

Multiple Agency Fiscal Note Summary

Bill Number: 6163 S SB	Title: Biosolids
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Department of Ecology	0	0	0	0	0	408,168	0	0	357,957
Total \$	0	0	0	0	0	408,168	0	0	357,957

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Ecology	.4	0	0	114,467	2.6	0	0	782,563	1.2	0	0	357,957
Total \$	0.4	0	0	114,467	2.6	0	0	782,563	1.2	0	0	357,957

Agency Name	2023-25			2025-27			2027-29		
	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	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Ecology	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	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

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Prepared by: Lisa Borkowski, OFM	Phone: (360) 742-2239	Date Published: Final 2/ 2/2024
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Individual State Agency Fiscal Note

Bill Number: 6163 S SB	Title: Biosolids	Agency: 461-Department of Ecology
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Biosolids Permit Account-State 199-1				408,168	357,957
Total \$				408,168	357,957

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.8	0.4	2.6	1.2
Account					
Biosolids Permit Account-State 199-1	0	0	0	408,168	357,957
Model Toxics Control Operating Account-State 23P-1	0	114,467	114,467	374,395	0
Total \$	0	114,467	114,467	782,563	357,957

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: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 01/26/2024
Agency Preparation: My-Hanh Mai	Phone: 360-742-6931	Date: 02/01/2024
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 02/01/2024
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/01/2024

Part II: Narrative Explanation

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

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

Compared to SB 6163, SSB 6163 has the following changes:

- Section 4 removes the requirement for certain biosolids transporters to carry a manifest or similar document specifying the class of biosolids being transported.
- Section 4 extends the date, by one year, by which: (1) Ecology must establish PFAS chemicals sampling or testing requirements for certain biosolids, and (2) Ecology must complete an analysis of the PFAS chemicals levels in regulated under this chapter.
- Section 4 requires Ecology to submit a report to the Legislature and the public with a summary of the analysis and recommendations on how to proceed based on the analysis by December 1, 2028, rather than July 1, 2027, and only include a summary of the analysis.
- Section 4 directs Ecology to consult with an advisory committee when developing recommendations on how to proceed based on the analysis, in addition to when developing PFAS chemicals sampling or testing requirements.
- Section 6 includes representatives from the farming community, toxicologists, and utilities that produce soil amendments on the advisory committee.

The changes in this bill change the timing of fiscal impacts to Ecology.

Under current law, Chapter 70A.226 RCW and Chapter 173-308 WAC, Ecology issues and administers permits for biosolids management to maximize beneficial use in a manner that minimizes risk to public health and the environment.

This bill would modify biosolid permitting and handling requirements in Chapter 70A.226 RCW.

Section 4(6)(a) would require Ecology to establish PFAS chemical sampling or testing requirements for biosolids by July 1, 2027.

Section 4(6)(b) would require Ecology to complete an analysis of the levels of PFAS chemicals in biosolids produced in Washington by July 1, 2028.

Section 4(6)(c) would require Ecology to submit a report to the Legislature and the public with a summary of the analysis and recommendations on how to proceed based on the analysis by December 1, 2028.

Section 4(6)(d), would require Ecology to consult with the advisory committee created in section 6 in developing the requirements and recommendations in 6(a) and 6(c).

Section 5 would amend RCW 70A.226.030 to add sampling or testing to the list of costs Ecology may recover through the biosolids permit fees as established in WAC 173-308-320.

Section 6 would require Ecology to consult with an advisory committee of experts, interested parties, and others before adopting or amending any rules relating to sampling or testing biosolids for PFAS chemicals to ensure appropriate input is received.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

The cash receipts impact to Ecology under this bill is estimated to be greater than \$50,000 in Fiscal Year (FY) 2027 through FY 2029, and less than \$50,000 in FY 2030 and ongoing for fee revenue based on estimated costs for sections 4, 5, and 6.

Under RCW 70A.226.030, Ecology recovers costs to administer the biosolids permit program through biosolids permit fees, which are deposited in the Biosolids Permit Account.

Ecology assumes the costs to implement the bill are fee-eligible after rulemaking to adjust fees above the annual fiscal growth factor is complete, beginning in FY 2027. The estimated increase to fee revenue is based on estimated costs by fiscal year.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished 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) 2025 and ongoing to implement the requirements of sections 4 and 6.

