilities.

Volumetric Capacity Analysis

We assume volumetric capacity targets would be focused only on goal (a) above regarding reduction of landfill disposal of organic materials. Goal (b) regarding food waste reduction and recovery would be addressed in other sections of this bill.

Under current law, RCW 70A.250.240, solid waste collectors are required to report annually to Ecology the types and quantities of solid waste collected and where it is delivered, and Ecology adopts reporting guidelines and keeps proprietary information confidential.

In order to review volumetric capacity determinations, Ecology would need baseline data for 2015 organic material quantities in landfills, and annual current data on organic materials disposal in landfills at the jurisdiction level.

Using the data from annual reporting, a Data Specialist would prepare baseline data and current annual data in FY 2024, and provide current annual data each year, beginning in FY 2025 and ongoing. Ecology estimates 0.03 FTE ES-5 in FY 2024, and 0.01 FTE ES-5 in FY 2025 and ongoing to prepare baseline data and current annual datasets.

Ecology assumes regional planners would analyze baseline data, develop methods for evaluating volumetric capacity determinations, and provide technical assistance to local governments as needed. Based on the assumptions above regarding plan timing, we assume additional technical assistance would be needed for the first four years of plan updates.

We estimate 0.2 FTE ES-4 each year in FY 2025 through 2028 to perform initial analysis and provide technical assistance and volumetric capacity review, and reducing to 0.1 FTE ES-4 in FY 2029 and ongoing.

During plan review, planning staff may consult with facilities staff to support evaluation of the volumetric capacity determinations. Local jurisdictions may use a variety of approaches to support the goals in section 101, including adoption of ordinances to incentivize reduction of organic material waste in landfills, and outreach and education to support community composting programs. Because other activities and initiatives at the local level, in addition to growth in organic materials management capacity, would support achievement of the goals in section 101, Ecology assumes that local jurisdictions would have the best information and context to determine the levels of organic materials management needed to support the goals. Facilities staff would consider volumetric capacity for zoning decisions, as part of normal plan review. Ecology assumes no increase in workload related to evaluation of volumetric capacity determinations as they relate to the goals in section 101.

Local Government Solid Waste Management Needs (Section 104)

Section 104 would require Ecology to work with specified stakeholders to scope and review a study prepared by a third party consultant, which would address adequacy of local government solid waste management funding, and recommend funding mechanisms to support solid waste management programs in the future, if significant statewide policy changes were to be enacted. Ecology would submit a report of the study findings and recommendations to the Legislature by July 1, 2023.

In 2017, Ecology contracted with a third-party consultant to conduct a finance study that covered some of the elements of this study. Ecology assumes the study in this bill would be more complex and broader in scope, because it would require significant additional research into multiple policies and a range of potential fiscal impacts on local government funding. Ecology would be required to work with Washington Association of County Solid Waste Managers (WACSWM), the Association of Washington Cities (AWC), and other stakeholders to develop the contract scope for the study.. Ecology would assemble a stakeholder team with which we would coordinate through the duration of this project. We would work with the stakeholder team to hire a third-party consultant by August 2022. The consultant would prepare the study and legislative report, and the stakeholder team would review the report and study findings and recommendations prior to submittal to the legislature.

Based on experience from the 2017 finance study and 2020 plastic packaging study, Ecology estimates 0.45 FTE EP-5 and 0.15 FTE EP-4 in in FY 2023 would be required to coordinate with the stakeholder team, administer the contracting process, review and finalize the legislative report based on the study's findings and recommendations, and submit the report the legislature by July 1, 2023. The estimated contract cost for the third party consultant is \$300,000 in FY 2023.

Business Organics Management (Section 201)

Section 201 would require Ecology to determine which counties and cities preparing independent solid waste management plans provide for business organic waste collection and management services and have available capacity to increase organic waste management volumes. Ecology would also determine exemptions to the requirements of section 201 if organic waste collection services are not available, organic waste management capacity is not sufficient for cities and counties. The requirements of section 201 would be enforced by Jurisdictional Health Departments (JHDs). Ecology would make this determination annually, beginning July 1, 2023, and would post determinations on its website.

Ecology assumes authority would be provided in this section to request the information required in section 201 (1) (a). Similar to the assumption for section 102, Ecology assumes cities and counties meeting exemption criteria in 201 (1) (b) would submit information to Ecology to support exemption determinations. Ecology assumes 0.1 FTE ES-4 per region would be required to collect initial data and establish a structure for tracking criteria for determinations, decreasing to 0.05 FTE per region in subsequent years for updates. Based on four regions, Ecology estimates a total of 0.4 FTE ES-4 in FY 2023

and 0.2 FTE ES-4 in FY 2024 and ongoing would be needed statewide to prepare determinations for section 201. In addition to 0.02 FTE Communications Consultant 3 (CC-3) would be needed in FY 2023, and 0.01 FTE in FY 2024 and ongoing to review the determinations and post them to Ecology's public website.

Model Ordinances (Section 405)

Section 405 would require the WCSFM, with AGO consultation, to research and adopt several model ordinances providing for model mechanisms for commercial solid waste collection that encourage reduction of organic waste, and discourage disposal of organic materials in landfills. The ordinances would be available for optional use by local governments. Adoption of the ordinances would be required by January 1, 2025.

Ecology has already conducted research on potential model ordinances. Proposed ordinances would be developed with work groups consisting of representatives from local governments throughout the state and refined through stakeholder workshop feedback, in consultation with the AGO. Ecology assumes that the workgroups established, coordinated, and supported by the WCSFM staff (EP-5 and AA-3 described above) would review model ordinances. Assuming six months would be needed for the EP-5 estimated in section 402 to establish the workgroups, we assume that the review process would begin January 1, 2023, with adoption planned by December 31, 2024.

0.05 FTE ES-5 in FY 2023, 0.1 FTE in 2024, and 0.05 FTE in FY 2025 would provide project planning and oversight, coordinate workgroup communication with the WCSFM EP-5, and consult with the AAG for ordinance requirements and adoption procedures.

0.05 FTE ES-4 in FY 2023, 0.1 FTE in 2024, and 0.05 FTE in FY 2025 would develop draft ordinances for review, facilitate workgroup discussions, and prepare final model ordinances for adoption.

Ecology assumes one meeting in FY 2023, three meetings in FY 2024, and one meeting in FY 2025. Facility costs are estimated to be \$1,000 per meeting. Total estimated meeting facility costs are \$1,000 in FY 2023, \$3,000 in FY 2024, and \$1,000 in FY 2025, in Object E.

Our AAG has estimated that the following staff time in the AGO would be needed to provide guidance and consultation for the model ordinances: 0.05 AAG FTE in FY 2023, 0.10 AAG FTE in FY 2024, and 0.05 AAG FTE in FY 2025, for a total of \$12,000 in FY 2023, \$24,000 in FY 2024, and \$12,000 in FY 2025, in Object E.

WASHINGTON CENTER FOR SUSTAINABLE FOOD MANAGEMENT - WCSFM (sections 402, 403, and 404)

Establishment of WCSFM and Duties (Section 402)

Section 402 would establish the Washington Center for Sustainable Food Management (WCSFM) in the Department of Ecology, to begin operations by January 1, 2024; this section describes the primary tasks that would be authorized of the WCSFM.

In 2019, the Washington Legislature passed ESHB 1114, which is now codified as RCW 70A.205.715. The act required ecology to publish a food waste management plan, for which Ecology published the Use Food Well Washington food waste reduction plan and incorporated recommendations from this plan in the draft legislative report. One of the plan's recommendations is to establish the WCSFM to fulfill the tasks outlined in section 402.

For purposes of the fiscal note, Ecology assumes that WCSFM staffing needs would be similar to those of the Recycling Development Center, established in Chapter 70A.240 RCW; staffing and financial resource needs to implement section 402

are described below.

1.0 FTE of an EP-5 each year, beginning FY 2023 and ongoing, would direct the operations and activities of the WCSFM. This position would perform the following tasks: coordinate implementation of the plan ; collaborate with key stakeholders and create workgroups as needed to fulfill plan objectives and the tasks outlined in this section; support, facilitate and coordinate public-private and nonprofit partnerships and workgroups focused on food waste reduction; research and develop emerging organics management and food waste reduction markets; and make recommendations on state policies and grant funding programs dedicated to food waste prevention, rescue, and recovery.

1.0 FTE of an EP-4 each year, beginning FY 2023 and ongoing, would serve as the lead for grants and contracts management and support planning for WCSFM activities, grants, contracts, and any other resources needed to fulfill the tasks listed in section 403 (3). This position would work with stakeholders and workgroups to identify funding needs to support local government, nonprofits, and private businesses in supporting food waste prevention, rescue, and recovery. Based on collaborative research, this position would identify and propose grant-funding opportunities, prepare budget requests for appropriate authority when funding opportunities have been developed, including state and federal grants, and manage all contracts and interagency agreements for the WCSFM.

1.0 FTE of an ES-4 each year, beginning FY 2023 and ongoing, would be needed to serve as the financial manager for all agreements, in addition to managing less complex grants and contracts. This position would work closely with the EP-4 to assist with initial research into grant opportunities and support development of funding proposals as needed.

