

# Relief from Hazardous Waste Fees for Very Small Businesses

In challenging economic times, the smallest businesses can have the toughest time surviving. Companies struggling to make ends meet can find even a tiny government fee difficult to pay. For the 2010 Legislative session, the Department of Ecology (Ecology) proposes updating current law to help ease some of the financial burden on approximately 700 of the smallest companies in Washington.

## The problem

One of the fees businesses pay in Washington is the “Hazardous Waste Generation” fee. All companies in the state that create hazardous waste pay this small fee unless they qualify for an exemption. Unfortunately, the law governing this fee and its exemption has become outdated:

- **Exemption Threshold.** To qualify for the fee exemption, a business cannot make more than \$12,000 a year. This \$12,000 income limit has not been increased since the Legislature created the fee in 1990. Because of inflation, this means the fee applies to more very small businesses every year.
- **Lack of Ecology Authority to Increase Threshold.** The statute requires Ecology to adjust all hazardous waste fees for inflation (including the Generation fee). However, the statute does not give Ecology the authority to increase the exemption threshold by the same inflation factor. We believe it would be fairer to small businesses to increase the threshold each year by the same inflation rate as the fee.
- **Need for Technical Correction.** The law requires Ecology to calculate inflation using the “Gross National Product” for state government. Unfortunately, the federal government no longer publishes this number. Instead, they publish the “Gross Domestic Product” for state government. The statute needs to be updated to reflect this minor change.

## WHY IT MATTERS

- Increasing the exemption threshold to \$19,500 means approximately 700 additional very small businesses will not have to pay the Hazardous Waste Generation fee each year.
- Adjusting the exemption threshold each year for inflation keeps the size of businesses paying the Generation fee steady each year.
- Clarifying how Ecology calculates inflation helps businesses understand how their hazardous waste fees are calculated each year. This increases transparency, which is crucial to good government.
- Amending the fee statute (RCW 70.95E) does not affect other hazardous waste laws. Companies will still need to follow all existing rules about handling their waste in a safe manner.

## Contact Information:

John Ridgway  
(360) 407-6713  
john.ridgway@ecy.wa.gov

Kimberly Goetz  
(360) 407-6754  
kimberly.goetz@ecy.wa.gov

## Special accommodations:

To ask about the availability of this document in a format for the visually impaired, call the Hazardous Waste and Toxics Reduction Program at 360-407-6700. Persons with hearing loss can call 711 for Washington Relay Service. Persons with a speech disability can call 877-833-6341.

## The Solution

Ecology believes it can make the Generation fee more fair to small businesses while still protecting our environment. Ecology's proposal solves three problems:

- Updates the exemption threshold to \$19,500. This amount represents an increase of the original \$12,000 threshold for inflation through 2009.
- Allows Ecology to update the threshold each year for inflation. This yearly adjustment keeps the size of the business paying the Generation fee in line with the Legislature's original intent.
- Updates the fee statute to replace references to "Gross National Product" to "Gross Domestic Product" for "state and local government."

The proposed legislation does not make any changes to laws about safety, reporting, or proper disposal of hazardous wastes. The revised law would also not apply to bigger companies that generate large amounts of toxic and other dangerous wastes. Our proposal would simply give the smallest of Washington's businesses a needed financial break.