Ecology assumes until the biosolids rule, WAC 173-308-320, is amended to authorize Ecology to adjust fees above the fiscal growth factor to recover future costs to implement the requirements of this legislation, the costs to implement the provisions of sections 4 and 6 would be funded with MTCA – Operating in fiscal years 2025 and 2026.

All costs to implement the requirements of sections 4 and 6 are estimated in the Biosolids Permit Account starting in FY 2027.

Rulemaking for PFAS sampling or testing requirements and Biosolids Fee (Sections 4(6) and 5)

Section 6 would require Ecology to consult with an advisory committee of experts and interested parties before adopting any rules relating to sampling or testing biosolids for PFAS chemicals. Section 4(6)(a) would require Ecology to establish PFAS chemical sampling or testing requirements for biosolids regulated under RCW 70A.226.030.

Ecology assumes rulemaking would be required to establish the requirements in section 4(6) and amend WAC 173-308-320, the permit fee structure, to allow Ecology to adjust fees above the annual fiscal growth factor to recover future costs to implement the requirements of this legislation.

Ecology assumes rulemaking would require 18 months, with a three-month active lead time to coordinate the rulemaking schedule with the agency rulemaking unit, prepare a website, and prepare the CR-101 for filing.

Rulemaking would begin April 1, 2025, with the filing of the CR-101, and end with rule adoption January 1, 2027. This type of rulemaking would include four preproposal meetings to gather input from interested parties, and two public hearings to accept comments on the rule proposal. Ecology assumes rulemaking would take place in April 2025 to allow more time for Ecology and the advisory committee to prepare adequately for the rule-making process.

Rulemaking Administrative Coordinator: A Regulatory Analyst 3 (RA-3) from SWM would oversee the rulemaking process to comply with the Administrative Procedures Act; coordinate with the rulemaking lead to prepare the rule development and communication plan; coordinate with the agency regulatory staff on the economic and regulatory impact analysis, and support filing the CR-101, CR-102, and the CR-103 for adoption. This would require an estimated workload of 0.04 FTE in FY 2025, 0.14 FTE in FY 2026, and 0.06 FTE in FY 2027.

Rulemaking Lead: An Environmental Planner 4 (EP-4) would provide policy expertise, lead the rulemaking effort, prepare, and revise rule language, lead public meetings and hearings, and work with other program staff as needed to execute the

rule development plan, with an estimated workload of 0.15 FTE in FY 2025, 0.60 FTE in FY 2026, and 0.30 FTE in FY 2027.

Technical Support: An Environmental Specialist 5 (ES-5) would collect data, support analysis of potential policy outcomes, support the rulemaking lead and subject matter experts, and coordinate with communications staff to provide technical support for public outreach, including regional support. This would require 0.08 FTE in FY 2025, and 0.30 FTE in FY 2026, and 0.15 in FY 2027.

Subject Matter Expertise: An Environmental Specialist 5 (ES-5) would advise on biosolids procedures related to testing and chemical thresholds, with an estimated workload of 0.10 FTE ES-5 in FY 2025, 0.60 FTE in FY 2026, and 0.16 FTE in FY 2027. Ecology assumes coordination with a subject matter expert from the Hazardous Waste and Toxics Reduction (HWTR) Program would be needed during the rulemaking process. Ecology estimates 0.03 FTE RA-3 in FY 2025, 0.10 FTE in FY 2026, and 0.07 FTE in FY 2027.

A Budget Analyst 4 would be needed to ensure the modified fee structure is sufficient but does not exceed the cost increases to implement the bill. This would require 0.20 FTE BA-4 in FY 2027.

Communications and outreach support is included to ensure adequate public engagement in the rulemaking process. The following positions would support public engagement:

Communications Lead: A Communications Consultant 5 (CC-5) would coordinate an outreach strategy and media engagement. This would require 0.01 FTE in FY 2025, 0.01 FTE in FY 2026, and 0.05 FTE in 2027.

Website Developer: A Communications Consultant 3 (CC-3) would coordinate with the rulemaking lead on a public website for the rulemaking process. This would require require 0.01 FTE in FY 2025, 0.01 FTE in FY 2026, and 0.05 FTE in 2027.

Outreach Coordinator: A Community Outreach and Environmental Education Specialist 3 (COEES-3) would facilitate the pre-proposal and other meetings, manage the rule comments platform, and help with e-mail, website, and public engagement. This would require 0.02 FTE in FY 2025, 0.06 FTE in FY 2026, and 0.06 FTE in FY 2027.