0.5 FTE of an Administrative Assistant 3 (AA-3) each year, beginning FY 2023 and ongoing, would be needed to provide administrative support for the WCSFM, such as coordinating and preparing materials for meetings, taking notes, making travel and meeting arrangements, and distributing materials for workgroup meetings.

In order to prioritize the goals and tasks in section 402, the WCSFM would need to gather information on the current status of food waste in Washington and its primary drivers in order to set benchmarks and formulate specific strategies for addressing each of the tasks of the center. Based on experience with data and study needs for implementing the Recycling Development Center, we estimate contracted studies and research, starting at \$400,000 per year in the first four years (FY 2023, FY 2024, FY 2025, and FY 2026) to establish baselines and collect necessary data for foundational planning, reducing to \$200,000 per year ongoing, starting in FY 2027. This funding could include interagency agreements (IAAs) with Agriculture, DOH, and/or other state agencies as needed to collect data and collaborate on common goals.

Indeterminate cost Assumptions: The WCSFM could potentially propose market-affecting policies to foster food waste prevention, rescue, and recovery. Policy recommendations could begin in FY 2024 after the work of the WCSFM is established. Policy recommendations may require cost benefit analyses. Because the potential for market-affecting policies and their nature is not known at this time, cost impacts related to cost benefit analysis requiring EA-3 and RA-2 time cannot be estimated.

When Ecology developed the food waste reduction plan and legislative report, we collected workgroup feedback on barriers to achieving food waste prevention, rescue, and recovery goals. The largest barrier was lack of funding. Grants to local governments, non-profits, and businesses engaging in food waste reduction efforts would be a key component in meeting the goals in section 402. The initial research and studies estimated above would inform grant opportunity types and appropriate funding levels. Ecology would formulate a grant plan in FY 2023 and request state and /or federal funding authority during the next budget cycle to support food waste reduction, rescue, and recovery grants.

Voluntary Food Donation Tracking (Sections 403 and 404)

Section 403 would authorize Ecology to establish a voluntary data collection system to track food donations, which would need to be compatible with data reported to Agriculture under the food assistance program (RCW 43.23.290) to minimize

reporting burdens and requirements for donors and recipients.

Section 404 would require Agriculture to coordinate with Ecology to ensure that the information and referral service for persons and organizations participating in food donation programs under RCW 69.80.040 is implemented in a manner consistent with the activities of sections 402 and 403.

Ecology would coordinate with Agriculture to discuss how the data reported to Agriculture under RCW 43.23.290 and RCW 69.80.040 could support the goals for the WCSFM in section 402 and 403. If data could be shared without confidential information, Ecology would engage in a data sharing agreement with Agriculture to request the pertinent information on a routine basis. Consultation with agriculture and creation of a data sharing agreement would require 0.05 FTE Environmental Specialist 4 in FY 2023. Assuming a data sharing agreement and quarterly data transmittals from Agriculture, we estimate 0.03 FTE Environmental Specialist 4 each year in FY 2024 and ongoing for coordination with our Agriculture data contacts, and data analysis and summarization for the WCSFM.

If, during consultation, the agencies were to determine that the data already collected by Agriculture would be insufficient to support WCSFM goals, Ecology would examine other options for securing the data, including the voluntary reporting system authorized in section 403. Because the need for the voluntary reporting system is indeterminate at this time, Ecology assumes no costs for system development. In the event the system were needed, Ecology would coordinate with Agriculture on a budget request for the staffing and other resources needed to plan the data needed and agency staffing needed to meet the requirements of sections 403 and 404, which would include researching public interest and needs for a voluntary reporting tool, developing a web-based platform and database, and providing outreach and technical assistance to promote and support use of the system.

COMPOST PROCUREMENT REPORTING (Section 701)

Section 701 would require cities and counties with populations greater than 25,000 to adopt a compost procurement ordinance, and submit a report to the WCSFM Ecology by December 31, 2024, and every other year thereafter, covering the previous year's compost procurement activities, the total tons of organic material diverted, the volume and cost of compost purchased, and the source(s) of the compost.

Ecology staff with compost regulations subject matter expertise would provide advance outreach to inform local governments of the reporting requirements, coordinate with local governments in the development of the reporting template and data needs, and coordinate with IT application development staff to guide the development of the reporting platform. Once the report template is available, Ecology would provide technical assistance to support compliance with the reporting requirements. This would require 0.1 FTE ES-5 in FY 2024, 0.04 FTE in FY 2025, and 0.02 FTE in FY 2027 and ongoing every other fiscal year thereafter.

Based on experience with compost and biosolids reporting platforms, we assume that we would develop a web-based platform through which local governments could submit compost procurement reports, beginning fall of 2024. Ecology estimates 0.2 FTE ITAP-JOURNEY each year in FY 2024 and FY 2025 for business analysis, web form design and development, and database development, and 0.1 FTE in FY 2026 and ongoing each fiscal year thereafter to maintain the web form and database.

LABELING REQUIREMENTS FOR DEGRADABLE PLASTICS AND COMPOSTABLE PRODUCTS (Sections 804 through 810)

Under current law, Ecology does not have enforcement authority for Chapter 70A.455 RCW; nor does Ecology have responsibility under current law to inform the public about the provisions and requirements of this chapter.

The proposed bill would require Ecology to provide outreach and technical assistance related to Chapter 70A.455 RCW, and the provisions proposed in the bill, and would authorize Ecology to enforce the provisions of the chapter.

Sections 804 through 806 modify criteria for marking plastic film bags, and food containers as compostable and discourages the sale or distribution of plastics with such markings if they are not compostable.

Section 808 would authorize Ecology to enforce the provisions of Chapter 70A.455 RCW, and would require that enforcement be complaint-based. Ecology would be required to establish and maintain a forum for filing complaints and collaborate with local governments to provide education and outreach to inform retail establishments, customers, and suppliers about the requirements of Chapter 70A.455 RCW.

Section 810 would require producers of compostable products, including bags, film products, and food service products, to submit a declaration of compliance with the standards of this chapter to Ecology by January 1, 2024, or prior to the introduction of a new type of compostable product into Washington or the introduction of a compostable product with a materially changed method of compliance with compost labeling requirements. Ecology would be required to begin enforcement on product degradability labeling claims by July 1, 2024.

Education, Outreach and Technical Assistance (Sections 808 and 810)

Section 808 would require Ecology, in collaboration with local jurisdictions, to provide education and outreach activities to inform retail establishments, consumers, and suppliers about the requirements of Chapter 70A.455 RCW. The requirements of Chapter 70A.455 under current law impact a variety of retailers and suppliers, and this bill would add new impacts and new stakeholders. We would anticipate strong consumer interest in the provisions of the chapter under current law, and the changes in this bill.

Based on the broad public impact and reach of Chapter 70A.455 RCW and the regulatory impacts in sections 804, 805, 806, and 810, Ecology assumes extensive outreach would be needed. The estimated outreach resources below are based on Ecology's experience implementing the plastic bag ban (Chapter 70A.530 RCW).

0.40 FTE COEES-3 in FY 2023 would collaborate with local jurisdictions, gain information on their current practices and experiences with the chapter, and collaboratively develop education and outreach materials and materials for the website.

0.1 FTE Communications Consultant 5 (CC-5) in FY 2023 would prepare social media updates, news releases, and public messaging on the requirements of the chapter.

0.20 FTE CC-3 would be required in FY 2023 to develop a website with information about the requirements of RCW 70A.455 RCW.

0.5 FTE of an ES-4 in FY 2023, and 0.25 FTE in FY 2024 and ongoing would provide technical support for the development of outreach materials and would provide technical assistance upon request for section 810 and other parts of the chapter as needed.

Complaint Forum, Producer Declarations, and Enforcement (Sections 807, 808, and 810)

Section 807 would authorize Ecology to request product information from manufacturers of products labeled as compostable or biodegradable. Ecology assumes this authority would support investigation of complaints received.

Section 808 would authorize Ecology to enforce the provisions of Chapter 70A.455 RCW, and would require that

enforcement be complaint-based. Ecology would be required to establish and maintain a forum for filing complaints.

Section 810 would require producers of compostable products, including bags, film products, and food service products, to submit a declaration of compliance to Ecology by January 1, 2024, or prior to the introduction of a new type of compostable product into Washington or the introduction of a compostable product with a materially changed method of compliance with compost labeling requirements.

Ecology assumes the complaint forum would be publicly available and complaints filed through the forum would be shared with local jurisdictions for purposes of carrying out education and outreach to retail establishments.

Ecology would need to develop a web-based complaint forum to notify Ecology and local jurisdictions of violations related to Chapter 70A.455 RCW. Based on prior experience in establishing a similar resource for the plastic bags ban (RCW 70A.530.040), we estimate 0.5 FTE ITAP-JOURNEY in FY 2023 and 0.3 FTE in FY 2024 for business analysis, web form design and development, and database development, and 0.2 FTE in FY 2025 and ongoing each fiscal year thereafter to maintain the web form and database.