Technical support staff would conduct targeted outreach to overburdened communities and vulnerable populations across the state throughout the rulemaking process. This is estimated to require 0.03 FTE EP-4 in FY 2025, 0.06 FTE in FY 2026, and 0.06 FTE in FY 2027.

The following positions would complete an economic and regulatory analysis of the rule: Economic Analyst 3, 0.20 FTE in FY 2027; Regulatory Analyst 2, 0.05 FTE in FY 2027.

Ecology would hold two meetings in FY 2026, and two hearings in FY 2076. Goods and services estimates include facility rental costs estimated at \$1,000 per meeting for \$2,000 each year in FY 2025 and FY 2026.

Based on an assumption that legal considerations for the rulemaking should be minimal, our Assistant Attorney General (AAG) has estimated nominal staff time at the Attorney General's Office (ATGO) would be needed to provide legal support for rulemaking, and no additional costs are estimated for AAG assistance.

Establishing PFAS chemical sampling or testing requirements (sections 4(6) and 6)

Section 4 (6) would require Ecology to establish PFAS chemical sampling or testing requirements for biosolids by July 1, 2027. It also requires Ecology to come up with recommendations on how to proceed based on the analysis to be included in the legislative report due by December 1, 2028. It would also require that in developing the requirements and recommendations, Ecology would consult with the advisory committee created in section 6 before rulemaking.

Ecology assumes the advisory committee would convene in October 2024 and meet at least six times throughout the rulemaking and legislative report drafting processes through August 31, 2028. We assume the committee would have at least two meetings to discuss appropriate sampling and testing requirements, at least two meetings to update the committee on progress and continue receiving input before filing CR-102. Finally, we assume the committee would have at least two meetings before adopting and amending the rule and to discuss recommendations going forward.

Ecology would invite people actively engaged in the biosolids field to participate in the committee. Including farming community, biosolids facilities of differing sizes and operations including utilities that produce soil amendments, universities and organizations engaged in biosolids research and practices, tribal nations, environmental groups that have shown interest in the biosolids field, a toxicologist from DOH, and other programs within Ecology such as Water Quality Program and the Environmental Assessment Program. The development of sampling and analysis requirements would happen in conjunction with the advisory committee meetings.

An Advisory Committee Lead would establish the committee, prepare content for meetings, host and facilitate meetings, communicate with advisory members outside of meetings, and provide supporting documentation and information to committee members throughout the process. The lead would also reference other state programs, and applicable research to determine appropriate testing and sampling requirements. This is estimated to require 0.10 FTE EP-4 each year in FY 2025, FY 2026, FY 2027, 0.15 FTE in FY 2028, and 0.01 FTE in FY 2029.

A Community Outreach and Environmental Education Specialist 3 (COEES-3) would facilitate the advisory committee meetings, manage comments, and help with e-mail and website communications. The estimated workload is 0.01 FTE COEES-3 each year in FY 2025, FY 2026, FY2027, 0.02 FTE in FY2028, and 0.01 FTE in FY2029.

Technical support staff would conduct targeted outreach to overburdened communities and vulnerable populations across the state to ensure inclusion and representation in the committee. This is estimated to require 0.02 FTE EP-4 each year in FY 2025, FY 2026, FY2027, 0.04 FTE in FY2028, and 0.02 FTE in FY2029.

Technical support staff would provide assistance with the committee establishment, prepare for and coordinate meetings, and facilitate meetings, as well as assist with determine appropriate testing and sampling requirements. This is estimated to require 0.03 FTE ES-5 each year in FY 2025, FY 2026 and FY 2027, 0.10 FTE in FY 2028, and 0.01 FTE in FY 2029.

Technical support staff would advise on QA/QC protocols for sampling and analysis, review sampling and analysis recommendations, and consult with program experts. This is estimated to require 0.02 FTE Chemist 4 each year in FY 2025, FY 2026, FY2027, 0.03 FTE in FY2028, and 0.01 FTE in FY2029.

Administrative support staff would coordinate meeting space reservation and preparation, assist with hosting the meetings, and technical support during meetings. This is estimated to require 0.01 FTE AA-3 each year in FY 2025, FY 2026, FY2027, and FY2028.

Technical Support to Facilities for Sampling of PFAS in Biosolids Produced in Washington State

Ecology assumes the sampling and analysis of PFAS in biosolids required in Section 4 (6) would be conducted by the biosolids facilities. The testing and sampling requirements would be established in rule by July 1, 2027, and biosolids facilities would begin conducting PFAS sampling and providing results to the Solid Waste Management (SWM) Program. Ecology assumes biosolids facilities would have one year to conduct samples and submit them for analysis and submit the data to Ecology.

Ecology assumes collections and analysis of biosolids samples at facilities would align with current pollutant testing requirements under 173-308-140, 150, and 160 and be conducted up to twelve times a year per facility depending on the

volume of biosolids produced in one year at each facility.

After establishing PFAS chemicals sampling requirements under an updated rule, the statewide biosolids lead, and regional coordinators would need to provide technical support to permittees and review submitted data for compliance on an as-needed basis. Ecology assumes 60 facilities would need sampling and analysis at least quarterly; an additional 200 facilities would need sampling and analysis annually. The remaining facilities may require sampling and analysis less often than once a year.

Ecology assumes technical assistance would begin at least six months before the rule takes effect because we assume at least 25 percent of our facilities would contact Ecology biosolids staff with questions about how the rule requirements would impact their operations. Impacts from the bill would look different to each facility as no facility is designed or operates identical to another. As such, the technical assistance would be highly variable and require a lot of correspondence with permittees from biosolids staff.

Based on these assumptions, Ecology estimates 0.25 FTE EP-4 each year in FY 2027 and FY 2028 to develop guidance for regional coordinators, conduct team training, and provide technical assistance and guidance to permittees. This is estimated to require 0.09 FTE EP-4 in FY 2029 and ongoing each fiscal year thereafter to provide support to the regional coordinators, permittees, and monitor PFAS-related research and federal regulations.

Regional coordinators would provide technical assistance and guidance to permittees. The estimated workload would be 0.50 FTE ES-5 each year in FY 2027 and FY 2028, decreasing to 0.17 FTE in FY 2029 and ongoing each fiscal year thereafter.

Compiling Data, Drafting, and Submitting Report to the Legislature

Ecology staff would complete an analysis of the levels of PFAS chemicals in biosolids regulated under this chapter by July 1, 2028. Ecology would compile, review, evaluate, and summarize the PFAS sampling data and consult the Advisory Committee on recommendations on how to proceed based on the analysis and prepare a Legislative report including this information. The report would be completed and provided to the appropriate committee(s) of the Legislature and the public by December 1, 2028.

Based on our experience working with labs to receive pollutant data and compiling and drafting reports to the Legislature of this type, to provide a complete report, we assume at least two years would be needed for facilities to sample, labs to analyze the samples, and Ecology to compile the data and prepare a report for the Legislature.

Completing the analysis and preparing the legislative report would require the following staff resources:

An EP-4 (0.30 FTE in FY 2029) would compile the data and draft the report, coordinate agency and OFM review, incorporate recommended edits, publish the final report, and submit the report to the Legislature.

An ES-5 (0.13 FTE in FY 2029) would provide internal review and edits for the draft report.

A CC-5 (0.05 FTE in FY 2029) would provide communications review for content clarity and key messages.

A CC-2 (0.05 FTE in FY 2029) would provide accessibility and plain talk review of the report.

An Environmental Planner 5 (EP-5) (0.10 FTE in FY 2029) would advise the report writer on legislative report requirements and coordinate with the agency's Governmental Relations Office.

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

FY 2025: \$114,467 and 0.8 FTEs

FY 2026: \$374,395 and 2.5 FTEs

FY 2027: \$408,168 and 2.7 FTEs

FY 2028: \$192,324 and 1.3 FTEs

FY 2029: \$165,633 and 1.1 FTEs

Notes on costs by object:

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 34.1% of salaries.

Goods and Services are the agency average of \$6,048 per direct program FTE and \$2,000 each year in FY 2026 and FY 2027 for rulemaking facility rental costs.

Travel is the agency average of \$2,205 per direct program FTE.