Based on experience with compost and biosolids reporting requirements, we would provide a web-based platform for producers of compostable products to submit a declaration of compliance with the requirements of Chapter 70A.455 RCW, beginning January 1, 2024. This would require 0.2 FTE ITAP-JOURNEY each year in FY 2023 and FY 2024 for business analysis, web form design and development, and database development, and 0.1 FTE in FY 2025 and ongoing each fiscal year thereafter to maintain the web form and database.

0.25 FTE of an ES-4 in FY 2023 and ongoing would support the creation of the complaint forum and web-form for compliance declarations, research complaints, collect information from manufacturers as needed, provide technical assistance to support compliance, and follow up as needed with enforcement actions.

Section 810 would authorize Ecology to adopt rules as needed to implement, administer, or enforce this chapter, and enforcement would be required to begin by July 1, 2024. Upon consultation with AGO, Ecology assumes rulemaking would not be required to implement, administer, or enforce this chapter, because it provides explicit enforcement authority and specific compliance requirements. Because rulemaking is not required, Ecology assumes no rulemaking or associated resources would be needed.

Our Assistant Attorney General (AAG) estimates that the change in Section 808 would not modify workload for AGO. AGO has enforcement authority under current law, which would be removed under section 808, but AGO would provide consultation for any of Ecology's needed enforcement actions.

SUMMARY: See attached Expenditure Overview Table for a summary of costs by section.

THE TOTAL EXPENDITURE IMPACT to Ecology under this bill is estimated to be :

FY 2023: \$1,763,899 and 8.42 FTEs

FY 2024: \$1,284,772 and 6.87 FTEs

FY 2025: \$1,457,176 and 8.15 FTEs

FY 2026: \$1,502,166 and 8.68 FTEs

FY 2027: \$1,040,483 and 6.83 FTEs

Notes on costs by object:

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 36.5% of salaries.

Professional Services includes a third party consultant contract for a study and report for \$300,000 in FY 2023, and estimated research and data contracts to support WCSFM strategic planning, estimated for \$400,000 each year in FY 2023, FY 2024, FY 2025, and FY 2026, and \$200,000 in FY 2027 and ongoing.

Goods and Services are the agency average of \$4,834 per direct program FTE, In addition to the standard costs, rulemaking and stakeholder meeting facility costs are estimated to be \$1,000 in FY 2023, \$3,000 in FY 2024, \$4,000 in FY 2025, and \$3,000 in FY 2026, and Attorney General support costs are estimated to be \$12,000 in FY 2023, \$24,000 each year in FYs 2024 and 2025, and \$12,000 in FY 2026.

Travel is the agency average of \$2,234 per direct program FTE.

Equipment is the agency average of \$1,230 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 28.3% of direct program salaries and benefits, and is shown as object 9. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT App Development - Journey.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
23P-1	Model Toxics Control Operating Account	State	0	1,763,899	1,763,899	2,741,948	2,542,649
Total \$			0	1,763,899	1,763,899	2,741,948	2,542,649

In addition to the estimates above, there are additional indeterminate costs and/or savings . Please see discussion.

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years		8.4	4.2	7.5	7.8
A-Salaries and Wages		565,381	565,381	1,015,573	1,036,777
B-Employee Benefits		206,365	206,365	370,688	378,425
C-Professional Service Contracts		700,000	700,000	800,000	600,000
E-Goods and Other Services		48,387	48,387	118,133	80,212
G-Travel		16,355	16,355	29,177	30,138
J-Capital Outlays		9,007	9,007	16,066	16,596
9-Agency Administrative Overhead		218,404	218,404	392,311	400,501
Total \$	0	1,763,899	1,763,899	2,741,948	2,542,649

In addition to the estimates above, there are additional indeterminate costs and/or savings . Please see discussion.

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2022	FY 2023	2021-23	2023-25	2025-27
ADMINISTRATIVE ASSISTANT 3	48,996		1.0	0.5	1.0	1.0
COM OUTREACH & ENV ED SP 3	61,224		0.4	0.2	0.1	0.1
COMM CONSULTANT 3	64,332		0.2	0.1	0.0	0.0
COMM CONSULTANT 5	84,396		0.1	0.1		
ECONOMIC ANALYST 3	82,344					0.1
ENVIRONMENTAL PLANNER 4	86,484		1.2	0.6	1.3	1.3
ENVIRONMENTAL PLANNER 5	95,484		1.5	0.7	1.0	1.0
ENVIRONMENTAL SPEC 4	70,956		2.3	1.1	2.0	2.4
ENVIRONMENTAL SPEC 5	78,408		0.1	0.0	0.4	0.3
FISCAL ANALYST 2			0.7	0.4	0.7	0.7
IT APP DEVELOP-JOURNEY	96,888		0.7	0.4	0.7	0.5
IT APP DEV-JOURNEY-Admin			0.4	0.2	0.3	0.3
REGULATORY ANALYST 2	80,292					0.1
Total FTEs			8.4	4.2	7.5	7.8

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules .

Sections 102, 201, 402, and 810 would authorize rulemaking. Rulemaking would support effective implementation of section 102. Ecology assumes for the purposes of this fiscal note rulemaking is not needed for sections 201, 402, or 810. A two-year rulemaking process would be conducted to specify waiver requirements for section 102, with rule adoption planned for June 30, 2026.

2SHB 1799 AMH FITZ H2667.2 Organic Materials Mgmt - Department of Ecology Fiscal Note Expenditure Overview

By Section

OPERATING BUDGET	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Organics Collection Services Waivers & Exemptions (section 102)	0	0	0	35,597	78,102	69,206
Total FTEs	0.0	0.0	0.0	0.2	0.6	0.6
Staff costs	0	0	0	35,597	78,102	69,206
	0	0	0	0	0	0
Rulemaking for Waivers (section 102)	0	0	0	202,681	255,700	0
Total FTEs	0.0	0.0	0.0	1.4	1.8	0.0
Staff costs	0	0	0	187,681	240,700	0
Rulemaking Meeting Facilities	0	0	0	3,000	3,000	0
AGO Costs	0	0	0	12,000	12,000	0
Planning for Organics Management Facilities (sections 103, 601, 602, and 603)	0	0	30,880	37,247	37,247	37,247
Total FTEs	0.0	0.0	0.3	0.3	0.3	0.3
Staff costs	0	0	30,880	37,247	37,247	37,247
Local Government Solid Waste Management Needs (Section 104)	0	402,947	0	0	0	0
Total FTEs	0.0	0.7	0.0	0.0	0.0	0.0
Staff costs	0	102,947	0	0	0	0
Third Party Consultant for Study and Legislative Report	0	300,000	0	0	0	0
Business Organics Management (section 201)	0	55,446	27,721	27,721	27,721	27,721
Total FTEs	0.0	0.5	0.2	0.2	0.2	0.2
Staff costs	0	55,446	27,721	27,721	27,721	27,721
Establishment of WCSFM and Duties (section 402)	0	961,944	961,944	961,944	961,944	761,944
Total FTEs	0.0	4.6	4.6	4.6	4.6	4.6
Staff costs	0	561,944	561,944	561,944	561,944	561,944
Data and Research for WCSFM	0	400,000	400,000	400,000	400,000	200,000
Voluntary Food Donation Tracking (Sections 403 and 404)	0	6,629	3,977	3,977	3,977	3,977
Total FTEs	0.0	0.1	0.0	0.0	0.0	0.0
Staff costs	0	6,629	3,977	3,977	3,977	3,977
Model Ordinances (Section 405)	0	26,910	54,817	26,910	0	0
Total FTEs	0.0	0.1	0.2	0.1	0.0	0.0
Staff costs	0	13,910	27,817	13,910	0	0
AGO Costs	0	12,000	24,000	12,000	0	0
Meeting Facilities	0	1,000	3,000	1,000	0	0
Compost Procurement Reporting (Section 701)	0	0	50,158	41,420	17,796	20,709
Total FTEs	0.0	0.0	0.3	0.3	0.1	0.1
Staff costs	0	0	50,158	41,420	17,796	20,709
	0	0	0	0	0	0
Labeling Requirements, Education, Outreach and Technical Assistance (Sections 808 and 810)	0	152,294	33,143	33,143	33,143	33,143
Total FTEs	0.0	1.4	0.3	0.3	0.3	0.3
Staff costs	0	152,294	33,143	33,143	33,143	33,143
Labeling Requirements, Complaint Forum, Producer Declarations, and Enforcement (Sections 807, 808, and 810)	0	157,729	122,132	86,536	86,536	86,536
Total FTEs	0.0	1.1	0.9	0.6	0.6	0.6
Staff costs	0	157,729	122,132	86,536	86,536	86,536
ECOLOGY TOTAL OPERATING FTEs	0.0	8.4	6.9	8.2	8.7	6.8
ECOLOGY TOTAL OPERATING EXPENDITURES	0	1,763,899	1,284,772	1,457,176	1,502,166	1,040,483

Individual State Agency Fiscal Note

Bill Number: 1799 2S HB AMH FITZ H2667.2	Title: Organic materials management	Agency: 468-Environmental and Land Use Hearings Office
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.0	0.0	0.0	0.6	0.8
Account					
General Fund-State 001-1	0	0	0	139,138	180,168
Total \$	0	0	0	139,138	180,168

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Greg Vogel	Phone: 360-786-7413	Date: 02/11/2022
Agency Preparation: Dominga Soliz	Phone: 3606649173	Date: 02/16/2022
Agency Approval: Dominga Soliz	Phone: 3606649173	Date: 02/16/2022
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/16/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Part 1

This bill attempts to divert organic materials for productive uses to reduce greenhouse emissions from landfills. The bill includes collection of organic materials for composting, requirements for businesses to manage their organic wastes, and facilitating donation of edible food instead of disposing of the material.

Part 6

Section 602 - Adds a New Section to the Growth Management Act providing that development regulations to implement comprehensive plans updated or amended after January 1, 2025 must allow for the siting of organic materials management facilities in the areas identified in RCW 70A.205.040. The substitute bill changed the date from January 1, 2023 to January 1, 2025.

Part 8

Sections 807, 808 - The bill authorizes administrative orders and civil penalties for enforcement of the bill's requirements.

Section 808(1)(b) - Enforcement of the chapter must be based primarily on complaints.

Section 810 - Enforcement of requirements will begin by January 1, 2024.

Section 809 - Civil penalties must conform to the requirements of RCW 43.21B.300, which regulates how penalties are imposed.

Section 812 - Amends RCW 43.21B.110 to give the Pollution Control Hearings Board (PCHB) jurisdiction over appeals of the administrative orders and civil penalties imposed pursuant to the bill.

Section 813 - Amends RCW 43.21B.300 to include civil penalties imposed pursuant to the bill.

Fiscal Impacts: Yes to PCHB, No to GMHB. No change from 1799 S HB.

Current Agency Structure and Workload: The Environmental & Land Use Hearings Office (ELUHO) is the administrative agency that supports three environmental and land use hearings boards – the Pollution Control Hearings Board (PCHB), Shoreline Hearings Board (SHB), and Growth Management Hearings Board (GMHB). Appeals from the bill would come to the PCHB under Part 8 of the proposed bill. In addition to appeals from this bill, the PCHB hears appeals from 37 other environmental statutes including Washington's clean air act, toxic pollution, forest practices, derelict vessels, and water resource permits. The PCHB consists of three Governor-appointed Board members who have two administrative appeals judges (AAJs) to assist in all cases. As of January 1, 2022, the PCHB is handling 72 active appeals arising from permits and enforcement actions by a variety of state or local agencies. The PCHB is now scheduling hearings 12 months in advance for cases that normally would be heard in 6 months.

Assume new PCHB appeals - This bill would increase the number of PCHB appeals. We estimate 8 new PCHB appeals per year of medium/average complexity. This estimate is based on past experience with cases filed after new regulatory programs are initiated. Penalties and orders issued under the bill will result in cases that present new legal issues. ELUHO assumes it will take more time initially for the PCHB to understand, analyze, and issue final decisions in these cases. After an initial normalizing period, ELUHO assumes the new PCHB cases will be of average /medium complexity.

De minimus appeals to GMHB - Appeals from the bill would come to the GMHB under Part 6 of the proposed bill. Because this will only affect jurisdictions doing updates or amendments and this is a relatively specific type of land use, we estimate the GMHB will receive approximately 1 new appeal every 3 years as a result of the bill. The GMHB would absorb the increased workload.

Assume new PCHB appeals in FY 2024 – We expect to see appeals to the PCHB in FY 2024 because the bill requires enforcement to begin by January 1, 2024.

Assume new Administrative Law Judge (AAJ) FTE: The PCHB will need approximately 0.5 FTE for an AAJ experienced in environmental law to assist in addressing the new appeals. RCW 43.21B.005 (2) authorizes the ELUHO director to appoint such AAJs to assist the PCHB. The AAJ FTE will not serve as a member of the Boards, but will conduct legal research and writing, mediate cases, draft Board memos and materials, and perform other legal duties to assist the Boards.

Assume additional Legal Assistant FTE: Currently, a support team of three Legal Assistants provide all the support for all three Boards, including managing all Board cases and court filings, providing support for Board members, AAJs, and Board meetings, and providing administrative support for ELUHO office functions. We assume 0.5 Legal Assistant (LA3) FTE for every 1.0 AAJ FTE. The bill will require approximately 0.25 FTE for a Legal Assistant to manage the additional cases and support the 0.5 AAJ FTE.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

No Cash receipts.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

ELUHO estimates each PCHB appeal arising from the bill will require approximately 165 hours (85 hours pre-hearing work, and 80 hours hearing and post-hearing work) of AAJ work to complete. ELUHO estimates each appeal will require approximately 50 hours of Legal Assistant work. These estimates are based on a current analysis of Board and support team work.

165 hours/appeal x 8 appeals = 1,320 PCHB appeal hours estimated.

ELUHO assumes this work on new appeals begins in January 2024.

ELUHO assumes it would hire a half-time Administrative Appeals Judge and a quarter-time Legal Assistant 3 to do the work required in the bill. An administrative appeals judge makes \$90,000 per year plus related benefits estimated at \$29,622 per year at current benefits rates. The agency needs a half-time AAJ, so the salary would be \$90,000 times 0.5 FTE = \$45,000. Related benefits would total \$21,357.

A Legal Assistant 3 makes about \$54,108 per year with related benefits of about \$23,197. The agency needs a quarter time Legal Assistant 3 so salary would be \$54,108 times 0.25 FTE = \$13,527. Related benefits would total \$5,799.

Goods and services are estimated at \$3,400 per year and include communications, payroll processing, training, and other staff costs. Estimates include some travel at the low cost per diem rates totaling \$1,001 per year. Also included is one time equipment costs for furniture and computers totaling \$5,557 in fiscal year 2024.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	0	0	0	139,138	180,168
Total \$			0	0	0	139,138	180,168

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years				0.6	0.8
A-Salaries and Wages				87,791	117,054
B-Employee Benefits				39,098	54,312
C-Professional Service Contracts					
E-Goods and Other Services				5,190	6,800
G-Travel				1,502	2,002
J-Capital Outlays				5,557	
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	0	0	139,138	180,168

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2022	FY 2023	2021-23	2023-25	2025-27
Administrative Appeals Judge (Exempt) .5	7,500				0.4	0.5
Legal Assistant 3 (425G) (Range 44/StepL) .25	4,509				0.2	0.3
Total FTEs					0.6	0.8

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

No Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules .

The PCHB would have to amend its jurisdictional rule to include the new appeals.

No GMHB rule making is required.

Individual State Agency Fiscal Note

Bill Number: 1799 2S HB AMH FITZ H2667.2	Title: Organic materials management	Agency: 471-State Conservation Commission
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Greg Vogel	Phone: 360-786-7413	Date: 02/11/2022
Agency Preparation: Karla Heinitz	Phone: (360)407-6212	Date: 02/14/2022
Agency Approval: Ron Shultz	Phone: 360-407-7507	Date: 02/14/2022
OFM Review: Jim Cahill	Phone: (360) 790-2630	Date: 02/14/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

Second Substitute SHB 1799 does not change SCC's requirements from previous versions.

2SHB 1799 adds new language to the Commission's statute at RCW 89.08.615 (6), adding three additional fundable activities under the Sustainable Farms and Fields (SFF) grant program:

- 1) cost-share to purchase compost-spreading equipment for farmers who use the equipment to spread compost that originated from an off-site source for at least three years;
- 2) research on the use of crop residues as a biofuel feedstock in reducing GHG emissions; and
- 3) efforts to support the use of anaerobic digester digestate on farms.

The Commission assumes there would be no fiscal impact to the SCC, as these are allowable uses for grant funding if such funding becomes available.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 1799 2S HB AMF FITZ H2667.2	Title: Organic materials management	Agency: 495-Department of Agriculture
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.0	2.0	1.0	2.0	2.0
Account					
General Fund-State 001-1	0	306,400	306,400	3,586,800	3,586,800
Total \$	0	306,400	306,400	3,586,800	3,586,800

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Greg Vogel	Phone: 360-786-7413	Date: 02/11/2022
Agency Preparation: Amy Clow	Phone: 3605156022	Date: 02/16/2022
Agency Approval: Nicholas Johnson	Phone: (360) 902-2055	Date: 02/16/2022
OFM Review: Jim Cahill	Phone: (360) 790-2630	Date: 02/16/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

Engrossed Second Substitute House Bill 1799 encourages the diversion of organic materials from landfills and section 502 establishes a compost reimbursement program managed by Washington State Department of Agriculture (WSDA) to reimburse farming operations for costs related to purchasing and using compost products.

Section 301

Upon updating the WA Good Samaritan Act, WSDA must develop new donor guidance and provide educational resources/technical assistance to hunger relief organizations to apprise them of liability changes and the establishment of a new standard, including clear definitions related to food donation now codified in statute. This will require staff time and may include some translation. This position will also be necessary to coordinate and implement aspects of the food waste public promotion campaign required in section 402. This will require up to .5 FTE staff time annually in a role connected to Food Assistance.

Section 402, subsections 3.g, 3.i.i&ii, 3.k and 4

Upon establishing the Center for Sustainable Food Management within the Dept of Ecology, WSDA will have a necessary role in coordination of policies and programs to ensure consistency of activities and recommendations with the Food Policy Forum, co-convened by the Conservation Commission and WSDA. WSDA will also be called upon to consult on development and maintenance of guidance and statewide food waste reduction and food waste contamination campaigns, which may include tasks such as copywriting for promotional materials, editing and final review of materials prior to print or publication. WSDA will need to provide technical assistance to educate stakeholders about current guidance and opportunities. Lastly, Ecology may choose to execute one or more interagency agreements with WSDA to fulfill the responsibilities of the center. For all minimum agency coordination and consultation, not including any possible IAA, WSDA would need up to .3FTE for a role to support and serve as liaison with Food Safety and Consumer Services Division as well as Regional Markets' role on the Food Policy Forum.

Section 403 and 404

Will require WSDA Food Assistance programs, as well as other programs that interface with farms and food businesses to develop and maintain an information repository and referral system, in coordination with Ecology, for all organizations and businesses that have notified WSDA of their desire to participate in food waste reduction and food rescue /donation programs. Ongoing maintenance and communication with Ecology requires .2FTE support.

Section 502 would have a significant impact by requiring WSDA to hire one full-time program manager to manage a compost reimbursement program, which reimburses farming operations for compost purchase, transportation, spreading equipment, labor, fuel, and maintenance costs associated with spreading equipment.

Section 502(2) states that soil sampling will be allowed by farming operations participating in the program to establish a baseline of soil quality and carbon storage. Soil sampling conducted by WSDA will be allowed before compost application and until at least 10 years after the last grant funding is used by the farming operation. The program manager would be responsible for managing the reimbursement program. This includes designing the compost reimbursement form, developing a program to ensure the compost purchased meets WSDA pest control regulations, facilitating the division and distribution of available costs for reimbursement reporting on the soil benefits of the compost program, and compiling an annual report. The expenditure impact on WSDA would include a full-time program manager, reimbursement funds for qualified farming operations, and soil analysis costs.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

The proposed legislation has no cash receipt impact on WSDA.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Effective collaboration and consultation with WSDA will require one FTE ongoing working between the Food Safety and Consumer Services Division (especially Food Assistance programs) and the Director’s Office for Food Policy Forum coordination. The position would likely need the skillset of a commerce specialist 2 to work between diverse stakeholders, ensure knowledge of contracts, grants, and commerce requirements for state government and some specialized knowledge of food safety and regulatory requirements for food safety and retail food code.

Section 502 (5), (7), (9)

WSDA assumes this bill would take effect 90 days after the end of session. WSDA assumes work would begin July 1, 2022. (1) WSDA must develop a program to reimburse farmers for compost purchase, transportation, equipment, fuel, labor, and maintenance costs associated with spreading equipment. Reimbursements would begin July 1, 2023 and be ongoing.

Salary for one FTE for the program manager of the reimbursement program would be \$138,000 annually (estimate based on Environmental Specialist 4, Step L). This includes initial annual salary, benefits, supplies and agency administrative overhead. This is based on one FTE located in Olympia. If reimbursement requests ranged from 150 to 300 requests per year, we anticipate that one FTE could manage the reimbursement requests. Under (5)(c), farming operations are not eligible to receive more than \$10,000 per fiscal year, WSDA estimates 150 applicants would have an expenditure impact of \$1.5 million per fiscal year. If the legislature determines that the program should reach a greater number of farms, then more than one FTE would be required to manage the program. Additionally, if the legislature determines that there must be a compliance element to this program, an additional FTE would be needed. (8) WSDA must submit an annual report by January 15 of each year.

Costs related to sampling for soil quality and carbon storage will occur before compost application and continue annually until at least 10 years after the last grant funding is used by a farming operation, to fulfill reporting requirements. The report is required annually on an ongoing basis. WSDA estimates 2 samples per farming operation, 1 sampling event per farming location, minimum of 150 locations: 300 samples per year. WSDA estimates a cost of \$650 per application, an estimated expenditure impact of \$97,500 per fiscal year of the program. WSDA also estimates an additional \$25,000 per fiscal year to ensure the required soil analysis is obtained from the samples.

Capital outlays includes a one-time per employee work station fee of \$5,000.

Agency Administrative Overhead (payroll, HR, IT and Financial) is calculated at the agency indirect rate of 24.6% of direct program salaries and benefits.

Debt Service is computer leasing calculated at \$600 per year per person shown as object P.

One time cost of \$8,000 for IT system developers to build an application form in PISCES.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	0	306,400	306,400	3,586,800	3,586,800
Total \$			0	306,400	306,400	3,586,800	3,586,800

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years		2.0	1.0	2.0	2.0
A-Salaries and Wages		136,900	136,900	273,800	273,800
B-Employee Benefits		56,700	56,700	113,400	113,400
C-Professional Service Contracts					
E-Goods and Other Services		57,000	57,000	98,000	98,000
G-Travel		2,000	2,000	4,000	4,000
J-Capital Outlays		5,000	5,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services				3,000,000	3,000,000
P-Debt Service		1,200	1,200	2,400	2,400
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Agency Administrative Overhead		47,600	47,600	95,200	95,200
Total \$	0	306,400	306,400	3,586,800	3,586,800

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2022	FY 2023	2021-23	2023-25	2025-27
COMMERCE SPECIALIST 2	65,928		1.0	0.5	1.0	1.0
ENVIRONMENTAL SPECIALIST 4	70,956		1.0	0.5	1.0	1.0
Total FTEs			2.0	1.0	2.0	2.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1799 2S HB AMF FITZ H2667.2	Title: Organic materials management
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- Cities:** Adopting compost procurement ordinance, biennial reporting, and outreach costs. City health departments may have minor costs to enforce certain provisions.
- Counties:** Updating solid waste management plans, adopting compost procurement ordinance, biennial reporting, and outreach costs. There would also be costs to update solid waste management plans, updating comprehensive plans and development regulations, and potentially developing and operating new organic waste management facilities. County health departments may have minor costs to enforce certain provisions.
- Special Districts:**
- Specific jurisdictions only:** There are five cities updating solid waste management plans that would have to make amendments to these plans.
- Variance occurs due to:**

Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs:** Compost ordinance adoption costs.
- Legislation provides local option:** Applying for organic waste management facilities through contract from the Public Works Board; enforcing labeling provisions on local suppliers; engaging in Ecology's public outreach forum.
- Key variables cannot be estimated with certainty at this time:** If new facilities would be necessary to meet the statewide organic waste reduction targets; variation in scope and planning of comprehensive solid waste management plans and comprehensive plans; the amount of organic material that gets diverted from landfills may impact fees collected at solid waste management facilities.

Estimated revenue impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated expenditure impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Part III: Preparation and Approval

Fiscal Note Analyst: Jordan Laramie	Phone: 360-725-5044	Date: 02/16/2022
Leg. Committee Contact: Greg Vogel	Phone: 360-786-7413	Date: 02/11/2022
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 02/16/2022
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/17/2022

Part IV: Analysis

A. SUMMARY OF BILL

Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.

CHANGES FROM CURRENT BILL:

Part 1: Requires source-separated collection service of organic solid waste at least every other week or 26 weeks annually for all residents and for nonresidential customers that generate at least 0.25 cubic yard of organic waste per week, beginning in 2027 in certain jurisdictions;

Clarifies that waivers issued by the Department of Ecology to local governments related to organic waste collection requirements are renewable;

Requires cities that begin implementing an independent solid waste plan after July 1, 2022 to provide biweekly organic material collection requirements;

Requires county designation of priority areas for the siting of organic material management facilities to be designated with an attempt to minimize incompatible uses and potential impacts on residential areas, authorizes priority areas to be located in agricultural or rural zones in addition to industrial zones, and prohibits the designation of priority areas in overburdened communities identified by the Department of Ecology under the Climate Commitment Act, rather than overburdened communities identified by the Department of Health;

Part 4: Requires the Department of Ecology to research and adopt model ordinances for optional use by cities and counties that provide model mechanisms to establish a financial disincentive or other disincentives for the generation of organic waste and the disposal of organic materials in landfills. Local governments that adopt model ordinances developed by the Department of Ecology would be exempt from State Environmental Policy Act review requirements;

Part 7: Clarifies that cities and counties are the only types of local government that must adopt compost procurement ordinances. Increases the population threshold that requires a city or county to adopt a compost procurement ordinance from 10,000 to 25,000. Requires any county or city in which organic material collection services are offered to adopt a compost procurement ordinance, regardless of population.

SUMMARY OF CURRENT BILL:

This bill would establish a statewide goal for the landfill disposal of organic materials at a level representing a 75 percent reduction by 2030, relative to 2015 levels. This bill would also set a goal of 20 percent reduction in volume of edible food disposed, relative to 2015 levels, that is recovered for human consumption by 2025.

These goals are supported by:

- Requiring some local governments to begin providing separated organic material collection services.
- Requiring local governments to consider state organic material management goals and requirements in their local solid waste plans.
- Facilitating the siting of organic material management facilities.
- Requiring local governments to procure more compost and finished products.
- Enforcing the labeling of plastic and compostable products in order to reduce contamination of waste.

Jurisdictional health authorities would enforce provisions related to organic waste collections from applicable businesses. Local governments would enforce the labeling of plastic and compostable products in their jurisdictions, in order to reduce contamination of the waste.

Sec. 101: Sets targets for landfill disposal of organic materials and edible food waste recovery.

Sec. 102: Starting January 1, 2027, counties with comprehensive solid waste management plans must: provide organic solid waste collection services to all residents and businesses that generate more than 0.25 cubic yards of organic

materials and provide management of all these organic solid waste collected from residents and businesses. Exemptions are provided for certain jurisdictions, given waste processing capacity, population density, whether portions of the jurisdiction are outside the urban growth area of a planning jurisdiction, and service management ability.

Sec. 103: Starting July 1, 2024, newly developed amended or modified comprehensive solid waste management plans must consider the conditions of Sec. 102. These plans must also identify priority areas for establishing organic materials management facilities, and potential facilities ability to handle the county's volumetric capacity of organic materials, needed to meet state targets. Starting January 1, 2027, comprehensive solid waste management plans must be consistent with requirements of Sec. 102.

Sec. 201: Establishes guidelines for businesses to arrange for organic waste materials management services. Jurisdictional health departments would enforce the provisions of this chapter on qualifying businesses within their jurisdiction.

Sec. 402: Local governments may collaborate with the Washington Center for Sustainable Food Management (WCSFM) on food waste reduction initiatives. Local governments would supply food waste and wasted food data to the WCSFM. Local health officers would receive guidance, outreach materials, and technical assistance from the WCSFM on food waste reduction programs, ordinances, and policy development.

Sec. 501: Expands the authority of conservations districts to distribute funds they receive from the State Conservation Commission within the Sustainable Farms and Fields Grant program (RCW 89.08.615). Conservation districts may include funding support for purchasing compost spreading equipment.

Sec. 503(6): Includes composting and other organic materials management facilities in the list of public works projects that the Public Works Board may award contracts to.

Sec. 601 through 604: Would require updated growth management plans to allow for siting of organic materials management facilities in appropriate areas to provide for local management capacity.

Sec. 701: Would establish a timeline for local governments with populations greater than 25,000 to adopt an ordinance to implement the provisions of RCW 43.19A.120. Establishes that local governments must plan for the use of compost in certain categories, report biennially to the Center starting December 31, 2024, and inform residents of the jurisdiction's work to expand the use compost products.

Sec. 808: Local governments would be authorized to pursue enforcement against entities that sell plastic products with false or misleading claims of their bio-degradability. Cities and counties may recover reasonable enforcement costs and attorneys fees from liable manufactures in addition to civil penalties. Local governments would also collaborate with the Department of Ecology in a forum that would provide education and outreach to inform retail establishments, customers, and producers about the requirements of RCW 70A.455.

B. SUMMARY OF EXPENDITURE IMPACTS

Briefly describe and quantify the expenditure impacts of the legislation on local governments , identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.

CHANGES IN EXPENDITURE IMPACTS BETWEEN THIS VERSION AND PREVIOUS BILL VERSION :

The second substitute version of this bill amends a number of sections of the prior bill, including:

Part 1: Requires source-separated collection service of organic solid waste at least every other week or 26 weeks annually for all residents and for nonresidential customers that generate at least 0.25 cubic yard of organic waste per week, beginning in 2027 for jurisdictions with comprehensive solid waste management plans.

Requires cities that begin implementing an independent solid waste plan after July 1, 2022 to provide biweekly organic material collection requirements.

Specifies where counties must designate priority areas for the siting of organic material management facilities which must

be designated with an attempt to minimize incompatible uses and potential impacts on residential areas and overburdened communities, as determined by the Department of Ecology.

Part 4: Requires Department of Ecology to consult with the Attorney General's Office to research and adopt model ordinances for optional use by cities and counties. Local governments that adopt model ordinances developed by the Department of Ecology would be exempt from State Environmental Policy Act review requirements.

Part 7: Increases the population threshold that requires a city or county to adopt a compost procurement ordinance from 10,000 to 25,000. Requires any county or city in which organic material collection services are offered to adopt a compost procurement ordinance, regardless of population.

EXPENDITURE IMPACTS OF CURRENT BILL:

This legislation would have indeterminate, but significant, expenditure impacts for counties and cities to implement strategies to meet the statewide organic materials reduction and consumer food waste goals established in this act.

For costs that are able to be estimated at this time, implementing the provisions of this bill may start at \$6.51 million ((Part 2: \$2,400,000) + (Part 6: \$2,621,122) + (Part 7: \$1,486,827)).

However, these costs would likely be higher due to variances between counties and cities ability to plan and implement waste reduction strategies. If new organic waste management facilities would need to be constructed to increase service levels across the impacted jurisdictions, the costs would be likely be substantially higher.

COSTS FOR SECTIONS 102-103:

Expanded Organic Waste Collection Service

Indeterminate – Potentially significant investment in infrastructure costs, and operations and maintenance costs.

In January 2027, counties and cities with comprehensive solid waste management plans would provide organic materials collection services to all residents and nonresidents meeting the weekly organic materials threshold. These counties and cities would be required to provide waste management services for all organic materials. Yard waste is already being diverted in most jurisdictions, but food waste is not being separated by most jurisdictions that operate municipal solid waste management facilities.

In some places this provision would work with private contractors and the capacity with existing solid waste facilities would be adequate to handle the increased organic waste collection amounts. In other counties, they would not have the capacity, such in rural areas. These counties would have to ship to a destination in another region, which would have increased transportation costs.

The Washington State Association of Counties (WSAC) assume that if a county determines that building a new facility is the best long-term solution with complying with the expanded organic waste collection service provision, there would be significant costs associated with development of a site. Costs include: permitting, planning, State Environmental Policy Act review, land acquisition, capital construction, ongoing operations and maintenance of a new facility. These costs would increase with acreage, equipment, and staff used at the facility, which cannot be known in advance.

Amended Comprehensive Solid Waste Management Plans :

Indeterminate -- 32 jurisdictions impacted with costs starting at \$2,400,000 (see calculations below)

Starting July 1, 2024, newly developed, amended, or modified comprehensive solid waste management plans must consider the conditions of providing organic material waste collection service for all residents and businesses that meet the weekly organic waste threshold of 0.25 cubic yards. These plans must also identify priority areas for establishing organic materials management facilities and a potential facility's ability to handle the capacity needed to meet the state targets established in

this Sec. 101. Through the amendments in the substitute bill, the Department of Ecology would determine which census tracts are exempted. Additionally, jurisdictions outside the urban growth area of Growth Management Act planning jurisdictions also would be exempted.

WSAC estimates that planning to achieve organic collection service and waste reduction goals in this bill could cost a jurisdiction between \$50,000 and \$100,000. (Average: $(\$100,000 + \$50,000) / 2 = \$75,000$). However, each local government addresses their Solid Waste Management Plan (SWMP) in a different way. For instance, both Spokane County Public Works and Thurston County Public Works contracted out the work required to prepare the plan, whereas Chelan County Public Works and the Clark County Department of Environmental Services prepared the plan on their own. In addition, how each planning jurisdiction would implement the policies to achieve organic collection service and waste reduction goals would be conducted differently for each local government. Therefore, the increase in expenditures due to updating, amending or implementing SWMPs is indeterminate.

27 counties impacted - \$2,025,000 (27 counties x \$75,000 per jurisdiction)

12 counties are exempt from this provision. Ferry and Lincoln are exempted per the solid waste threshold and Adams, Asotin, Columbia, Garfield, Klickitat, Pacific, Pend Oreille, San Juan, Skamania, and Wahkiakum counties are exempted per the population threshold. All other counties have a SWMP that is coordinated with cities within their jurisdiction.

5 cities impacted - \$375,000 (5 cities x \$75,000 per jurisdiction)

Ecology indicate that there are five cities that have SWMPs: Cheney, Liberty Lake, Seattle, Spokane, and Spokane Valley. Tacoma plans jointly with Pierce County. All other cities sign inter-local planning agreements with the counties.

Estimated cost for impacted jurisdictions: \$2,025,000 for counties + \$375,000 for cities = \$2,400,000

IMPACTS OF SECTION 201:

Indeterminate - Jurisdictional health departments (JHDs) may enforce the provisions this chapter on qualifying businesses and report information to Ecology for the purposes of organics management by businesses. The Department of Ecology (Ecology) assumes that there may be minimal impact for JHDs to report back to Ecology on business's level of organic waste collection service and capacity at organic waste management facilities. The substitute bill includes provisions that JHDs cannot charge fees for cost recovery of the administration of program goals. The number of residences and business that would be in noncompliance is not currently known, so the expenditure impact that would fall on JHDs cannot be determined at this time.

IMPACTS OF SECTIONS 402 AND 405:

This section would have no impact, or have de minimis costs.

Local governments would voluntarily supply the Washington Center for Sustainable Food Management (Center) with food waste and wasted food data.

The Center would provide promotional materials and guidance to JHDs, which they would supply to food service establishments. These materials would be distributed during routine health inspections, which are not anticipated to increase costs to local health departments or health districts.

Local governments would receive education, outreach, and technical assistance from the Center in efforts to adopt solid waste ordinances or policies that create a financial disincentive for the generation of organic waste and the disposal of organic materials in landfills. Coordination between local governments and the Center on these goals is not expected to increase costs as the guidance would be voluntary by participating local governments.

IMPACTS OF SECTIONS 501 AND 503(6)

Sec. 501:

This section would have de minimis costs for Conservation Districts. This section expands the authority of conservation districts to distribute funds they receive from the State Conservation Commission, which may include funding support for purchasing compost spreading equipment.

Sec. 503(6):

Local governments that apply for funding for public works projects that can now include composting and other organic materials management facilities through the Public Works Board, would do so as a local option.

IMPACTS OF SECTIONS 601 through 604:

Indeterminate – 23 counties impacted by Sec. 601 may have costs starting at \$1,150,000 (23 counties x \$50,000 per jurisdiction). There are also 162 cities within these counties would have to amend their development regulations to allow for the siting of facilities that are compatible with Sec. 101(3)(a)(i) which may have costs of 1,471,122 (162 cities x \$9,081 per jurisdiction). Estimated costs for these provisions could exceed \$2.62 million (\$1,150,000 + 1,471,122).

Part 6 would require updated development regulations within Growth Management Act (GMA) comprehensive plans for counties and cities to allow for siting of organic materials management facilities to provide for local management capacity. Updating development regulations would require full public review. The substitute version of the bill amends the number of jurisdictions that would have to make required development regulations updates during the next periodic update cycle. Jurisdictions with comprehensive plans due in June 2024, are King, Kitsap, Pierce, and Snohomish counties would be required to make these changes by the next periodic comprehensive update in 2032.

County Development Regulations Updates :

WSAC estimates that the costs to updating development regulations within GMA comprehensive plans to allow for zoning and siting of organic waste management facilities would start at \$50,000 per impacted county jurisdiction, subject to Sec. 103(3).

The bill would not require plans to be edited by a particular date for the requirements in these sections. Local governments and planning commissions could assume that this requirement would be considered during the next scheduled plan update. Following the update schedule of the GMA established in RCW 36.70A.130, the following counties would be required to update their comprehensive plans by June 30 of the following calendar years (CY).

CY25: 9 counties x \$50,000 = \$450,000

CY26: 9 counties x \$50,000 = \$450,000

CY27: 5 counties x \$50,000 = \$250,000

Total Estimated Costs for County GMA Updates: (\$450,000 + \$450,000 + \$250,000) = \$1,150,000

City Development Regulations Updates:

Cities within counties that are impacted by the provisions in Sec. 103(3)(a)(i) must adopt new development regulations that allow for the siting of organic materials facilities. The Local Government Fiscal Program Unit Cost Model estimates that the typical cost to adopt an ordinance per jurisdiction ranges from \$568 for a simple ordinance to \$9,081 for a complex ordinance with a hearing of the same complexity. These include costs for draft ordinances, advisory commission meeting and recommendation, finalized ordinance, publication of ordinance, and general public information. These development regulations amendments would likely be complex and require a hearing of the same complexity. Assuming these conditions, the following ordinance adoption costs can be estimated :

Following the update schedule of the GMA established in RCW 36.70A.130, the following cities would be required to update their comprehensive plans by June 30 of the following calendar years (CY).

CY25: 55 cities x \$9,081 = \$417,726

CY26: 68 cities x \$9,081 = \$535,779

CY27: 62 cities x \$9,081 = \$517,617

Total Estimated Costs for City GMA Updates: (\$417,726 + \$535,779 + \$517,617) = \$1,147,122

IMPACTS OF SECTION 701:

Indeterminate – This section may have costs starting at \$1.49 million (\$650,241 ordinance costs + \$720,000 procurement plans + \$116,586 biennial reporting = \$1,486,827) in compost procurement ordinance, compost procurement planning, and biennial reporting costs. These costs are indeterminate because there would likely be variation in the scope and scale of implementation of compost procurement and usage. Jurisdictions impacted by this section would need to coordinate with several different departments to establish a usage plan. These jurisdictions could collaborate with the Center for model ordinances and policies that would result in less organic material ending up in landfills, which may reduce costs for certain jurisdictions. The costs to inform residents about compost usage in comprehensive solid waste management plans would depend on the type of outreach chosen by the local government, and are indeterminate at this time.

Compost Procurement Ordinance Adoption Costs:

72 impacted jurisdictions - \$650,241 (see calculation below)

Local governments with populations above 25,000 must adopt a compost procurement ordinance to implement and meet the requirements of RCW 43.19A.120. WSAC estimates that these ordinances may have costs less than \$10,000. The Local Government Fiscal Program Unit Cost Model estimates that the typical cost to adopt an ordinance per jurisdiction ranges from \$568 for a simple ordinance to \$9,081 for a complex ordinance with a hearing of the same complexity. These costs include costs for draft ordinances, advisory commission meeting and recommendation, finalized ordinance, publication of ordinance, and general public information. Assuming these ordinances are complex with a hearing of the same complexity the following ordinance adoption costs can be estimated :

45 Cities adopting a complex ordinance with hearing of same complexity: (45 cities x \$9,080) = \$408,645

27 Counties adopting a complex ordinance with hearing of same complexity: (27 counties x \$8,948) = \$241,596

Estimated ordinance implementation costs: (\$408,645 + \$241,596) = \$650,241

Note: These cost estimates are for only one meeting or staff report, more complex ordinances would likely require more meetings and potentially more staff reports. There would be further costs associated with enforcing or executing the ordinance.

Developing Compost Usage Plans:

72 impacted jurisdictions – \$720,000 (see calculations below)

A local government enacting the compost procurement ordinance must plan for the use of compost in different categories of construction, public works, and transportation projects to support the requirements of RCW 43.19A.120. These include: landscaping projects, construction related soil amendments, prevention of erosion, assisting stormwater runoff, improvement of vegetation growth, and long-term stability of roadways. WSAC estimate that these plans could start at \$10,000 per impacted jurisdiction.

This plan would involve the collaboration of local government solid waste departments of an impacted city and county to coordinate with applicable departments such as the public works, parks, and stormwater utility departments. As specified by Sec. 703, local government solicitations for projects and the contracts that they award would require the use of compost products to maximum extent economically feasible.

45 Cities above 25,000 in population developing a compost usage plan to meet the requirements of RCW 43.19A.120: (47 cities x \$10,000) = \$450,000

27 Counties developing a compost usage plan to meet the requirements of RCW 43.19A.120: (27 counties x \$10,000) = \$270,000

Estimated combined compost usage plan costs: (\$450,000 cities + \$270,000 counties) = \$720,000

Biennial Compost Use Report:

Each local government that implements a compost procurement ordinance would have to submit biennial reports to the Department of Ecology. The costs for these reports may involve the work of local government public works and/or solid waste management departments to monitor the volume and cost of compost that was purchased, calculate the tons of organic material that was diverted from landfills over the year, and detail the source (s) of the organic material.

These reports may require the work of different members of the public works and/or solid waste management departments, such as facilities supervisors, management analysts, and public works directors providing quality assurance to complete the biennial reports. If these reports follow similar increased workloads to the increased reporting requirements found in S HB 1663 (2022), there may be approximately 40 hours of increased work to complete these reports, per biennium.

Cost assumptions:

--Averaged salary data comes from the Association of Washington Cities 2021 Salary Survey

---Public works directors have average per hour rates of \$56.44 /hr for cities, and \$61.50/hr for counties

---Public works supervisors have average per hour rates of \$40.50 /hr for cities, and \$36.63/hr for counties.

---An analyst supporting facility operations may have costs of approximately \$37.10 /hr for cities, and \$34.36/hr for counties

City biennial reporting costs: (20hr x \$37.10) + (20hr x \$40.50) + (2hr x \$56.44) = \$1,665

County biennial reporting costs: (20hr x \$34.36) + (20hr x \$36.63) + (2hr x \$61.50) = \$1,543

City biennial reporting costs: 45 cities x \$1,665 = \$74,925 per biennium

County biennial reporting costs: 27 counties x \$1,543 = \$41,661 per biennium

Estimated biennial reporting costs: \$116,586 per biennium

Outreach to inform residents of compost usage:

Indeterminate – There are many options that local governments may undertake to accomplish outreach goals. Depending on the type of outreach that a jurisdiction chooses would factor into the costs. Outreach to city and county residents impacted by this section would include approximately 2.7 million households. Examples may include :

--Contracting with a printing service to prepare and send informational mailers or brochures to their residents ;

--Putting the information on the jurisdiction's website;

--Sending out post cards with QR codes that link directly to the website.

Number of households within impacted cities and counties:

City households within impacted jurisdictions– 1,665,356 estimated single family, multifamily, or other housing units

Unincorporated county households within impacted jurisdictions – 1,035,152 estimated single family, multifamily, or other housing units

Estimated households that would need to be reached: (1,665,356 city + 1,035,152 county) = 2,700,508 single family, multifamily, or other housing units.

Illustrative postage costs:

United States Postal Service rates for postcards start at 0.40 per card, but bulk rates can be arranged in advance of a

mailing, which would lower these costs by as much as 0.09 per postage stamp. At the bulk rate mailing (\$0.310 to \$0.326), for a small postcard (4" x 6") traveling in first class mail, the postage to mail a postcard to every household within the impacted jurisdictions would have costs of \$837,157 to \$880,365 ($\$0.31 \times 2,700,508$; $\$0.326 \times 2,700,508$).

Illustrative printing costs:

Printing costs would range depending on the number of mailings that a local government arranges. Bulk rate printing costs for postcards have an estimated cost between 10,000 and 50,000 orders have costs of \$0.079 and \$0.051, based on the number of printings that go out to households. Applying these costs to the number of households in each jurisdiction results in costs of approximately \$153,184 (\$96,662 city + \$56,522 county). However, large bulk orders can be negotiated at lower rates which would likely reduce costs below this illustrative example for jurisdictions with hundreds of thousands of households (e.g. Cities of Seattle and Spokane, unincorporated Pierce and Snohomish Counties)

IMPACTS OF SECTION 808:

The enforcement and Department of Ecology forum provisions of this section are a local option for cities and counties. In those municipalities that choose to enact the civil provisions, local city or county attorneys could bring civil penalties against a manufacturer or distributor of plastic products that do not meet the bio-degrade to the specification indicated by the manufacture, or are not in compliance with the statutory requirements that this legislation establishes. The number of cases is unknown, as is whether municipal or county attorneys would bring the civil penalties forward that are associated with enforcing this act.

C. SUMMARY OF REVENUE IMPACTS

Briefly describe and quantify the revenue impacts of the legislation on local governments, identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.

CHANGES IN REVENUE IMPACTS BETWEEN THIS VERSION AND PREVIOUS BILL VERSION:

The amendments to this substitute bill do not result in changes to revenue impact from the prior bill. This fiscal note expands on the potential increase in revenue that may be available for Growth Management Act planning jurisdictions, subject to availability of amounts appropriated by the Legislature for this specific purpose.

REVENUE IMPACTS OF CURRENT BILL:

This legislation would have indeterminate, but potentially significant, revenue impacts for local governments operating municipal solid waste facilities, jurisdictions that implement comprehensive solid waste management plans, and those local governments that implement new development regulations for siting organic material facilities.

The value of the revenue loss cannot be known in advance because it would depend on whether the strategies implemented can achieve the target values or if they would fall short of the target, the share of tip fees collected by county solid waste facilities, and the value of the tip fees collected. Jurisdiction's that have solid waste management plans would be eligible for grants issued by the Department of Ecology (Ecology) for the purposes of these plans. Grants for the planning actions required of certain jurisdictions in this legislation may be available for cities and counties impacted by Part 1 and Part 6 of this bill. However, the value of amounts appropriated for these specific purposes is not known at this time.

REVENUE LOSS TO MEET LANDFILL ORGANIC WASTE TARGET:

Indeterminate – The Washington State Association of Counties (WSAC) indicate that if organic waste is diverted from existing facilities there may be a reduction in revenue for counties that operate the landfill receiving municipal solid waste. The handling, sorting, and potential new facilities established to receive organic waste provisions of this legislation would mean that less organic waste ends up in existing landfills in order to achieve the goals of this legislation per Sec. 101. The amount of this revenue decrease would depend on the amount of organic waste diverted from landfills, the tip fees for disposal of waste, and revenue sharing agreements between local governments and waste collection service providers. Ecology and WSAC estimate that between 17 and 33 percent of current waste that goes to municipal solid waste landfills is organic, and could be diverted by this legislation. Under goals set by Sec. 101, this would equate to a reduction of 4.25 to 8.25 percent of waste going into landfills by 2030. ($25\% \times 17\% = 4.25\%$; $25\% \times 33\% = 8.25\%$)

Illustrative Example from Grays Harbor County Transfer Station :

The waste collected at the Grays Harbor transfer station is under a contract to be long hauled to landfills owned by Waste Connections in Oregon. The tip fee was just raised to \$109.50/ton at the beginning of 2022. Approximately 81 percent of the tip fee or \$88.70 is kept by Waste Connections to cover operations, and transfer and disposal costs, and 19 percent or \$20.80 is paid to the Grays Harbor County to cover their administrative costs, planning costs, some education and outreach. Everything else being equal, if more organics were diverted from disposal, the county would lose \$20.80 a ton.

According to the most recent Ecology municipal solid waste (MSW) data, the WASCO MSW Landfill in Oregon received 55,313 tons of a MSW material from Grays Harbor County. Using estimates from Ecology and WSAC, between 17 to 33 percent of this material may be organic materials that could be diverted under this act. The figures below are the estimated revenue loss for Grays Harbor County if the 75 percent organic waste reduction goals were applied to 2018 MSW material totals:

55,313 tons x 17 percent = 9,403 tons of organics
55,313 tons x 33 percent = 18,253 tons of organics

Grays Harbor County share of tip fees (2018 waste date, 2022 portion of tip fees): 55,313 tons x \$20.80 = \$1,150,507
9,403 tons of organics x \$20.80 of tip fees paid to Grays Harbor County = \$195,586 from organic waste
18,253 tons of organics x \$20.80 of tip fees paid to Grays Harbor County = \$379,667 from organic waste

Achieving the target rate of 75 percent reduction of organic materials going into landfills, would equate to a reduction of 4.25 to 8.25 percent of waste going into landfills by 2030. (25% x 17% = 4.25%; 25% x 33% = 8.25%):

55,313 tons x 4.25 percent = 2,351 tons of organics
55,313 tons x 8.25 percent = 4,563 tons of organics

2,351 tons of organics x \$20.80 = \$48,897 tip fees from organic waste
4,563 tons of organics x \$20.80 = \$94,917 tip fees from organic waste

Grays Harbor County share of tip fees (2018 waste date, 2022 portion of tip fees): 55,313 tons x \$20.80 = \$1,150,507
Revenue lost using Ecology's estimate: (\$48,897 - \$195,586) = (\$146,690)
Revenue lost using WSAC's estimate: (\$94,917 - \$379,667) = (\$284,750)

If large quantities of organics were diverted from disposal, Grays Harbor County and Waste Connections would likely need to amend their contract, and tip fees may be adjusted to compensate for the reduction in tons of organic material processed at the transfer station.

REVENUE INCREASE FROM LOCAL SOLID WASTE FINANCIAL ASSISTANCE GRANTS :

Jurisdictions that complete solid waste management plans as detailed in Part 1 would be able to apply for grant funding from the Department of Ecology to help cover the costs of these plans. Depending on allocation from the Legislature for the purposes of the funding, there would be revenue increases for jurisdictions that apply and are awarded funding.

POTENTIAL REVENUE INCREASE FROM GROWTH MANAGEMENT ACT PLANNING GRANTS :

Cities and counties impacted by Part 6 may be eligible for grant funding from the Department of Commerce to reimburse the costs to plan for the siting of organic materials facilities. If funding is allocated for this specific purpose, the following costs may be recovered. These figures assume that grant funding is distributed in 50 percent shares in the two fiscal years preceding the due date of a jurisdiction's comprehensive plan as specified by RCW 36.70A.130.

City

FY24	\$208,863
FY25	\$476,753
FY26	\$526,698
FY27	\$258,809
Total	\$1,471,122

County

FY24	\$225,000
FY25	\$450,000
FY26	\$350,000
FY27	\$125,000
Total	\$1,150,000

Combined

FY24	\$433,863
FY25	\$926,753
FY26	\$876,698
FY27	\$383,809
Total	\$2,621,122

SOURCES:

Association of Washington Cities, Salary Survey (2022)

Department of Ecology

Department of Ecology, MSW Tipping Fees (2021)

Department of Ecology, SB 5731 FN (2022)

Department of Ecology, Solid waste and recycling data, "Solid waste disposal data by county (1994-2018)"

House Appropriations Committee Hearing Testimony, Feb. 7, 2022

House Bill Analysis, HB 1799 (2022)

Local Government Fiscal Note Program, SHB 2565 (2020)

Local Government Fiscal Note Program, HB 2656 (2020)

Office of Financial Management, Household Estimates (2022)

Summit Printing

US Postal Service, Current Postal Rates (2022)

Washington State Association of Counties

Zero Waste Washington, Improving Organic Material Management in Washington State, (June, 2021) (pg. 118-123)