Equipment is the agency average of \$1,286 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 29.8% 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 2024	FY 2025	2023-25	2025-27	2027-29
199-1	Biosolids Permit Account	State	0	0	0	408,168	357,957
23P-1	Model Toxics Control Operating Account	State	0	114,467	114,467	374,395	0
Total \$			0	114,467	114,467	782,563	357,957

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.8	0.4	2.6	1.2
A-Salaries and Wages		62,145	62,145	422,737	194,414
B-Employee Benefits		21,192	21,192	144,153	66,296
E-Goods and Other Services		3,989	3,989	31,092	12,394
G-Travel		1,455	1,455	9,879	4,521
J-Capital Outlays		852	852	5,765	2,639
9-Agency Administrative Overhead		24,834	24,834	168,937	77,693
Total \$	0	114,467	114,467	782,563	357,957

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 2024	FY 2025	2023-25	2025-27	2027-29
ADMIN ASSISTANT 3	54,194		0.0	0.0	0.0	0.0
BUDGET ANALYST 4	91,073				0.1	
CHEMIST 4	108,152		0.0	0.0	0.0	0.0
COM OTRCH & ENV ED SP 3	67,717		0.0	0.0	0.1	0.0
COMM CONSULTANT 2	64,439					0.0
COMM CONSULTANT 3	71,149		0.0	0.0	0.0	
COMM CONSULTANT 5	93,349		0.0	0.0	0.0	0.0
ECONOMIC ANALYST 3	95,627				0.1	
ENVIRONMENTAL PLANNER 4	95,650		0.3	0.2	0.8	0.4
ENVIRONMENTAL PLANNER 5	105,612					0.1
ENVIRONMENTAL SPEC 5	95,387		0.2	0.1	0.9	0.5
FISCAL ANALYST 2			0.1	0.0	0.2	0.1
IT APP DEV-JOURNEY			0.0	0.0	0.1	0.1
REGULATORY ANALYST 2	88,798				0.0	
REGULATORY ANALYST 3	100,521		0.1	0.0	0.2	
Total FTEs			0.8	0.4	2.6	1.2

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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Section 4 would authorize Ecology to adopt rules to implement the biosolids management program. Ecology assumes rulemaking would occur from April 1, 2025, to January 1, 2027.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 6163 S SB

Title: Biosolids

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- Cities: Publically owned treatment works (POTW) would be required to test for PFAS chemicals as a condition of the Department of Ecology biosolid permits.
- Counties: Same as above for county POTW.
- Special Districts: Same as above for special district POTW.
- Specific jurisdictions only:
- Variance occurs due to:

Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option:
- Key variables cannot be estimated with certainty at this time: Costs associated with the sampling and testing procedures developed by the Department of Ecology.

Estimated revenue impacts to:

None

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: 02/02/2024
Leg. Committee Contact: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 01/26/2024
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 02/02/2024
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/02/2024

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

This fiscal note reflects language found in the substitute version of SB 6163, 2024 legislative session. The amendments to this proposed substitute act would delay the fiscal impact for local government identified in the prior version of this legislation, by one year.

CHANGES BETWEEN THIS VERSION AND PREVIOUS BILL VERSION:

The amendments made to the substitute version of this legislation would result in the PFAS testing and sampling costs incurred by local government's publically owned treatment works being delayed by one year, from July 1, 2026, to July 1, 2027.

This substitute act also removes the requirements for a manifest for Class B biosolids transport.

SUMMARY OF CURRENT BILL:

This bill amends requirements for the testing of municipal sewage sludge (biosolids) for PFAS chemicals in the state.

Section 4 requires the Department of Ecology to establish chemical sampling and testing requirements by July 1, 2027 for regulated biosolids.

Section 5 authorizes the Department of Ecology to set annual permit fees equal to the cost to issue and administrate the biosolids permit program. This section amends RCW 70A.226.030 to include costs related to sampling or testing as a component of the annual permit fees.

Section 6 would authorize an advisory committee of representatives that would include utilities that produce soil amendments. This committee with subject matter expertise about PFAS chemicals or their use in soil would provide input to the Department of Ecology on the requirements for the sampling and testing standards for PFAS chemicals.

The effective date of this act is 90 days after the adjournment of the session in which the bill is passed.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

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

There is no change to indeterminate expenditure impact associated with this legislation. The amendments made to the substitute version of the bill would result in the PFAS testing and sampling costs incurred by local government's publicly owned treatment work being delayed by one year, from July 1, 2026, to July 1, 2027.

The Local Government Fiscal Note program assumes that any subject matter experts that participate in the advisory committee established in Sec. 6 would do so in a volunteer capacity within the routine scope of work for their position. Therefore, Sec. 6 would have no impact for local government expenditures.

Any de minimis costs associated with the transportation manifest requirement for Class B biosolid transport from the prior bill would be removed.

SUMMARY OF CURRENT BILL VERSION:

This proposed substitute legislation would have indeterminate costs associated with new sampling and testing requirements that would be developed by the Department of Ecology (Ecology) by July 1, 2027. These costs would not be incurred by

publicly owned treatment works (POTWs) until the requirements are established in the biosolid general permit. Ecology is authorized by Sec. 5 of this act to set the permitting fees to collect expenses related to administering the biosolid permits, which includes the costs of sample, or testing of biosolid materials.

The amendments made in Sec. 6 of this may include the voluntary participation of POTW operators or technicians who would be able to speak to the issues of sampling and testing specified by Sec. 4 of this act. These staff are assumed to be participating in the rule making in a volunteer capacity as part of their routine scope of work, and would therefore have no impact on local government expenditures.

CHANGES TO THE BIOSOLIDS MANAGEMENT GENERAL PERMIT:

Potentially starting in FY27, there may be increased but indeterminate costs for POTWs in the state to sample and test biosolids for the new per- and polyfluoroalkyl substances (PFAS) performance standard, which the Department of Ecology (Ecology) would develop by July 1, 2026.

According to the California State Water Resources Control Board (Board), POTWs are potentially significant receivers of PFAS and have the potential to discharge these wastes to the environment. In its order to POTWs through WQ 2020-0015-DWQ, the Board estimated that PFAS testing, sampling, and preparing reports would cost individual wastewater treatment facilities approximately \$5,000 to \$25,000. However, the dollar value that the testing in Ecology's biosolid management general permit may increase is currently unknown as it would require consultation of the advisory committee in Sec. 6 before the statewide testing standard is established.

For reference on the existing testing costs, economic impact analysis of the biosolids management general permit conducting in 2021 found that compliance with the general permit had nominal average annual costs of \$250 to \$340. These costs include estimating the remaining capacity for biosolids accumulation within an active biosolid lagoon and pollution analysis.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

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

The amendments made to the substitute version of this bill would not result in changes to the previously identified revenue impact.

SUMMARY OF CURRENT BILL VERSION:

This bill would have no impact on local government revenues.

SOURCES

California Water Boards, State Water Resources Control Board - "ORDER WQ 2020-0015-DWQ" (July 2020)
CDM Smith, "Data on Actual Costs to Wastewater and Biosolids Management Programs from PFAS" (Oct. 2020)
Department of Ecology, "Small Business Economic Impact Analysis Biosolids Management General Permit" (May 2021)
Local Government Fiscal Note, SB 5245, (2023)
Municipal Research Services Center, Sewer Utilities
Senate Bill Report, SB 6163 (2024)
Senate Bill Report, S SB 6163 (2024)
Washington State Association of Counties



Multiple Agency Ten-Year Analysis Summary

Bill Number 6163 S SB	Title Biosolids
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This ten-year analysis is limited to the estimated cash receipts associated with the proposed tax or fee increases.

Estimated Cash Receipts

	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031	Fiscal Year 2032	Fiscal Year 2033	2024-33 TOTAL
Department of Ecology	0	0	0	408,168	192,324	165,633	45,691	45,691	45,691	45,691	948,889



Ten-Year Analysis

Bill Number 6163 S SB	Title Biosolids	Agency 461 Department of Ecology
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts

 Partially Indeterminate Cash Receipts

 Indeterminate Cash Receipts

Estimated Cash Receipts

Name of Tax or Fee	Acct Code	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031	Fiscal Year 2032	Fiscal Year 2033	2024-33 TOTAL
Biosolids Permit Fee	199				408,168	192,324	165,633	45,691	45,691	45,691	45,691	948,889
Total					408,168	192,324	165,633	45,691	45,691	45,691	45,691	948,889
Biennial Totals					408,168	357,957		91,382		91,382		948,889

Narrative Explanation (Required for Indeterminate Cash Receipts)

Under RCW 70A.226.030, Ecology recovers costs to administer the biosolids permit program through biosolids permit fees, which are deposited in the Biosolids Permit Account.

Ecology assumes the costs to implement the bill are fee-eligible after the rulemaking is amended to authorize Ecology to adjust fees above the annual fiscal growth factor beginning in FY 2027. The estimated increase to fee revenue is based on estimated costs by fiscal year.

Agency Preparation: My-Hanh Mai	Phone: 360-742-6931	Date: 2/1/2024 7:37:02 am
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 2/1/2024 7:37:02 am
OFM Review:	Phone:	Date: