

LEG. FINANCE - BILLS 1983 - 1984 2133

CSSB 496 cont. - CSSb 503

2133

LEGISLATIVE SESSION
NOTE

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

CSSB
496
(L&C)

Fiscal note remain intact if the
provisions becomes law, due to the
load. (It would be impossible to
minimal additional resources.)

all fishing loans relative to the
administers, allowing assumptions
load dramatically. Currently,
that for our other loan programs.
all three regional Division of
own division.) One additional
quired to assist with increased
workload, is the absolute minimum
Operations Section.

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for C.F. account information
relating to assumptions), as well
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lateral through the subsidiary

4 400 approvals of assumptions
nce of \$67,500:

5 x 600 = \$75,000/year

f the assumed balance
ar

ercial fishing loans due to
essed vessels and other

(est.) = \$49,105/year for

assumes an increase in cash
recovery.

REQUEST	FISCAL DETAIL
Bill/Resolution No.: CSSB 496 (L&C)	Agency Affected: Commerce & Economic
Title: An Act relating to Commercial Fishing Loans	Program Category Affected: Development
Sponsor: Senate Labor & Commerce	BKU, Program or Subprogram(s) Affected: Investments
Requestor: Labor & Commerce Committee	
Date of Request:	

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES		157.8	157.8	157.8	157.8	157.8
200 TRAVEL		7.9	7.9	7.9	7.9	7.9
300 CONTRACTUAL		12.3	12.0	12.0	12.0	12.0
400 SUPPLIES		1.2	1.2	1.2	1.2	1.2
500 EQUIPMENT		17.4				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
900 MISCELLANEOUS						
TOTAL OPERATING		196.6	178.9	178.9	178.9	178.9

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND		196.6	178.9	178.9	178.9	178.9
FEDERAL FUNDS						
OTHER						
TOTAL		196.6	178.9	178.9	178.9	178.9

POSITIONS:

FULL-TIME		4.0	4.0	4.0	4.0	4.0
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate cost analysis

Prepared By: Paul R. Arnoldt, Director Phone: 455-2510
Division: Investments Date: 3/29/84

Approved by Commissioner: Richard A. Lyon Date: _____
Agency: Commerce and Economic Development

CSSB
469
(L&C)

Analysis:

100 Line

Processing of an additional 600 applications for assumptions and approval of 400 of those applications per year will create a marked increase in the workload of the division's Anchorage and Juneau regional offices. Two additional loan examiners and two loan closers would be required to handle the increased load and would be spread between the two regional offices. One time expenses would be incurred for equipment.

Consideration of these applications would also require significantly more meetings of the department's loan committees. This fiscal note assumes that this additional burden would be absorbed.

300 Line \$.3

Approval of this measure would require modification and reprinting of the existing loan application packet.

TOTAL = \$274.2
\$395.0 Revenue

AL SUPPLEMENT

4/2/84

4/2/84

SENATE JOURNAL SUPPLEMENT

No. 69

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

CSSB
496
(L&C)

recruitment for all job classes in which
ions be open to recruitment at least
milar to the State's recruiting practice
eight minutes. Prior to 1983,
ange is that collective bargaining
eage is that collective bargaining
tional recruiting for all job classes.
f applications under these conditions
ase thereafter is expected to be 1000.

ent and Examining Section staff
determination of meeting Minimum
a Rating of Training and Experience
f eight minutes. Prior to 1983,
ired T&E. Therefore average processing
es (eight minutes for minimum
for T&E). In 1983, all written
mation was not on hand were eliminated.
Average processing time is now 14.4
ifications and eight minutes x .8 for
ive it allows for greater individual

love, the examining staff must
sters in response to appeals.

swance for paid vacations and
1631 productive hours per year. This
nd 489 hours on appeals and other
can process 4758 applications.

onnel Technicians I) will be needed to
there are only eight positions in the
task.

a clerical support operations - log in,
g, test scoring, data entry, letter
ngly. Currently and historically 2.1
each examiner. A total of 4.2
eded. The fractional position will
on.

and published. In addition,
onal job classes annually will be
d. An additional Personnel
staff this function. \$33,600 in
l also be needed.

REQUEST

Bill/Resolution No.: CSSB 496

Title: An Act relating to the

CF loan fund

Sponsor:

Requestor:

Date of Request:

FISCAL DETAIL

Agency Affected: Commerce & Economic

Program Category Affected:

Economic Development

BRU, Program or Subprogram(s) Affected:

Accounting & Collections BRU

DP BRU

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES		61.6	64.7	67.9	71.3	74.9
200 TRAVEL		.0	.0	.0	.0	.0
300 CONTRACTUAL		7.0	7.3	8.6	11.2	14.7
400 SUPPLIES		1.2	1.4	1.6	1.8	2.0
500 EQUIPMENT		7.8	.0	.0	.0	.0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		77.6	73.4	78.1	84.3	96.6

CAPITAL						
REVENUE		395.0	445.0	495.0	545.0	595.0

FUNDING: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
GENERAL FUND		77.6	73.4	78.1	84.3	96.6
FEDERAL FUNDS						
OTHER						
TOTAL		77.6	73.4	78.1	84.3	96.6

POSITIONS:

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
FULL-TIME		2.0	2.0	2.0	2.0	2.0
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

General Funds: earnings from CF loan fund.

ANALYSIS: Attach a separate page for analysis

Prepared By: Margaret I. Hamlev, Director

Division: Accounting & Collections

Phone: 465-2555

Date: 4-11-84

Approved by Commissioner: Richard A. Lyon

Agency: Commerce and Economic Development

Date: 3/21/84

CSSB STATE OF ALASKA 1984 LEGISLATIVE SESSION
496 FISCAL NOTE
(L&C)

EXPENDITURE ANALYSIS

It is absolutely essential that this fiscal note remain intact if the portion of CSSB 496 relating to assumptions becomes law, due to the impact that will have upon our workload. (It would be impossible to administer this statute without these minimal additional resources.)

Because of the complexity of commercial fishing loans relative to the other 11 loan programs this division administers, allowing assumptions will impact our records management workload dramatically. Currently, C.F. filing is three times heavier than that for our other loan programs. (This division manages loan files for all three regional Division of Investments' offices, as well as our own division.) One additional records position, who will also be required to assist with increased phone calls, increased insurance workload, is the absolute minimum the division will require in the Daily Operations Section.

One Accounting Technician II is also requested, as an absolute minimum, in the Customer Service/Subsidiary Ledger Section. This position is needed in order to respond to requests for C.F. account information generated by Division of Investments (relating to assumptions), as well as to correctly process C.F. assumptions within the subsidiary accounting system. Approximately 10% of this position's time will be spent processing refinancing of repossessed collateral through the subsidiary system.

REVENUE ANALYSIS

Assumes an estimated 600 applicants and 400 approvals of assumptions per year, with an average assumed balance of \$67,500:

- a. Nonrefundable application fee $\$125 \times 600 = \$75,000/\text{year}$
- b. Assumption fee (one-time) of 1% of the assumed balance
 $-\$67,500 \times .01 \times 400 = \$270,000/\text{year}$

Assumes 50% recovery of losses on commercial fishing loans due to ability to finance and reamortize repossessed vessels and other collateral.

- a. Example: Loss of \$590.7 in FY '84
 $\$590,700 \times .50 = \$295,350$
 Reamortized over 10 years at 10.5% (est.) = \$49,105/year for 10 years.
- b. Using this example, this analysis assumes an increase in cash flow of \$50,000 per year in loss recovery.

LEGISLATIVE SESSION
NOTE

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

CSSB
496
(L&C)

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REQUEST

Bill/Resolution No.: CSSB 496 (L&C)
Title: An Act relating to Commercial
Fishing Loans
Sponsor: Senate Labor & Commerce
Requestor: Labor & Commerce Committee
Date of Request:

FISCAL DETAIL

Agency Affected: Commerce & Economic
Program Category Affected: Development
ORU, Program or Subprogram(s) Affected: Investments

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
100 PERSONAL SERVICES		157.8	157.8	157.8	157.8	157.8
200 TRAVEL		7.9	7.9	7.9	7.9	7.9
300 CONTRACTUAL		12.3	12.0	12.0	12.0	12.0
400 SUPPLIES		1.2	1.2	1.2	1.2	1.2
500 EQUIPMENT		17.4				
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CAPITAL						
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TOTAL		196.6	178.9	178.9	178.9	178.9

POSITIONS:

FULL-TIME		4.0	4.0	4.0	4.0	4.0
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Paul B. Arnoldt, Director
Division: Investments

Phone: 465-2510
Date: 3/27/84

Approved by Commissioner: Richard A. Lyon
Agency: Commerce and Economic Development

Date: _____

CSSB
469
(L&C)

Analysis:

100 Line

Processing of an additional 600 applications for assumptions and approval of 400 of those applications per year will create a marked increase in the workload of the division's Anchorage and Juneau regional offices. Two additional loan examiners and two loan closers would be required to handle the increased load and would be spread between the two regional offices. One time expenses would be incurred for equipment.

Consideration of these applications would also require significantly more meetings of the department's loan committees. This fiscal note assumes that this additional burden would be absorbed.

300 Line \$.3

Approval of this measure would require modification and reprinting of the existing loan application packet.

Offered: 4/2/84
Referred: Finance

Original sponsor: Rules/Governor

1 IN THE SENATE

BY THE LABOR AND
COMMERCE COMMITTEE

2

CS FOR SENATE BILL NO. 496 (L&C)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to commercial fishing loans; and
7 providing for an effective date."

7

8

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9

* Section 1. AS 16.10.310(a) is amended to read:

10

(a) The department may

11

(1) make loans to

12

(A) individual commercial fishermen who have been

13

state residents for a continuous period of two years immediately

14

preceding the date of application for a loan under AS 16.10.300 -

15

16.10.370 and have had a crewmember or commercial fishing license

16

under AS 16.05.480 or a permit under AS 16.43 for the year imme-

17

diately preceding the date of application and any other two of

18

the past five years, and who actively participated in the fishery

19

during those periods, for the purchase of entry permits;

20

(B) an individual who has been a state resident for a

21

continuous period of two years immediately preceding the date of

22

application for a loan under AS 16.10.300 - 16.10.370, who (i)

23

because of lack of training or lack of employment opportunities

24

in the area of residence does not have occupational opportunities

25

available other than commercial fishing; or (ii) is economically

26

dependent on commercial fishing for a livelihood and for whom

27

commercial fishing has been a traditional way of life for the

28

individual in Alaska; [,] for the repair, restoration or upgrad-

29

ing of existing vessels and gear, for the purchase of entry

1 permits and gear, and for the construction and purchase of ves-
2 sels;

3 (C) corporations, partnerships, or joint ventures, 100
4 percent of which are owned by individual commercial fishermen who
5 have been state residents for a continuous period of two years
6 immediately preceding the date of application for a loan under
7 AS 16.10.310(a)(1)(B) and have had a crewmember or commercial
8 fishing license under AS 16.05.480 or a permit under AS 16.43 for
9 the year immediately preceding the date of application and any
10 other two of the past five years, and who actively participated
11 in the fishery during that period, for the repair, restoration or
12 upgrading of existing vessels and gear, for the purchase of gear,
13 and for the construction and purchase of vessels;

14 (2) designate agents and delegate its powers to them as
15 necessary;

16 (3) adopt regulations necessary to carry out its functions;

17 (4) establish amortization plans for repayment of loans,
18 which may include extensions for poor fishing seasons or for adverse
19 market conditions for Alaskan products;

20 (5) enter into agreements with private lending institu-
21 tions, other state agencies, or agencies of the federal government, to
22 carry out the purposes of AS 16.10.300 - 16.10.370;

23 (6) enter into agreements with other agencies or organiza-
24 tions to create an outreach program to make loans under AS 16.10.300 -
25 16.10.370 in rural areas of the state;

26 (7) allow an assumption of a loan if the applicant has been
27 a state resident for a continuous period of two years immediately
28 preceding the date of the request for an assumption.

29 * Sec. 2. AS 16.10.320(a) is amended to read:

- 1 (a) A loan under AS 16.10.310 - 16.10.370
2 (1) may not exceed a term of 15 years, except for exten-
3 sions granted under AS 16.10.310(a)(4);
4 (2) may not bear interest exceeding 10-1/2 percent;
5 (3) shall be secured by a first priority lien and appropri-
6 ate security agreement; and
7 (4) may not exceed 90 percent of the appraised value of the
8 collateral used to secure the loan, except that a loan granted under
9 AS 16.10.333 for the purchase of an Alaska limited entry permit may
10 not exceed an amount determined in accordance with (f) or (h) of this
11 section.

12 * Sec. 3. AS 16.10.320(d) is amended to read:

13 (d) The total of balances outstanding on loans [LOANS] made to a
14 borrower under AS 16.10.310(a)(1)(A) may not exceed [A TOTAL OF]
15 \$300,000. Loans made to a borrower under AS 16.10.310(a)(1)(B) or (C)
16 may not exceed a total of \$100,000. A loan to an associate of the
17 borrower is considered to be a loan to the borrower. For the purposes
18 of this section, "associate of the borrower" means

19 (1) a corporation or other organization of which the
20 borrower is an officer, director or partner, or is, directly or
21 indirectly, the beneficial owner of 10 percent or more of any class of
22 equity securities;

23 (2) a person who is, directly or indirectly, the beneficial
24 owner of 10 percent or more of any class of equity securities of the
25 borrower;

26 (3) a trust or other estate in which the borrower has a
27 substantial beneficial interest or as to which the borrower serves as
28 trustee or in a similar fiduciary capacity.

29 * Sec. 4. AS 16.10.320(e) is amended to read:

1 (e) Two or more individual commercial fishermen who each satisfy
2 the requirements specified in AS 16.10.310(a)(1)(B) may jointly obtain
3 a commercial fishing loan for the construction of a fishing vessel or
4 the purchase of an existing fishing vessel. Loans granted under this
5 subsection

6 (1) may not exceed the amount specified in (d) of this
7 section multiplied by the number of qualified commercial fishermen
8 applying for the loan;

9 (2) may not exceed a term of 15 years, except for exten-
10 sions granted under AS 16.10.310(a)(4);

11 (3) shall be secured by a first priority lien and appropri-
12 ate security agreement;

13 (4) may not bear interest exceeding 10-1/2 percent; and

14 (5) may not exceed 90 percent of the appraised value of the
15 collateral used to secure the loan.

16 * Sec. 5. AS 16.10.335 is amended to read:

17 Sec. 16.10.335. DEFAULT AND FORECLOSURE. (a) If the debtor
18 defaults upon a note for which a limited entry permit has been pledged
19 as security under AS 16.10.333 or [UNDER AS] 16.10.338, the commis-
20 sioner shall provide the debtor, by both [REGISTERED OR] certified and
21 first class mail sent to the debtor's last known address on file with
22 the commissioner, with a notice of default that [WHICH] includes

23 (1) a description of the security given for the note in-
24 cluding the number assigned to the pledged permit by the commission;

25 (2) the date upon which the default occurred;

26 (3) the amount of arrearages as of the date of the notice,
27 the total amount remaining on the note less unearned interest, and the
28 amount of daily interest;

29 (4) a statement that the debtor may, within 15 days after

1 [OF] the postmark date of the notice, request a hearing to submit
2 evidence showing the debtor has not defaulted;

3 (5) a statement that the note may be reinstated if brought
4 current within 60 days after [FROM] the postmark date of the notice;

5 (6) a statement that the note may be paid in full less
6 unearned interest within 120 days after [FROM] the postmark date of
7 the notice;

8 (7) the place where reinstatement or payment in full may be
9 made; and

10 (8) a notice in at least 10-point bold type stating:
11 "IMPORTANT: YOUR FAILURE TO REINSTATE OR PAY THIS NOTE IN FULL BY THE
12 DATE SPECIFIED WILL RESULT IN A FORFEITURE OF ALL RIGHTS TO THE PERMIT
13 AND THE POSSIBILITY OF LEGAL ACTION BEING INSTITUTED AGAINST YOU."

14 (b) In each case of a limited entry permit being pledged as
15 security under AS 16.10.333 or 16.10.338, the debtor shall maintain on
16 file with the department an address where notice of default is to be
17 sent, if necessary, and where that notice will be timely received by
18 the debtor.

19 (c) Upon presentation of evidence of mailing in accordance with
20 (a) of this section, the receipt of the notice of default by the
21 debtor will be presumed for all purposes. This presumption is re-
22 buttable by presentation of evidence sufficient to demonstrate lack of
23 receipt of notice through no fault of the debtor. Upon presentation
24 of evidence sufficient to prove lack of receipt of notice through no
25 fault of the debtor, the notice is a nullity.

26 (d) Upon good cause shown, the commissioner may waive any of the
27 time limits in (a) of this section, if the department receives from
28 the debtor or the debtor's representative a request for the waiver
29 before the expiration of the time limit for which the waiver is

1 sought.

2 (e) Except as otherwise provided in (c) and (d) of this section,
3 upon [UPON] the debtor's failure to satisfy the note within the time
4 specified in (a)(6) of this section, the debtor's interest in the
5 permit is terminated by operation of law without further notice. Any
6 entry permit cards issued to the debtor under the permit shall be
7 cancelled immediately upon receipt by the commission of a certificate
8 of termination containing a copy of the notice required by (a) of this
9 section issued by the commissioner.

10 * Sec. 6. AS 16.10 is amended by adding a new section to read:

11 Sec. 16.10.336. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR
12 FORECLOSURE. The department shall dispose of property acquired
13 through default or foreclosure of a loan made under AS 16.10.300 -
14 16.10.370. Disposal shall be made in a manner that serves the best
15 interests of the state and may include the amortization of payments
16 over a period of years, but may not be by lease.

17 * Sec. 7. This Act takes effect immediately in accordance with AS 01.-
18 10.070(c).

Introduced: 2/14/84
Referred: Labor and Commerce
and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO. 496

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the commercial fishing loan fund;
7 and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 16.10.335 is amended to read:

10 Sec. 16.10.335. DEFAULT AND FORECLOSURE. (a) If the debtor
11 defaults upon a note for which a limited entry permit has been pledged
12 as security under AS 16.10.333 or under AS 16.10.338, the commissioner
13 shall provide the debtor, by both [REGISTERED OR] certified and first
14 class mail sent to the debtor's last known address on file with the
15 commissioner, with a notice of default which includes

16 (1) a description of the security given for the note in-
17 cluding the number assigned to the pledged permit by the commission;

18 (2) the date upon which the default occurred;

19 (3) the amount of arrearages as of the date of the notice,
20 the total amount remaining on the note less unearned interest, and the
21 amount of daily interest;

22 (4) a statement that the debtor may, within 15 days after
23 [OF] the postmark date of the notice, request a hearing at which he
24 may submit evidence showing he has not defaulted;

25 (5) a statement that the note may be reinstated if brought
26 current within 60 days after [FROM] the postmark date of the notice;

27 (6) a statement that the note may be paid in full less
28 unearned interest within 120 days after [FROM] the postmark date of
29 the notice;

1 (7) the place where reinstatement or payment in full may be
2 made; and

3 (8) a notice in at least 10-point bold type stating:
4 "IMPORTANT: YOUR FAILURE TO REINSTATE OR PAY THIS NOTE IN FULL BY THE
5 DATE SPECIFIED WILL RESULT IN A FORFEITURE OF ALL RIGHTS TO THE PERMIT
6 AND THE POSSIBILITY OF LEGAL ACTION BEING INSTITUTED AGAINST YOU."

7 (b) In each case of a limited entry permit being pledged as
8 security under AS 16.10.333 or under AS 16.10.338, the debtor shall
9 maintain on file with the department an address where notice of de-
10 fault is to be sent, if necessary, and where that notice will be
11 timely received by the debtor.

12 (c) Upon evidence of mailing in accordance with (a) of this
13 section, the receipt of the notice of default by the debtor will be
14 presumed for all purposes. This presumption is rebuttable by presen-
15 tation of evidence sufficient to demonstrate lack of receipt of notice
16 through no fault of the debtor. Upon presentation of evidence suffi-
17 cient to prove lack of receipt of notice through no fault of the
18 debtor, the notice is considered a nullity.

19 (d) Upon good cause shown, the commissioner may waive any of the
20 time limits required by (a) of this section, if the department re-
21 ceives from the debtor or the debtor's representative a request for
22 the waiver before the expiration of the time limit for which the
23 waiver is sought.

24 (e) Except as otherwise provided in (c) and (d) of this section,
25 upon [UPON] the debtor's failure to satisfy the note within the time
26 specified in (a)(6) of this section, the debtor's interest in the
27 permit is terminated by operation of law without further notice. Any
28 entry permit cards issued to the debtor under the permit shall be
29 cancelled immediately upon receipt by the commission of a certificate

1 of termination containing a copy of the notice required by (a) of this
2 section issued by the commissioner.

3 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
4 10.070(c).

SEP FID
Comm bill file
SB 503

COMMITTEE REPORT
SENATE

FURTHER:

5/10/84

Date 5/10/84

Mr. President

The Committee on FINANCE considered SB 303

hazardous waste.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Chairman

Chairman recommendation

DRAFT

May

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: May 10, 1984

REQUEST
Bill/Resolution No.: CSSB 503
Title: Hazardous Waste...

FISCAL DETAIL
Agency Affected: Environmental Conservation
Program Category Affected: NRMEC

Sponsor: Senate Resources
Requestor:
Date of Request:

BRU, Program or Subprogram(s) Affected:
Environmental Quality Management
Air and Solid Waste Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING		6 months				
100 PERSONAL SERVICES		65.9	131.7	131.7		
200 TRAVEL		16.0	16.0	16.0		
300 CONTRACTUAL		123.4	101.8	116.8		
400 SUPPLIES		2.0	4.0	4.0		
500 EQUIPMENT		13.6	3.2	3.2		
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		220.9	256.7	271.7		

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		220.9	256.7	271.7		
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		3.0	3.0	3.0		
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: [Signature] Phone: _____
Division: _____ Date: _____

Approved by Commissioner: _____ Date: _____
Agency: _____

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

ANALYSIS OF FISCAL NOTE
CSSB 503
MAY 10, 1984

- A. Details of the costs for recommending the site and type of state owned/ sponsored hazardous waste management facility.

Assumptions:

- (a) The project will take six to seven years to complete through contracts managed by the Department of Environmental Conservation.
- (b) In the first year, develop the specific details of siting criteria, the appropriate types of facilities to be evaluated based on industries regulated and types of waste, and five or more general areas for evaluation.

In the second and third years, identify five potential sites, the type(s) of facility to be located at each, and begin physical evaluations of the sites.

- (c) In the next three to four years, conduct detailed evaluations of the five sites, including such parameters as meteorology, geology, hydrology, access, and socioeconomic factors. The cost could range from 500.0 to 2 million per site - an average of 1.25 million is estimated to justify each site to the public. Excess funds would be reserved for the design of the facility after approval of the site by the governor and legislature. (To be included in fiscal note in the 1986 fiscal audit cycle.)
 - (d) In the sixth/seventh year conduct the public review of at least two sites.
 - (e) Prepare recommendation for the governor and legislature.
 - (f) No inflation of costs or salaries.
- B. Details of the costs for a collection and transportation service for disposal of hazardous waste from small quantity generators and households.

Assumptions:

- (a) The project will be for at least three and one half years.
- (b) There will be "cleanups" in four or more cities per year.
- (c) No inflation of transportation or disposal costs.
- (d) An aggressive program of technical assistance to the small quantity generator to assure conformance to RCRA (Applicable Federal Hazardous Waste regulations).
- (e) A comprehensive public information campaign each year to maximize legal collection and disposal of hazardous wastes.
- (f) Analysis of the types, quantities and sources of hazardous wastes to provide information for the state hazardous waste facility siting project.

(g) Site for the collection activity and security will be provided by local government.

C. Details of the amounts in the fiscal note.

(1) Personal Services.

1	Environmental Engineer (Range 19) (for siting of hazardous waste facility)	50.0
1	Administrative Assistant (Range 12) (for siting of hazardous waste facility)	31.7
1	Environmental Engineer III (Range 19) (for education and hazardous waste collection efforts)	50.0
	<u>Total</u>	
		FY 85 65.9
		FY 86 131.7
		FY 87 131.7

(2) Travel

Moving costs of the 2 environmental Engineers: the department has found that the specialized expertise required cannot be found in Alaska	12.0	FY 85
Travel in support of project work (technical assistance and public information)	3.0	FY 85
	12.0	FY 86
	12.0	FY 87
Travel to meet with contractors, local governments, public meetings	1.0	FY 85
	4.0	FY 86
	4.0	FY 87
	<u>Total</u>	
		FY 85 16.0
		FY 86 16.0
		FY 87 16.0

(3) Contractual

Office costs (5.6 per person -- telephone, xerox, janitor)	8.4	FY 85
	16.8	FY 86
	16.8	FY 87
Inventory the types, amounts and location of hazardous waste generated in Alaska as regulated by proposed state regulations	10.0	FY 85
Determine the type(s) and capacity(ies) of hazardous waste management facilities needed		

to provide an economic means for managing wastes including transportation, storage, chemical treatment, recycling and disposal facilities with particular emphasis on encouraging alternatives to land disposal. 35.0 FY 85

Develop regulations requiring by AS 46.03. 313(b)(2) interpreting and clarifying siting criteria and establishing the public process for determining approvability of a site 45.0 FY 85

Determine five or more areas which are suitable for the types of facilities proposed in the siting of a hazardous waste facility. 50.0 FY 86

Based on the criteria in the inventory done in FY 85, determine the suitability of three or more specific sites for facilities. 75.0 FY 87

Identify alternative models of industrial and governmental financing for the proposed facilities and incentives/inducements to encourage community acceptance of a facility. 10.0 FY 86

Incremental amount needed over FY 85 operating budget funds for increased "cleanups" in four sites. 25.0 FY 85
25.0 FY 86
25.0 FY 87

<u>Total</u>	FY 85	123.4
	FY 86	101.8
	FY 87	116.8

(4) Supplies

Replace expendable laboratory, safety materials 2.0 FY 86
2.0 FY 87

office 2.0 FY 85
2.0 FY 86
2.0 FY 87

(5) Equipment

Office equipment 5.1 FY 85

Safety equipment and replacements 8.5 FY 85
3.2 FY 86
3.2 FY 87

<u>Total</u>	FY 85	13.6
	FY 86	3.2
	FY 87	3.2



Official Business

Alaska State Legislature

III

Pouch V
State Capitol
Juneau, Alaska 99801

AMENDMENT by FERGUSON

CS SB 503 (Res)

Page 1, line 7 after the word "violations;" Insert:

public contracts;

Page 9, between lines 10 and ~~11~~^{9d} Insert a new section to read:

Sec. 10. AS 36.98 is amended by adding a new section to read:

Sec. 36.98.090. PROHIBITIONS.

A legislative staff member may not solicit or receive a contract ^{concerning} from a state agency or department other than the legislature during the interim following the session in which the person worked. This section applies to all legislative staff members range 18 or higher.

Renumber remaining section accordingly.

According to
waste

Offered: 4/24/84
Referred: Judiciary

Original sponsor: Resources Committee

1 IN THE SENATE BY THE RESOURCES COMMITTEE
2 CS FOR SENATE BILL NO. 503 (Resources)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - SECOND SESSION
5 A BILL
6 For an Act entitled: "An Act relating to hazardous waste; changing pen-
7 alties for environmental pollution violations; and
8 providing for an effective date "
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
10 * Section 1. AS 46.03.299 is repealed and reenacted to read:
11 Sec. 46.03.299. REGULATION OF HAZARDOUS WASTE. (a) The depart-
12 ment shall, in accordance with the Administrative Procedure Act
13 (AS 44.62),
14 (1) adopt by reference and enforce regulations relating to
15 hazardous waste management adopted by the federal government under
16 42 U.S.C. 6921 - 6934, as amended; and
17 (2) not later than July 1, 1986, adopt other regulations
18 that take effect July 1, 1987, for the management of hazardous waste,
19 including waste that exhibits the characteristic of toxicity, persis-
20 tence, or carcinogenicity, or other characteristics identified as
21 hazardous by the Environmental Protection Agency.
22 (b) Regulations adopted under (a) of this section shall exempt
23 from their coverage mining waste and waste associated with the explo-
24 ration, development, or production of crude oil, natural gas, or
25 geothermal energy until studies required under 42 U.S.C. 6982(f) and
26 (m) are completed. The department, after considering the findings in
27 the reports of these studies, may terminate or amend the exemptions.
28 (c) The department shall take all actions necessary to receive
29 authorization from the administrator of the Environmental Protection

1 Agency to administer and enforce a hazardous waste program in accor-
2 dance with 42 U.S.C. 6901 - 6987 (Resource Conservation and Recovery
3 Act of 1976).

4 (d) Regulations adopted under (a) of this section shall cover
5 (1) hazardous waste, not otherwise exempted by law, that is generated
6 in any month by a single generator in an amount of 220 pounds or more,
7 and (2) acute hazardous wastes identified in 40 C.F.R. 261.33(e), not
8 otherwise exempted by law, that are generated in any month by a single
9 generator in an amount of 2.2 pounds or more. The department shall
10 extend the regulations to manage smaller quantities of hazardous waste
11 if the quantities specified in this subsection exceed the quantities
12 regulated under the authority of 42 U.S.C. 6921 - 6934, as amended.
13 The department may at any time extend coverage of regulations adopted
14 under (a)(2) of this section to small quantities of hazardous waste
15 and acute hazardous waste.

16 (e) During the period July 1, 1986 through June 30, 1987 the
17 department shall conduct a program to inform persons of their re-
18 sponsibilities under regulations adopted under (a)(2) of this section.

19 * Sec. 2. AS 46.03.308 is repealed and reenacted to read:

20 Sec. 46.03.308. TRANSPORTATION OF HAZARDOUS WASTE. (a) Hazard-
21 ous waste may not be transported in the state unless the waste is
22 accompaned by a manifest and the generator or transporter has de-
23 livered a copy of the manifest to the department before the transpor-
24 tation begins.

25 (b) The department shall send a copy of each manifest received
26 under (a) of this section to the state and local public safety agen-
27 cies with jurisdiction over areas covered by a hazardous waste trans-
28 portation route.

29 * Sec. 3. AS 46.03 is amended by adding a new section to read:

1 Sec. 46.03.309. TEMPORARY COLLECTION OF HAZARDOUS WASTE. The
2 department shall provide for the temporary collection of hazardous
3 waste to be prepared for shipment to a federally approved hazardous
4 waste disposal site. The department shall establish four periods in
5 each calendar year during which it shall collect hazardous waste. A
6 collection point may accept hazardous waste only from small quantity
7 generators and household generators as defined by the Environmental
8 Protection Agency.

9 * Sec. 4. AS 46.03 is amended by adding new sections to read:

10 Sec. 46.03.313. HAZARDOUS WASTE MANAGEMENT FACILITIES AND SITES.

11 (a) The department shall evaluate and select potential sites for
12 hazardous waste management facilities in the state. In evaluating and
13 selecting sites for management facilities, the department shall con-
14 sider at least the following factors:

15 (1) economic feasibility, including proximity to concen-
16 trations of generators of the types of hazardous waste likely to be
17 proposed and permitted for management;

18 (2) intrinsic suitability of the sites;

19 (3) federal and state pollution control and environmental
20 protection regulations;

21 (4) the risk and effect for local residents, units of
22 government, and the local public health, safety, and welfare, includ-
23 ing such dangers as an accidental release of waste during transporta-
24 tion to a facility or at a facility, water, air, and land pollution,
25 and fire or explosion;

26 (5) the consistency of a facility with, and its effect on,
27 existing and planned local land use and development; local laws,
28 ordinances, and permits; and local public facilities and services; and

29 (6) the adverse effects of a facility at the site on

1 agriculture and natural resources and opportunities to mitigate or
2 eliminate the adverse effects by stipulations, conditions, and re-
3 quirements relating to the design and operation of a management facil-
4 ity at the proposed site.

5 (b) By July 1, 1986, the department shall adopt regulations that

6 (1) interpret and clarify the factors listed in (a) of this
7 section; and

8 (2) establish procedures for processing, reviewing, and
9 approving or disapproving applications for the siting and operation of
10 privately owned hazardous waste management facilities.

11 (c) The department may authorize the siting and operation of
12 privately owned hazardous waste management facilities in accordance
13 with factors and requirements established under this section.

14 (d) The department shall hold public hearings in each election
15 district in which a hazardous waste management facility site is pro-
16 posed to be located. The department shall give reasonable public
17 notice of the time, date, and place of each public hearing at least 30
18 days before the hearing. The public shall be afforded an opportunity
19 at each hearing to submit written and oral testimony concerning a
20 potential site. The department shall consider the testimony submitted
21 at public hearings when it prepares reports under AS 46.03.314.

22 (e) For purposes of this section, "intrinsic suitability" of a
23 site means that, based on existing data on the inherent and natural
24 attributes, physical features, and location of the site, there is no
25 known reason why a waste management facility that may be located in
26 the site could not reasonably be expected to qualify for a permit
27 under AS 46.03.302.

28 Sec. 46.03.314. REPORTS ON MANAGEMENT SITES AND FACILITIES. (a)
29 Not later than July 1, 1987, the department shall submit to the

1 governor and the legislature a preliminary report that includes

2 (1) proposals for the siting of hazardous waste management
3 facilities in the state;

4 (2) proposals for the methods of financing and operating
5 the facilities;

6 (3) proposals for the types of facilities that should be
7 constructed, such as chemical processing facilities, incineration
8 facilities, and transfer and storage facilities; and

9 (4) information about private hazardous waste management
10 sites and facilities approved by the department.

11 (b) Not later than July 1, 1989, the department shall submit to
12 the governor and the legislature a final report that includes

13 (1) identification of sites selected by the department for
14 hazardous waste management facilities;

15 (2) recommendations for the methods of financing and oper-
16 ating facilities at the sites listed in (1) of this subsection;

17 (3) recommendations for the types of facilities that should
18 be constructed at sites listed in (1) of this subsection; and

19 (4) information about private hazardous waste management
20 sites and facilities approved by the department.

21 * Sec. 5. AS 46.03.760(a) is amended to read:

22 (a) A person who violates or causes or permits to be violated a
23 provision of this chapter other than AS 46.03.250 - 46.03.314, or a
24 provision of [OR] AS 46.04, or a regulation, a lawful order of the
25 department, or a permit, approval, or acceptance, or term or condition
26 of a permit, approval, or acceptance issued under this chapter or
27 AS 46.04 is liable, in a civil action, to the state for a sum to be
28 assessed by the court of not less than \$500 nor more than \$100,000 for
29 the initial violation, nor more than \$5,000 for each day after that

1 [THEREAFTER] on which the violation continues, and that [WHICH] shall
2 reflect, when applicable,

3 (1) reasonable compensation in the nature of liquidated
4 damages for any adverse environmental effects caused by the violation,
5 that [WHICH] shall be determined by the court according to the toxi-
6 city, degradability and dispersal characteristics of the substance
7 discharged, the sensitivity of the receiving environment, and the
8 degree to which the discharge degrades existing environmental quality;

9 (2) reasonable costs incurred by the state in detection,
10 investigation, and attempted correction of the violation; [AND]

11 (3) the economic savings realized by the person in not
12 complying with the requirement for which a violation is charged.

13 * Sec. 6. AS 46.03.760(b) is amended to read:

14 (b) Except as determined by the court under (f)(4) of this
15 section, actions [ACTIONS] under this section may not be used for
16 punitive purposes, and sums assessed by the court must be compensatory
17 and remedial in nature.

18 * Sec. 7. AS 46.03.760 is amended by adding a new subsection to read:

19 (f) A person who violates or causes or permits to be violated a
20 provision of AS 46.03.250 - 46.03.314, or a regulation, a lawful order
21 of the department, or a permit, approval, or acceptance, or term or
22 condition of a permit, approval, or acceptance issued under AS 46.-
23 03.250 - 46.03.314 is liable, in a civil action, to the state for a
24 sum to be assessed by the court of not less than \$500 nor more than
25 \$100,000 for the initial violation, nor more than \$10,000 for each day
26 after that on which the violation continues, and that shall reflect,
27 when applicable,

28 (1) reasonable compensation in the nature of liquidated
29 damages for any adverse environmental effects caused by the violation,

1 that shall be determined by the court according to the toxicity,
2 degradability and dispersal characteristics of the substance dis-
3 charged, the sensitivity of the receiving environment, and the degree
4 to which the discharge degrades existing environmental quality;

5 (2) reasonable costs incurred by the state in detection,
6 investigation, and attempted correction of the violation;

7 (3) the economic savings realized by the person in not
8 complying with the requirement for which a violation is charged; and

9 (4) the need for an enhanced civil penalty to deter future
10 noncompliance.

11 * Sec. 8. AS 46.03.790 is amended to read:

12 Sec. 46.03.790. CRIMINAL PENALTIES. (a) Except as provided in
13 (d) - (f) of this section, a [A] person who negligently violates [OR
14 WHO CAUSES OR PERMITS A VIOLATION OF] a provision of this chapter or
15 AS 46.04, or of a regulation, lawful order of the department, or
16 permit, approval, or acceptance, or term or condition of a permit,
17 approval, or acceptance issued under this chapter or AS 46.04 is
18 guilty of a class B misdemeanor.

19 (b) Except as provided in (d) - (f) of this section, a [A]
20 person who knowingly [WILFULLY] violates a provision of this chapter
21 or AS 46.04, or of a regulation, lawful order of the department, or
22 permit, approval, or acceptance, or term or condition of a permit,
23 approval, or acceptance issued under this chapter or AS 46.04 is
24 guilty of a class A misdemeanor.

25 (c) Each day on which a violation described in [(a) OR (b) OF]
26 this section occurs is considered a separate violation.

27 (d) Notwithstanding (a) and (b) of this section, a [A] person
28 who fails to provide or falsely states information required under
29 AS 46.03.755 or AS 46.04 is guilty of a misdemeanor and, upon convic-

1 tion, is punishable by a fine of not more than \$25,000, or by impri-
2 sonment for not more than ~~one~~ year, or by both. Each unlawful act
3 constitutes a separate offense.

4 (e) Notwithstanding (a) and (b) of this section, a person who
5 knowingly (1) transports any hazardous waste to a facility without a
6 permit required under AS 46.03.250 - 46.03.314; (2) treats, stores, or
7 disposes of hazardous waste without a permit required under AS 46.-
8 03.250 - 46.03.314; or (3) makes a false statement or representation
9 in an application, label, manifest, record, report, permit, or other
10 document filed, maintained, or used for purposes of compliance with
11 the hazardous waste provisions of AS 46.03.250 - 46.03.314 or regu-
12 lations adopted under those provisions, is punishable by a fine of not
13 more than \$10,000 per day or by imprisonment for not more than one
14 year, or both.

15 (f) Notwithstanding the penalty provisions of (a) - (e) of this
16 section, a defendant that is an organization is, upon conviction of a
17 violation of any of the provisions listed in this section, subject to
18 the penalties set out in AS 12.55.035(c).

19 * Sec. 9. AS 46.03.900 is amended by adding new paragraphs to read:

20 (36) "mining waste" means solid waste from the extraction,
21 beneficiation and processing of ores and minerals, including coal, and
22 including phosphate rock and overburden from the mining of uranium
23 ore;

24 (37) "waste associated with the exploration, development, or
25 production of crude oil, natural gas, or geothermal energy" means

26 (A) waste, including drilling mud, cuttings, hydro-
27 carbons, brine, acid, sand, and emulsions or mixtures of fluids
28 produced from and unique to the operation or maintenance of a
29 well, whether naturally occurring or added for the operation or

1 productivity of the well; and

2 (B) waste that is derived intrinsically from primary
3 field operations;

4 (38) "waste derived intrinsically from primary field op-
5 erations" means waste produced from a well, and removed (A) at the
6 drill site by crude oil and wastewater treatment process; or (B) at
7 crude oil production facilities before custody transfer; "waste de-
8 rived intrinsically from primary field operations" does not include
9 spent solvent from equipment maintenance activities, discarded chemi-
10 cal products, or fuel.

11 * Sec. 10. This Act takes effect immediately in accordance with AS 01.-
12 10.070(c).

CSSB 503 - An Act Relating to Hazardous Waste

Section Analysis

Section 1. Regulation of Hazardous Waste.

(a) This section directs the DEC to adopt regulations for the management of hazardous waste. These regulations must meet minimum EPA requirements as well as regulate those hazardous wastes that are toxic, persistent, or carcinogenic. The federal program ignores the carcinogenic and toxic effects of a waste on human health and the environment. Regulations should be developed no later than July 1, 1986 and effective on July 1, 1987.

(b) Mining waste, oil and gas production wastes are temporarily excluded in this section until federal studies on these wastes have been completed. The DEC will consider the report results in the development of regulations for these wastes.

(c) This part simply instructs the state to take actions necessary to receive EPA authorization for the hazardous waste program.

(d) The quantities of waste to be regulated are described here.

(e) This section requires the Department to conduct an education program about the regulations for those affected.

Section 2. Transportation of Hazardous Waste.

Before a hazardous waste is transported, a manifest which includes information about the type of material, disposal site, and handling procedures, must be sent to DEC. DEC then sends a copy of the manifest to local and state public safety agencies.

Section Analysis Continued

Section 3. Temporary Collection of Hazardous Waste.

This section institutionalizes in statute a very successful pilot program currently offered by DEC, known as "Hazardous Waste Clean-ups".

Temporary collection and transfer operations will be held for small quantity and household generators of hazardous waste four times a year.

Section 4. Hazardous Waste Management Facilities and Sites.

This section outlines the criteria and public comment procedures DEC should use to determine hazardous waste management sites and facilities in Alaska. Recommendations to the Governor and Legislature should be submitted not later than July 1, 1987. Final sites and facilities should be determined two years later.

Section 5 - 8. Penalties for Violations.

These sections include the technical amendments needed to satisfy federal requirements to obtain final authorization of the hazardous waste program.

Section 9. Definitions.

This section defines certain terms found in the legislation.

CSSB 503 - An Act Relating to Hazardous Waste

A Brief History.

In 1981, legislation (SB 29) was passed that directed the state to seek EPA authorization to administer and enforce a hazardous waste program in Alaska. The program would otherwise be managed by EPA.

Over two years later at the end of 1983, with the proposed regulations and other aspects of the authorization package nearly completed, it became apparent that the penalty sections of the current Alaska statute would have to be amended to meet EPA specifications.

Two bills SB 498 - Rules by Request of the Governor and SB 503 Resources were introduced at the beginning of the session to meet this obligation. The Governor's legislation provided the amendments to the penalty sections only, and as such was an endorsement of the hazardous waste regulation developed by the Department of Environmental Conservation. In its proposed regulations, DEC was attempting to develop a hazardous waste management program that made sense for Alaska and did not simply mimic the federal approach. SB 503 also included similar language regarding changes to the penalty codes, but limited the development of the state hazardous waste program to be the same as the federal program.

These two bills represented divergent and contradictory approaches. All interested agreed that the state should take over the management of the hazardous waste program. However, there was disagreement as to how this should be accomplished.

CSSB 503 Hazardous Waste Legislation, History

In addition, two other bills relating to hazardous waste were introduced at the start of this session. These are SB 450 - Vic Fischer regarding the disposal of hazardous waste, and SB 486 - Josephson providing the public the right to know about the storage and disposal of hazardous materials and wastes.

All four items were referred to Senate Resources Committee, which combined them into one mega-workdraft in the form of a committee substitute for SB 503. The workdraft was sent to over 30 groups and individuals to seek their comments including business, labor, environmental, health, resource development, government, and civic interests. After this review was complete, the Resources Committee then convened a meeting on April 9, 1984 of these same interested parties to hammer out compromise legislation.

After a full day of intense negotiation, agreement was reached by all the work group participants. Alaska Oil and Gas Association, Associated General Contractors, environmentalists, Alaska District Council of Laborers, Municipality of Anchorage, and various legislative and state government offices were represented. The result is the committee substitute for SB 503 before this committee.

TESTIMONY OF CHRIS NOAH
DEPUTY COMMISSIONER OF THE
DEPARTMENT OF ENVIRONMENTAL CONSERVATION

Before the Senate Resources Committee
Alaska State Legislature
Regarding: CS for SB 503

April 17, 1984

Madam Chairman, other members of the committee, my name is Chris Noah, Deputy Commissioner of the Department of Environmental Conservation. I am here to testify on the committee substitute for Senate Bill 503, entitled: "An act relating to hazardous waste; changing penalties for environmental pollution violations; and providing for an effective date."

I am here primarily to endorse this bill and urge its passage in its present form. The bill is the result of negotiations and compromise on the part of various organizations and persons concerned with the manner by which waste is classified as hazardous and managed in this state. It also incorporates the essential statutory changes contained in SB 498 which had been introduced by the Governor. The changes contained in SB 498 were based on the determination by the United States Environmental Protection Agency that certain statutory changes were necessary before the state could obtain final authorization from EPA to carry out its responsibilities under the Resource Conservation and Recovery Act of 1976. With regard to these statutory changes, we have been advised by the Attorney General's Office that the present bill (CS for SB 503) does indeed include the changes required by EPA. Specifically, these are the changes to both the criminal and civil penalties contained in Sections 5, 6 and 7 of the present bill.

It is the other parts of the bill which were the subject of discussion and compromise by various persons and organizations. In particular, it is the result of an agreement reached at an informal meeting on Monday, April 9, 1984. This administration participated in these discussions and is in accord with the agreement which is now before you in the form of this bill. The bill is one which I believe all parties can live with. Further, and most importantly, it is one which will result in a hazardous waste management program which is both effective and reasonable. However, I should state and point out that the new duties which the bill would impose on the department cannot be fulfilled without adequate funding. It is my hope, therefore, that the agency operating budget and companion appropriation to this bill will also be approved by the legislature.

Thank you for this opportunity.

CN/DD/af

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Handwritten notes:
2000
2001

Revision Date: April 13, 1984

REQUEST
Bill/Resolution No.: CSSB 503
Title: Hazardous Waste...

FISCAL DETAIL
Agency Affected: Environmental Conservation
Program Category Affected: NRMEC

Sponsor: Senate Resources
Requestor: Sen. Fahrenkamp & Fischer
Date of Request: April 12, 1984

BRU, Program or Subprogram(s) Affected:
Environmental Quality Management
Air & Solid Waste Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING		6-months				
100 PERSONAL SERVICES		65.9	131.7	131.7		
200 TRAVEL		16.0	16.0	16.0		
300 CONTRACTUAL		8.4	16.8	16.8		
400 SUPPLIES		2.0	4.0	4.0		
500 EQUIPMENT		13.6	3.2	3.2		
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		105.9	171.7	171.7		
CAPITAL		480.0	--	--		
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		585.9	171.7	171.7		
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		3.0	3.0	3.0		
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Stanley W. Hungerford
Division: Environmental Quality

Phone: 465-2666
Date: April 13, 1984

Approved by Commissioner: [Signature]
Agency: Environmental Conservation

Date: _____

Deputy Commissioner

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

ANALYSIS of FISCAL NOTE
CSSB 503 AMENDED
April 13, 1984

- A. Details of the costs for recommending the site and type of state owned/sponsored hazardous waste management facility.

Assumptions:

- a) The project will take six to seven years to complete through contracts managed by the Department of Environmental Conservation.
- b) In the first year, develop the specific details of siting criteria, the appropriate types of facilities to be evaluated based on industries regulated and types of waste, and five or more general areas for evaluation.
- In the second and third years, identify five potential sites, the type(s) of facility to be located at each, and begin physical evaluations of the sites. (75.0 each year)
- c) In the next three to four years, conduct detailed evaluations of the five sites, including such parameters as meteorology, geology, hydrology, access, and socioeconomic factors. The cost could range from 500.0 to 2 million per site - an average of 1.25 million is estimated to justify each site to the public. Excess funds would be reserved for the design of the facility after approval of the site by the governor and legislature. (To be included in a fiscal note in 1986 audit cycle.)
- d) In the sixth/seventh year conduct the public review of at least two sites. (50.0)
- e) Prepare recommendation for the governor and legislature.
- f) No inflation of costs or salaries.

Staffing Needs:

1	Environmental Engineer	(Range 19)	50.0 plus support costs
1	Administrative Assistant	(Range 12)	31.7 plus support costs

- B. Details of the costs for a collection and transportation service for disposal of hazardous wastes from small quantity generators and households.

Assumptions:

- a) The project will be for at least three and one half years.
- b) There will be "cleanups" in four or more cities per year. (85.0 per year)
- c) No inflation of transportation or disposal costs.

- d) An aggressive program of technical assistance to the small quantity generator to assure conformance to RCRA (Applicable Federal Hazardous Waste regulations)
- e) A comprehensive public information campaign each year to maximize legal collection and disposal of hazardous wastes.
- f) Analysis of the types, quantities and sources of hazardous wastes to provide information for the state hazardous waste facility siting project.
- g) Site for the collection activity and security will be provided by local government.

Staffing needs:

1 Environmental Engineer III (Range 19) 50.0 plus support costs

C. Details of the estimated support costs for four positions.

Travel Costs:	<u>1st year</u>	<u>2nd & 3rd years</u>
Moving costs -- of the 2 Environmental Engineer IIIs: the department has found that the specialized expertise required cannot be found in Alaska.	12.0	--
Travel in support of project work (technical assistance and public information)	3.0	12.0
Travel to meet with contractors, local governments, public meetings	1.0	4.0
 Contractual Costs:		
Office costs (5.6 per person -- telephone, xerox, janitor)	8.4	16.8
 Supplies:		
Replace expendable laboratory, safety materials	--	2.0
Office	2.0	2.0
 Equipment:		
Office equipment (desks, chairs, word processor)	5.1	--
Safety equipment and replacements	8.5	3.2

MEMORANDUM

State of Alaska

DEPARTMENT OF ENVIRONMENTAL QUALITY

TO: Nancy Lord
Legislative Aid to
Senator Vic Fischer

DATE: May 4, 1984

FILE NO:

TELEPHONE NO: 465-2666

FROM: Stanley W. Hungerford
Supervisor
Air & Solid Waste Section

SUBJECT:

As you requested, the following is a more detailed description of the contractual activities necessary during FY 85 and FY 86 to accomplish this intent of proposed Sec. 46.03.313 of CSSB 503 up to the point of actually determining the environmental impacts and public acceptance of proposed sites as required by Sec. 46.03.313(d) of one or more sites and making the recommendation required by Sec. 46.03.314. The activities listed will not necessarily each require separate contracts or contractors.

- Project 1. Inventory the types, amounts and location of hazardous waste generated in Alaska as regulated by proposed state regulations. \$10,000
- Project 2. Determine the type(s) and capacity(ies) of hazardous waste management facilities needed to provide an economic means for managing wastes including transportation, storage, chemical treatment, recycling and disposal facilities with particular emphasis on encouraging alternatives to land disposal. \$35,000
- Project 3. Develop regulations required by AS 46.03.313(b)(2) interpreting and clarifying siting criteria and establishing the public process for determining approvability of a site. \$45,000
- Project 4. Determine five or more areas which are suitable for the types of facilities proposed in project 2. \$50,000
- Project 5. Based on the criteria developed in project 1, determine the suitability of three or more specific sites for facilities. \$75,000

Nancy Lord

2

May 4, 1984

Project 6. Identify alternative models of industrial and governmental financing for the proposed facilities and incentives/inducements to encourage community acceptance of a facility.

\$10,000

\$225,000

SWH/ne

cc: Chris Noah
Keith Kelton
Jim Palmer
Paula Scavera
Billie Trent
David DiTraglia
Denise Olmstead

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: April 13, 1984

REQUEST
Bill/Resolution No.: CSSB 503
Title: Hazardous Waste...

FISCAL DETAIL
Agency Affected: Environmental Conservation
Program Category Affected: NRMEC

Sponsor: Senate Resources
Requestor: Sen. Fahrenkamp & Fischer
Date of Request: April 12, 1984

BRU, Program or Subprogram(s) Affected:
Environmental Quality Management
Air & Solid Waste Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING		6-months				
100 PERSONAL SERVICES		65.9	131.7	131.7		
200 TRAVEL		16.0	16.0	16.0		
300 CONTRACTUAL		8.4	16.8	16.8		
400 SUPPLIES		2.0	4.0	4.0		
500 EQUIPMENT		13.6	3.2	3.2		
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		105.9	171.7	171.7		

CAPITAL		480.0	--	--		
---------	--	-------	----	----	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		585.9	171.7	171.7		
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		3.0	3.0	3.0		
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Stanley W. Hungerford Phone: 465-2666
Division: Environmental Quality Date: April 13, 1984

Approved by Commissioner: *[Signature]* Date: _____
Agency: Environmental Conservation

Deputy Commissioner

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

ANALYSIS of FISCAL NOTE
CSSB 503 AMENDED
April 13, 1984

- A. Details of the costs for recommending the site and type of state owned/sponsored hazardous waste management facility.

Assumptions:

- a) The project will take six to seven years to complete through contracts managed by the Department of Environmental Conservation.
- b) In the first year, develop the specific details of siting criteria, the appropriate types of facilities to be evaluated based on industries regulated and types of waste, and five or more general areas for evaluation.

In the second and third years, identify five potential sites, the type(s) of facility to be located at each, and begin physical evaluations of the sites. (75.0 each year)

- c) In the next three to four years, conduct detailed evaluations of the five sites, including such parameters as meteorology, geology, hydrology, access, and socioeconomic factors. The cost could range from 500.0 to 2 million per site - an average of 1.25 million is estimated to justify each site to the public. Excess funds would be reserved for the design of the facility after approval of the site by the governor and legislature. (To be included in a fiscal note in 1986 audit cycle.)
- d) In the sixth/seventh year conduct the public review of at least two sites. (50.0)
- e) Prepare recommendation for the governor and legislature.
- f) No inflation of costs or salaries.

Staffing Needs:

1	Environmental Engineer	(Range 19)	50.0 plus support costs
1	Administrative Assistant	(Range 12)	31.7 plus support costs

- B. Details of the costs for a collection and transportation service for disposal of hazardous wastes from small quantity generators and households.

Assumptions:

- a) The project will be for at least three and one half years.
- b) There will be "cleanups" in four or more cities per year. (85.0 per year)
- c) No inflation of transportation or disposal costs.

- d) An aggressive program of technical assistance to the small quantity generator to assure conformance to RCRA (Applicable Federal Hazardous Waste regulations)
- e) A comprehensive public information campaign each year to maximize legal collection and disposal of hazardous wastes.
- f) Analysis of the types, quantities and sources of hazardous wastes to provide information for the state hazardous waste facility siting project.
- g) Site for the collection activity and security will be provided by local government.

Staffing needs:

1 Environmental Engineer III (Range 19) 50.0 plus support costs

C. Details of the estimated support costs for four positions.

Travel Costs:	<u>1st year</u>	<u>2nd & 3rd years</u>
Moving costs -- of the 2 Environmental Engineer IIIs: the department has found that the specialized expertise required cannot be found in Alaska.	12.0	--
Travel in support of project work (technical assistance and public information)	3.0	12.0
Travel to meet with contractors, local governments, public meetings	1.0	4.0
 Contractual Costs:		
Office costs (5.6 per person -- telephone, xerox, janitor)	8.4	16.8
 Supplies:		
Replace expendable laboratory, safety materials	--	2.0
Office	2.0	2.0
 Equipment:		
Office equipment (desks, chairs, word processor)	5.1	--
Safety equipment and replacements	8.5	3.2

MEMORANDUM

State of Alaska

DEPARTMENT OF ENVIRONMENTAL QUALITY

TO: Nancy Lord
Legislative Aid to
Senator Vic Fischer

DATE: May 4, 1984

FILE NO:

TELEPHONE NO: 465-2666

FROM: Stanley W. Hungerford
Supervisor
Air & Solid Waste Section

SUBJECT:

As you requested, the following is a more detailed description of the contractual activities necessary during FY 85 and FY 86 to accomplish this intent of proposed Sec. 46.03.313 of CSSB 503 up to the point of actually determining the environmental impacts and public acceptance of proposed sites as required by Sec. 46.03.313(d) of one or more sites and making the recommendation required by Sec. 46.03.314. The activities listed will not necessarily each require separate contracts or contractors.

- Project 1. Inventory the types, amounts and location of hazardous waste generated in Alaska as regulated by proposed state regulations. \$10,000

- Project 2. Determine the type(s) and capacity(ies) of hazardous waste management facilities needed to provide an economic means for managing wastes including transportation, storage, chemical treatment, recycling and disposal facilities with particular emphasis on encouraging alternatives to land disposal. \$35,000

- Project 3. Develop regulations required by AS 46.03.313(b)(2) interpreting and clarifying siting criteria and establishing the public process for determining approvability of a site. \$45,000

- Project 4. Determine five or more areas which are suitable for the types of facilities proposed in project 2. \$50,000

- Project 5. Based on the criteria developed in project 1, determine the suitability of three or more specific sites for facilities. \$75,000

Project 6. Identify alternative models of industrial and governmental financing for the proposed facilities and incentives/inducements to encourage community acceptance of a facility.

\$10,000

\$225,000

SWH/ne

cc: Chris Noah
Keith Kelton
Jim Palmer
Paula Scavera
Billie Trent
David DiTraglia
Denise Olmstead

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date 4/18, 1984

REQUEST
 Bill/Resolution No.: SB 503
 Title: Hazardous Wastes

 Sponsor: Resource Committee
 Requestor: Senate Resources
 Date of Request: 4/17/84

II. FISCAL DETAIL
 Agency Affected: Health & Social Servs.
 Program Category Affected: Public Health

 BRU, Program of Subprogram(s) Affected:
Public Health Administration

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LANDS & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
800 MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY	0	0	0	0	0	0

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for Analysis

Prepared By: Dean Tirador, M.D.
 Division: Public Health

ACC
 Phone: 465-3090
 Date: 4/18/84

Approved by Commissioner: Robert Gordon Smith, Ph.D.
 Agency: DHSS

Date: 4/18/84

Distribution (by Agency preparing fiscal note):

Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

12/1/83

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date 4/18, 1984

REQUEST

Bill/Resolution No.: SB 503
Title: Hazardous Wastes

Sponsor: Resource Committee
Requestor: Senate Resources
Date of Request: 4/17/84

II. FISCAL DETAIL

Agency Affected: Health & Social Servs.
Program Category Affected: Public Health

BRU, Program of Subprogram(s) Affected:
Public Health Administration

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LANDS & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
800 MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY	0	0	0	0	0	0

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for Analysis

Prepared By: Dean Tirador, M.D.
Division: Public Health

ACC
Phone: 465-3090
Date: 4/18/84

Approved by Commissioner: Robert London Smith, M.D.
Agency: DHSS

Date: 4/18/84

Distribution (by Agency preparing fiscal note):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

COMMITTEE REPORT
SENATE RULES COMMITTEE

5/7/84

Date 5/9/84

Mr. President:

The Committee on Rules has had SB 503

hazardous waste.

under consideration and recommends it be placed ~~on the~~ *given a*
calendar
calendar
calendar
the Finance Committee
calendar

- () with attached amendment(s).
- () replace with CS for _____ () same title
() new title
- () and attaches a "Letter of Intent"
- () new fiscal note

MEMBERS SIGNING FOR PLACEMENT
ON THE CALENDAR

Bill Ray
Kelly
Jerguson

MEMBERS HAVING OTHER
RECOMMENDATIONS

Jan Fike
CHAIRMAN

COMMITTEE REPORT

SENATE

FURTHER: *Pulse*

4/24/84

Date May 4, 1984

Mr. President

The Committee on JUDICIARY considered SB 503

hazardous waste.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

do pass

do pass with attached amendment(s)

replace with/~~or adopt~~ CS for SB503(jud)

new title

same title and recommends _____

and attached a "LETTER OF INTENT"

NEW FISCAL NOTE

reports it back without recommendation

recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

1 Joe Josephson

2 Zeller - N/R
2 Kelly - no rec
2 Johnson - no rec

1 Bill Ray
Chairman

NO PASS
Chairman recommendation

COMMITTEE REPORT

SENATE

FURTHER:

JUDICIARY

2/14/84

Read April 24
Date 4-19-84

Mr. President

The Committee on RESOURCES considered SB 503
hazardous waste.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/~~or adopt~~ CS for SB 503 (Res)
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Artis Stungler
Mike Lissin
Ziegler

Bob Muelent, N/K
Paul Fink, NR

Dittore Fahrenkamp
Chairman
do pas
Chairman recommendation

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ROBERT H. ZIEGLER, SR., Vice Chairman
DICK ELIASON
PAUL FISCHER
VIC FISCHER
BOB MULCAHY
ARLISS STURGULEWSKI



POUCH V
STATE CAPITAL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

Senate Committee on Resources

SENATE RESOURCES COMMITTEE LETTER OF INTENT FOR CSSB 503 (Resources)

It is the intent of the Legislature that the Department of Environmental Conservation obtain from the United States Environmental Protection Agency authorization to administer and enforce a hazardous waste program in Alaska. The Department should focus its efforts so that the state's final application for full management control be complete by July 1, 1986.

To this end and with respect to the mandate to be codified at AS 46.03.299 (a)(2), the Department is instructed to adopt regulations relating to the management of hazardous waste that exhibit the characteristics of toxicity, persistence, or carcinogenicity and other characteristics of hazardous waste as identified by EPA. The department shall evaluate the most appropriate mechanism by which to identify a waste characteristic of toxicity, persistence or carcinogenicity and other characteristic as identified as hazardous by EPA. This evaluation must include the methods described in the proposed state regulations dated October 26, 1983 that identify hazardous wastes by the characteristics mentioned above. Regulations developed under AS 46.299(a)(2) must incorporate the results of this analysis.

The regulations ultimately adopted by the state are to take effect three years from this bill's enactment, July 1, 1987. The department is to develop and implement a program to educate those effected by this legislation about the requirements of this act during the third year.

In order to gain experience managing a hazardous waste program, the department should assume through cooperative agreement with EPA as much active control as feasible of the currently operating hazardous waste program. The assumption of these duties by the department should begin immediately.

The exemptions for mining waste and waste associated with oil and gas production as defined should be effective until the completion of the studies indicated in the legislation. After each study has been completed and the findings of these studies and proposed federal regulations have been considered by the department, the department may terminate the exemption or promulgate amendments to the state's hazardous waste regulations.

Offered: 5/7/84
Referred: Rules

Original sponsor: Resources Committee

1 IN THE SENATE BY THE JUDICIARY COMMITTEE
2 CS FOR SENATE BILL NO. 503 (Judiciary)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - SECOND SESSION
5 A BILL
6 For an Act entitled: "An Act relating to hazardous waste; changing pen-
7 alties for environmental pollution violations; and
8 providing for an effective date."
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
10 * Section 1. AS 46.03.299 is repealed and reenacted to read:
11 Sec. 46.03.299. REGULATION OF HAZARDOUS WASTE. (a) The depart-
12 ment shall develop regulations for the identification and managemenc
13 of hazardous waste as defined by the Environmental Protection Agency
14 and hazardous waste that exhibits the characteristic of toxicity,
15 persistence, or carcinogenicity. The department shall adopt these
16 regulations not later than July 1, 1986, in accordance with the Admin-
17 istrative Procedure Act (AS 44.62). These regulations shall take
18 effect July 1, 1987.
19 (b) Regulations adopted under (a) of this section shall exempt
20 from their coverage mining waste and waste associated with the explo-
21 ration, development, or production of crude oil, natural gas, or
22 geoth rmal energy until studies required under 42 U.S.C. 6982(f) and
23 (m) are completed. The department, after considering the findings in
24 the reports of these studies, may terminate or amend the exemptions.
25 (c) The department shall take all actions necessary to receive
26 authorization from the administrator of the Environmental Protection
27 Agency to administer and enforce a hazardous waste program in accor-
28 dance with 42 U.S.C. 6901 - 6987 (Resource Conservation and Recovery
29 Act of 1976).

1 (d) Regulations adopted under (a) of this section shall cover
2 (1) hazardous waste, not otherwise exempted by law, that is generated
3 in any month by a single generator in an amount of 220 pounds or more,
4 and (2) acute hazardous wastes identified in 40 C.F.R. 261.33(e), not
5 otherwise exempted by law, that are generated in any month by a single
6 generator in an amount of 2.2 pounds or more. The department shall
7 extend the regulations to manage smaller quantities of hazardous waste
8 if the quantities specified in this subsection exceed the quantities
9 regulated under the authority of 42 U.S.C. 6921 - 6934, as amended.
10 The department may at any time extend coverage of regulations adopted
11 under (a) of this section to small quantities of hazardous waste and
12 acute hazardous waste.

13 (e) During the period July 1, 1986 through June 30, 1987 the
14 department shall conduct a program to inform persons of their re-
15 sponsibilities under regulations adopted under (a) of this section.

16 * Sec. 2. AS 46.03.308 is repealed and reenacted to read:

17 Sec. 46.03.308. TRANSPORTATION OF HAZARDOUS WASTE. (a) Hazard-
18 ous waste may not be transported in the state unless the waste is
19 accompanied by a manifest and the generator has delivered a copy of
20 the manifest to the department before the transportation begins.

21 (b) The department shall send a copy of each manifest received
22 under (a) of this section to

23 (1) the state and local public safety agencies with juris-
24 diction over areas covered by a hazardous waste transportation route;
25 and

26 (2) the highest elected local official representing each
27 area covered by a hazardous waste transportation route.

28 * Sec. 3. AS 46.03 is amended by adding a new section to read:

29 Sec. 46.03.309. TEMPORARY COLLECTION OF HAZARDOUS WASTE. The

1 department shall provide for the temporary collection of hazardous
2 waste to be prepared for shipment to a federally approved hazardous
3 waste disposal site. The department shall establish four periods in
4 each calendar year during which it shall collect hazardous waste. A
5 collection point may accept hazardous waste only from small quantity
6 generators and household generators as defined by the Environmental
7 Protection Agency.

8 * Sec. 4. AS 46.03 is amended by adding new sections to read:

9 Sec. 46.03.313. HAZARDOUS WASTE MANAGEMENT FACILITIES AND SITES.

10 (a) The department shall evaluate and select potential sites for
11 hazardous waste management facilities in the state. In evaluating and
12 selecting sites for management facilities, the department shall con-
13 sider at least the following factors:

14 (1) economic feasibility, including proximity to concen-
15 trations of generators of the types of hazardous waste likely to be
16 proposed and permitted for management;

17 (2) intrinsic suitability of the sites;

18 (3) federal and state pollution control and environmental
19 protection regulations;

20 (4) the risk and effect for local residents, units of
21 government, and the local public health, safety, and welfare, includ-
22 ing such dangers as an accidental release of waste during transporta-
23 tion to a facility or at a facility, water, air, and land pollution,
24 and fire or explosion;

25 (5) the consistency of a facility with, and its effect on,
26 existing and planned local land use and development; local laws,
27 ordinances, and permits; and local public facilities and services; and

28 (6) the adverse effects of a facility at the site on agri-
29 culture and natural resources and opportunities to mitigate or

1 eliminate the adverse effects by stipulations, conditions, and re-
2 quirements relating to the design and operation of a management facil-
3 ity at the proposed site.

4 (b) By July 1, 1986, the department shall adopt regulations that

5 (1) interpret and clarify the factors listed in (a) of this
6 section; and

7 (2) establish procedures for processing, reviewing, and
8 approving or disapproving applications for the siting and operation of
9 privately owned hazardous waste management facilities.

10 (c) The department may authorize the siting and operation of
11 privately owned hazardous waste management facilities in accordance
12 with factors and requirements established under this section.

13 (d) The department shall hold public hearings in each election
14 district in which a hazardous waste management facility site is pro-
15 posed to be located. The department shall give reasonable public
16 notice of the time, date, and place of each public hearing at least 30
17 days before the hearing. The public shall be afforded an opportunity
18 at each hearing to submit written and oral testimony concerning a
19 potential site. The department shall consider the testimony submitted
20 at public hearings when it prepares reports under AS 46.03.314.

21 (e) For purposes of this section, "intrinsic suitability" of a
22 site means that, based on existing data on the inherent and natural
23 attributes, physical features, and location of the site, there is no
24 known reason why a waste management facility that may be located in
25 the site could not reasonably be expected to qualify for a permit
26 under AS 46.03.302.

27 Sec. 46.03.314. REPORTS ON MANAGEMENT SITES AND FACILITIES. (a)
28 Not later than July 1, 1987, the department shall submit to the gover-
29 nor and the legislature a preliminary report that includes

1 (1) proposals for the siting of hazardous waste management
2 facilities in the state;

3 (2) proposals for the methods of financing and operating
4 the facilities;

5 (3) proposals for the types of facilities that should be
6 constructed, such as chemical processing facilities, incineration
7 facilities, and transfer and storage facilities; and

8 (4) information about private hazardous waste management
9 sites and facilities approved by the department.

10 (b) Not later than July 1, 1989, the department shall submit to
11 the governor and the legislature a final report that includes

12 (1) identification of sites selected by the department for
13 hazardous waste management facilities;

14 (2) recommendations for the methods of financing and oper-
15 ating facilities at the sites listed in (1) of this subsection;

16 (3) recommendations for the types of facilities that should
17 be constructed at sites listed in (1) of this subsection; and

18 (4) information about private hazardous waste management
19 sites and facilities approved by the department.

20 * Sec. 5. AS 46.03.760(a) is amended to read:

21 (a) A person who violates or causes or permits to be violated a
22 provision of this chapter other than AS 46.03.250 - 46.03.314, or a
23 provision of [OR] AS 46.04, or a regulation, a lawful order of the
24 department, or a permit, approval, or acceptance, or term or condition
25 of a permit, approval, or acceptance issued under this chapter or
26 AS 46.04 is liable, in a civil action, to the state for a sum to be
27 assessed by the court of not less than \$500 nor more than \$100,000 for
28 the initial violation, nor more than \$5,000 for each day after that
29 [THEREAFTER] on which the violation continues, and that [WHICH] shall

1 reflect, when applicable,

2 (1) reasonable compensation in the nature of liquidated
3 damages for any adverse environmental effects caused by the violation,
4 that [WHICH] shall be determined by the court according to the toxi-
5 city, degradability and dispersal characteristics of the substance
6 discharged, the sensitivity of the receiving environment, and the
7 degree to which the discharge degrades existing environmental quality;

8 (2) reasonable costs incurred by the state in detection,
9 investigation, and attempted correction of the violation; [AND]

10 (3) the economic savings realized by the person in not
11 complying with the requirement for which a violation is charged.

12 * Sec. 6. AS 46.03.760(b) is amended to read:

13 (b) Except as determined by the court under (f)(4) of this
14 section, actions [ACTIONS] under this section may not be used for
15 punitive purposes, and sums assessed by the court must be compensatory
16 and remedial in nature.

17 * Sec. 7. AS 46.03.760 is amended by adding a new subsection to read:

18 (f) A person who violates or causes or permits to be violated a
19 provision of AS 46.03.250 - 46.03.314, or a regulation, a lawful order
20 of the department, or a permit, approval, or acceptance, or term or
21 condition of a permit, approval, or acceptance issued under AS 46.-
22 03.250 - 46.03.314 is liable, in a civil action, to the state for a
23 sum to be assessed by the court of not less than \$500 nor more than
24 \$100,000 for the initial violation, nor more than \$10,000 for each day
25 after that on which the violation continues, and that shall reflect,
26 when applicable,

27 (1) reasonable compensation in the nature of liquidated
28 damages for any adverse environmental effects caused by the violation,
29 that shall be determined by the court according to the toxicity,

1 degradability and dispersal characteristics of the substance dis-
2 charged, the sensitivity of the receiving environment, and the degree
3 to which the discharge degrades existing environmental quality;

4 (2) reasonable costs incurred by the state in detection,
5 investigation, and attempted correction of the violation;

6 (3) the economic savings realized by the person in not
7 complying with the requirement for which a violation is charged; and

8 (4) the need for an enhanced civil penalty to deter future
9 noncompliance.

10 * Sec. 8. AS 46.03.790 is amended to read:

11 Sec. 46.03.790. CRIMINAL PENALTIES. (a) Except as provided in
12 (d) - (f) of this section, a [A] person who negligently violates [OR
13 WHO CAUSES OR PERMITS A VIOLATION OF] a provision of this chapter or
14 AS 46.04, or of a regulation, lawful order of the department, or
15 permit, approval, or acceptance, or term or condition of a permit,
16 approval, or acceptance issued under this chapter or AS 46.04 is
17 guilty of a class B misdemeanor.

18 (b) Except as provided in (d) - (f) of this section, a [A]
19 person who knowingly [WILFULLY] violates a provision of this chapter
20 or AS 46.04, or of a regulation, lawful order of the department, or
21 permit, approval, or acceptance, or term or condition of a permit,
22 approval, or acceptance issued under this chapter or AS 46.04 is
23 guilty of a class A misdemeanor.

24 (c) Each day on which a violation described in [(a) OR (b) OF]
25 this section occurs is considered a separate violation.

26 (d) Notwithstanding (a) and (b) of this section, a [A] person
27 who fails to provide or falsely states information required under
28 AS 46.03.755 or AS 46.04 is guilty of a misdemeanor and, upon convic-
29 tion, is punishable by a fine of not more than \$25,000, or by

1 imprisonment for not more than one year, or by both. Each unlawful
2 act constitutes a separate offense.

3 (e) Notwithstanding (a) and (b) of this section, a person who
4 knowingly (1) transports any hazardous waste to a facility without a
5 permit required under AS 46.03.250 - 46.03.314; (2) treats, stores, or
6 disposes of hazardous waste without a permit required under AS 46.-
7 03.250 - 46.03.314; or (3) makes a false statement or representation
8 in an application, label, manifest, record, report, permit, or other
9 document filed, maintained, or used for purposes of compliance with
10 the hazardous waste provisions of AS 46.03.250 - 46.03.314 or regu-
11 lations adopted under those provisions, is punishable by a fine of not
12 more than \$10,000 per day or by imprisonment for not more than one
13 year, or both.

14 (f) Notwithstanding the penalty provisions of (a) - (e) of this
15 section, a defendant that is an organization is, upon conviction of a
16 violation of any of the provisions listed in this section, subject to
17 the penalties set out in AS 12.57.035(c).

18 * Sec. 9. AS 46.03.900 is amended by adding new paragraphs to read:

19 (36) "mining waste" means solid waste from the extraction,
20 beneficiation and processing of ores and minerals, including coal, and
21 including phosphate rock and overburden from the mining of uranium
22 ore;

23 (37) "waste associated with the exploration, development, or
24 production of crude oil, natural gas, or geothermal energy" means (A)
25 waste, including drilling muds, cuttings, hydrocarbons, brine, acid,
26 sand, and emulsions or mixtures of fluids produced from and unique to
27 the operation or maintenance of a well, whether naturally occurring or
28 added for the operation or productivity of the well; and (B) waste
29 that is derived intrinsically from primary field operations; "waste

1 associated with the exploration, development, or production of crude
2 oil, natural gas, or geothermal energy" does not include spent sol-
3 vents and oils from equipment maintenance activities, discarded chemi-
4 cal products, or fuels;

5 (38) "waste derived intrinsically from primary field op-
6 erations" means waste produced from a well, and removed (A) at the
7 drill site; or (B) at crude oil production facilities by crude oil or
8 wastewater treatment process before custody transfer of the crude oil.

9 * Sec. 10. This Act takes effect immediately in accordance with AS 01.-
10 10.070(c).

Introduced: 2/14/84
Referred: Resources and
Judiciary

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2

SENATE BILL NO. 503

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to hazardous wastes."

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 * Section 1. AS 46.03.100(c) is amended to read:

9 (c) A permit for disposal of a hazardous waste may not be issued
10 under this section unless the applicant for the permit satisfies those
11 department regulations that are consistent with and equivalent to
12 regulations of the Environmental Protection Agency adopted under
13 42 U.S.C. 6924 - 6925 and has furnished proof to the commissioner of
14 financial ability to control the hazardous waste. [PROOF OF FINANCIAL
15 RESPONSIBILITY MAY BE DEMONSTRATED BY SELF-INSURANCE, INSURANCE,
16 SURETY, OR GUARANTEE, UNDER REGULATIONS ISSUED BY THE DEPARTMENT.
17 ACCEPTANCE OF PROOF OF FINANCIAL RESPONSIBILITY UNDER THIS SUBSECTION
18 EXPIRES

19 (1) ONE YEAR FROM ITS ISSUANCE FOR SELF-INSURANCE;

20 (2) ON THE EFFECTIVE DATE OF A CHANGE IN THE SURETY BOND,
21 GUARANTEE, OR INSURANCE AGREEMENT: OR

22 (3) ON THE EXPIRATION OR CANCELLATION OF THE SURETY BOND,
23 GUARANTEE, OR INSURANCE AGREEMENT.]

24 * Sec. 2. AS 46.03.250 is amended to read:

25 Sec. 46.03.250. AUTHORITY. (a) The department shall adopt
26 regulations

27 (1) establishing standards governing the discharge of low
28 level radioactive materials to the air, water, land, and subsurface
29 land of the state;

1 (2) establishing safeguards for radioactive waste materials
2 that do not constitute a threat to public health or safety and that
3 may be stored or disposed of in the state; and

4 (3) establishing procedures for the storage and disposal of
5 radioactive materials used in medicine, education, instruments, indus-
6 trial testing, or scientific research; and

7 (4) required by regulations adopted by the Environmental
8 Protection Agency under 42 U.S.C. 6926 for approval of a state
9 hazardous waste management program.

10 (b) The department has exclusive jurisdiction to adopt and
11 enforce regulations for the control of hazardous wastes in the state.

12 * Sec. 3. AS 46.03.296(b) is amended to read:

13 (b) The department shall adopt regulations in accordance with
14 the Administrative Procedure Act (AS 44.62) for the treatment, stor-
15 age, transportation, and disposal of hazardous wastes to ensure the
16 protection of human health, livestock, wildlife, property, and the
17 environment.

18 * Sec. 4. AS 46.03.299 is repealed and reenacted to read:

19 Sec. 46.03.299. CONTROL OF HAZARDOUS WASTES. (a) The depart-
20 ment shall facilitate coordination with federal, state, and local
21 agencies in adopting regulations under the Administrative Procedure
22 Act (AS 44.62) for a comprehensive state hazardous waste program
23 consistent with 42 U.S.C. 6901 - 6987 and regulations adopted under
24 those sections by the Environmental Protection Agency.

25 (b) The department shall

26 (1) identify the characteristics of hazardous wastes, as
27 identified in regulations of the Environmental Protection Agency
28 adopted under 42 U.S.C. 6921(b);

29 (2) establish

- 1 (A) criteria for listing hazardous wastes;
- 2 (B) requirements for hazardous waste that is used,
3 re-used, recycled, or reclaimed; and
- 4 (C) exclusions;
- 5 (3) adopt as a preliminary list the lists of hazardous
6 wastes identified by the Environmental Protection Agency in regulations
7 adopted under 42 U.S.C. 6921(b);
- 8 (4) identify the sources of hazardous wastes listed under
9 (3) of this subsection or enumerated under (c) of this section;
- 10 (5) qualify the department to receive authorization from
11 the administrator of the Environmental Protection Agency to administer
12 and enforce a hazardous waste program in accordance with 42 U.S.C.
13 6901 - 6987;
- 14 (6) determine the amount of a hazardous waste that is so
15 small as to not present a hazard to public health, livestock, fish,
16 wildlife, and the environment of the state when disposed of;
- 17 (7) adopt preliminary requirements for hazardous waste
18 produced by small quantity generators as specified under 42 U.S.C.
19 6921 - 6922;
- 20 (8) adopt, in accordance with 42 U.S.C. 6924,
- 21 (A) criteria for identifying appropriate hazardous
22 waste disposal site locations;
- 23 (B) procedures by which the public shall have oppor-
24 tunity to
- 25 (i) participate in hazardous waste disposal site
26 locations; and
- 27 (ii) review and comment on issuance of hazardous
28 waste disposal permits by the department.
- 29 (c) Two years after the date on which the Environmental

1 Protection Agency approves the state hazardous waste program, the
2 department may

3 (1) develop new regulations for small quantity generators
4 if the Environmental Protection Agency fails to revise 40 C.F.R.
5 261.5, dated April 1, 1983; and

6 (2) enumerate specific hazardous wastes, within the meaning
7 of AS 46.03.900(32), subject to the provisions of AS 46.03.302 and
8 46.03.305; however, the department may not list as hazardous a waste
9 that has not been listed as a hazardous waste by the United States
10 Environmental Protection Agency under 42 U.S.C. 6921, unless the
11 commissioner first determines that the waste is hazardous as defined
12 in this chapter.

13 * Sec. 5. AS 46.03.311(b) is amended to read:

14 (b) Information that is confidential may be transmitted under a
15 continuing restriction of confidentiality to other officers, employ-
16 ees, or authorized representatives of the state or of the United
17 States if

18 (1) the person responsible for furnishing the record,
19 report, permit, application, or information to which such information
20 pertains is informed at least two weeks before the transmittal, except
21 that information obtained under AS 46.03.296 - 46.03.311 shall be made
22 available under a claim of confidentiality to the Environmental Pro-
23 tection Agency upon request of the agency; and

24 (2) the information has been acquired by the department
25 under the provisions of AS 46.03.296 - 46.03.311.

26 * Sec. 6. AS 46.03 is amended by adding new sections to read:

27 Sec. 46.03.312. CIVIL REMEDIES AND PENALTIES. (a) In the
28 enforcement of AS 46.03.296 - 46.03.311 the department may

29 (1) petition the superior court for injunctive relief to

1 restrain a person from engaging in an unauthorized activity that is
2 endangering or damaging the public health or the environment;

3 (2) assess a civil fine under (b) of this section; or

4 (3) bring an action in the superior court seeking civil
5 penalties under (b) of this section.

6 (b) A violation of a provision of AS 46.03.296 - 46.03.311 is
7 punishable by a civil fine of not less than \$10,000 and not more than
8 \$100,000 for the first day of the offense, and a civil fine of not
9 more than \$10,000 per day for each day the offense continues.

10 Sec. 46.03.313. CRIMINAL PENALTIES. A person who knowingly
11 transports a hazardous waste to an unpermitted facility, or who know-
12 ingly treats, stores, or disposes of a hazardous waste without a
13 permit, or who knowingly makes a false statement or a misrepresenta-
14 tion in an application, label, manifest, record, report, permit, or
15 other document filed, maintained, or used for the purposes of AS 46.-
16 03.296 - 46.03.311, is guilty of a class B misdemeanor and shall be
17 sentenced to a fine of not less than \$10,000 per day and not more than
18 \$50,000 per day for each day during which the offense continued and to
19 a term of imprisonment of not less than 180 days.

20 Sec. 46.03.314. DUTIES OF THE DEPARTMENT. The department shall

21 (1) investigate and respond in writing to a complaint filed
22 by a citizen in accordance with the provisions of 42 U.S.C. 6901 -
23 6987; and

24 (2) provide public notice and a public comment period of
25 not less than 30 days for a proposed settlement of a department en-
26 forcement action.

27 * Sec. 7. AS 46.03.760(a) is amended to read:

28 (a) A person who violates or causes or permits to be violated a
29 provision of this chapter, other than AS 46.03.296 - 46.03.311, or

1 AS 46.04, or a regulation, a lawful order of the department, or a
2 permit, approval, or acceptance, or term or condition of a permit,
3 approval, or acceptance issued under this chapter or AS 46.04 is
4 liable, in a civil action, to the state for a sum to be assessed by
5 the court of not less than \$500 nor more than \$100,000 for the initial
6 violation, nor more than \$5,000 for each day thereafter on which the
7 violation continues, and which shall reflect, when applicable,

8 (1) reasonable compensation in the nature of liquidated
9 damages for any adverse environmental effects caused by the violation,
10 which shall be determined by the court according to the toxicity,
11 degradability and dispersal characteristics of the substance dis-
12 charged, the sensitivity of the receiving environment, and the degree
13 to which the discharge degrades existing environmental quality;

14 (2) reasonable costs incurred by the state in detection,
15 investigation, and attempted correction of the violation; and

16 (3) the economic savings realized by the person in not
17 complying with the requirement for which a violation is charged.

18 * Sec. 8. AS 46.03.790(a) is amended to read:

19 (a) A person who violates or who causes or permits a violation
20 of a provision of this chapter other than AS 46.03.296 - 46.03.311 or
21 AS 46.04, or of a regulation, lawful order of the department, or
22 permit, approval, or acceptance, or term or condition of a permit,
23 approval, or acceptance issued under a provision of this chapter other
24 than AS 46.03.296 - 46.03.311 or under AS 46.04 is guilty of a class B
25 misdemeanor.

26 * Sec. 9. AS 46.03.790(b) is amended to read:

27 (b) A person who wilfully violates a provision of this chapter
28 other than AS 46.03.296 - 46.03.311, or of a regulation, lawful order
29 of the department, or permit, approval, or acceptance, or term or

1 condition of a permit, approval, or acceptance issued under a provi-
2 sion o. this chapter other than AS 46.03.296 - 46.03.311 or under
3 AS 46.04 is guilty of a class A misdemeanor.

COMMITTEE REPORT

HOUSE

(11)

FURTHER:

5/18/84

Date: 5-24-84

The Committee on FINANCE has had SSSB 503 (Fin)

"An Act relating to hazardous waste and certain public contracts concerning hazardous waste; changing penalties for environmental pollution violations; and providing for an effective date."

under consideration and recommends:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
- and recommends _____ new title
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation Zero Fiscal Note Attached
- referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

Robert P. Adams

Walt Furnice

MILTON H. FRITZ

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

John ...

...

Robert P. Adams
CHAIRMAN

HOUSE JOURNAL

HOUSE FINANCE COMMITTEE
LETTER OF INTENT
FOR
COMMITTEE SUBSTITUTE FOR SENATE BILL 503 (FINANCE)

It is the intent of the legislature that the Department of Environmental Conservation obtain from the United States Environmental Protection Agency authorization to administer and enforce a hazardous waste program in Alaska. The department should focus its efforts so that the state's final application for full management control be complete by July 1, 1986.

To this end and with respect to the mandate to be codified at AS 46.03.299 (a), the department is instructed to adopt regulations relating to the management of hazardous waste that exhibit the characteristics of toxicity, persistence, or carcinogenicity and other characteristics of hazardous waste as identified by EPA. The department shall evaluate the most appropriate mechanism by which to identify a waste characteristic as identified as hazardous by EPA. This evaluation must include the methods described in the proposed state regulations dated October 26, 1983 that identify hazardous wastes by the characteristics mentioned above. Regulations developed under AS 46.03.299 (a) must incorporate the results of this analysis.

The regulations ultimately adopted by the state are to take effect three years from this bill's enactment, July 1, 1987. The department is to develop and implement a program to educate those effected by this legislation about the requirements of this act during the third year.

In order to gain experience managing a hazardous waste program, the department should assume through cooperative agreement with EPA as much active control as feasible of the currently operating hazardous waste program. The assumption of these duties by the department should begin immediately.

The exemptions for mining waste and waste associated with oil and gas production as defined should be effective until the completion of the studies indicated in the legislation. After each study has been completed and the findings of these studies and proposed federal regulations have been considered by the department, the department may terminate the exemption or promulgate amendments to the state's hazardous waste regulations.

Al Adams, Chairman
House Finance Committee

~~DRAFT~~ FINAL ~~XXX~~

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: May 10, 1984

<u>REQUEST</u> Bill/Resolution No.: <u>CSSB 503 (FIN)</u> Title: <u>Hazardous Waste...</u>	<u>FISCAL DETAIL</u> Agency Affected: <u>Environmental Conservation</u> Program Category Affected: <u>NRMEC</u>
Sponsor: <u>Senate Resources</u> Requestor: _____ Date of Request: _____	BRU, Program or Subprogram(s) Affected: <u>Environmental Quality Management</u> <u>Air and Solid Waste Management</u>

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING		6 months				
100 PERSONAL SERVICES		65.9	131.7	131.7		
200 TRAVEL		16.0	16.0	16.0		
300 CONTRACTUAL		123.4	101.8	116.8		
400 SUPPLIES		2.0	4.0	4.0		
500 EQUIPMENT		13.6	3.2	3.2		
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		220.9	256.7	271.7		
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		220.9	256.7	271.7		
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		3.0	3.0	3.0		
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: [Signature] Phone: _____
 Division: _____ Date: _____

Approved by Commissioner: _____ Date: _____
 Agency: _____

- Distribution (by Agency preparing fiscal note):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)

ANALYSIS OF FISCAL NOTE
CSSB 503
MAY 10, 1984

- A. Details of the costs for recommending the site and type of state owned/ sponsored hazardous waste management facility.

Assumptions:

- (a) The project will take six to seven years to complete through contracts managed by the Department of Environmental Conservation.
- (b) In the first year, develop the specific details of siting criteria, the appropriate types of facilities to be evaluated based on industries regulated and types of waste, and five or more general areas for evaluation.

In the second and third years, identify five potential sites, the type(s) of facility to be located at each, and begin physical evaluations of the sites.

- (c) In the next three to four years, conduct detailed evaluations of the five sites, including such parameters as meteorology, geology, hydrology, access, and socioeconomic factors. The cost could range from 500.0 to 2 million per site - an average of 1.25 million is estimated to justify each site to the public. Excess funds would be reserved for the design of the facility after approval of the site by the governor and legislature. (To be included in fiscal note in the 1986 fiscal audit cycle.)
- (d) In the sixth/seventh year conduct the public review of at least two sites.
- (e) Prepare recommendation for the governor and legislature.
- (f) No inflation of costs or salaries.
- B. Details of the costs for a collection and transportation service for disposal of hazardous waste from small quantity generators and households.

Assumptions:

- (a) The project will be for at least three and one half years.
- (b) There will be "cleanups" in four or more cities per year.
- (c) No inflation of transportation or disposal costs.
- (d) An aggressive program of technical assistance to the small quantity generator to assure conformance to RCRA (Applicable Federal Hazardous Waste regulations).
- (e) A comprehensive public information campaign each year to maximize legal collection and disposal of hazardous wastes.
- (f) Analysis of the types, quantities and sources of hazardous wastes to provide information for the state hazardous waste facility siting project.

(g) Site for the collection activity and security will be provided by local government.

C. Details of the amounts in the fiscal note.

(1) Personal Services.

1	Environmental Engineer (Range 19) (for siting of hazardous waste facility)	50.0	
1	Administrative Assistant (Range 12) (for siting of hazardous waste facility)	31.7	
1	Environmental Engineer III (Range 19) (for education and hazardous waste collection efforts)	50.0	
	<u>Total</u>		
		FY 85	65.9
		FY 86	131.7
		FY 87	131.7

(2) Travel

Moving costs of the 2 environmental Engineers: the department has found that the specialized expertise required cannot be found in Alaska	12.0	FY 85
Travel in support of project work (technical assistance and public information)	3.0	FY 85
	12.0	FY 86
	12.0	FY 87
Travel to meet with contractors, local governments, public meetings	1.0	FY 85
	4.0	FY 86
	4.0	FY 87
<u>Total</u>		
	FY 85	16.0
	FY 86	16.0
	FY 87	16.0

(3) Contractual

Office costs (5.6 per person -- telephone, xerox, janitor)	8.4	FY 85
	16.8	FY 86
	16.8	FY 87
Inventory the types, amounts and location of hazardous waste generated in Alaska as regulated by proposed state regulations	10.0	FY 85
Determine the type(s) and capacity(ies) of hazardous waste management facilities needed		

to provide an economic means for managing wastes including transportation, storage, chemical treatment, recycling and disposal facilities with particular emphasis on encouraging alternatives to land disposal. 35.0 FY 85

Develop regulations requiring by AS 46.03. 313(b)(2) interpreting and clarifying siting criteria and establishing the public process for determining approvability of a site 45.0 FY 85

Determine five or more areas which are suitable for the types of facilities proposed in the siting of a hazardous waste facility. 50.0 FY 86

Based on the criteria in the inventory done in FY 85, determine the suitability of three or more specific sites for facilities. 75.0 FY 87

Identify alternative models of industrial and governmental financing for the proposed facilities and incentives/inducements to encourage community acceptance of a facility. 10.0 FY 86

Incremental amount needed over FY 85 operating budget funds for increased "cleanups" in four sites. 25.0 FY 85
25.0 FY 86
25.0 FY 87

<u>Total</u>	FY 85	123.4
	FY 86	101.8
	FY 87	116.8

(4) Supplies

Replace expendable laboratory, safety materials 2.0 FY 86
2.0 FY 87

office 2.0 FY 85
2.0 FY 86
2.0 FY 87

(5) Equipment

Office equipment 5.1 FY 85

Safety equipment and replacements 8.5 FY 85
3.2 FY 86
3.2 FY 87

<u>Total</u>	FY 85	13.6
	FY 86	3.2
	FY 87	3.2

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ROBERT H. ZIEGLER, SR., Vice Chairman
DICK ELIASON
PAUL FISCHER
VIC FISCHER
BOB MULCAHY
ARLISS STURGULEWSKI



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Senate

Committee on Resources

CSSB 503 - AN ACT RELATING TO HAZARDOUS WASTE AND CERTAIN PUBLIC CONTRACTS CONCERNING HAZARDOUS WASTE; CHANGING PENALTIES FOR ENVIRONMENTAL POLLUTION VIOLATIONS; AND PROVIDING FOR AN EFFECTIVE DATE."

SECTIONAL ANALYSIS.

Section 1. Regulation of hazardous Waste

- (a) This section directs the Department of Environmental Conservation to adopt regulations for the management of hazardous waste. These regulations must meet the minimum Environmental Protection Agency's requirements as well as regulate those hazardous wastes that are toxic, persistent, or carcinogenic. The federal program ignores the carcinogenic and toxic effects of a waste on human health and the environment. Regulations should be developed no later than July 1 1986 and effective on July 1, 1987.
- (b) Mining waste, oil and gas production wastes are temporarily excluded in this section until federal studies on these wastes have been completed. DEC will consider the report results in the development of regulations for these wastes.
- (c) This section instructs the state to take actions necessary to receive EPA authorization for the hazardous waste program.
- (d) The quantities of waste which will be managed as hazardous are established in this section.
- (e) This section requires the Department to conduct an education program about the regulations for those affected.

Section 2. Transportation of hazardous waste.

Before a hazardous waste can be transported, a manifest (already required under federal law) which includes information about the type of material, disposal site, and handling procedures must be sent to DEC. DEC then sends a copy of this manifest to the highest local elected official and the local and state public safety agencies.

Section 3. Temporary collection of hazardous waste.

This section institutionalizes the very successful program currently offered by DEC, known as "hazardous waste clean-ups." Temporary collection and transfer operations will be held for small quantity and household generators of hazardous waste four times a year.

SECTIONAL ANALYSIS OF SB 503 CONTINUED.

Section 4. Hazardous waste management facilities and sites.

This section outlines the criteria and public comment procedures DEC should use to determine hazardous waste management sites and facilities in Alaska. Recommendations to the Governor and Legislature should be submitted not later than July 1, 1987. Final sites and facilities should be submitted two years later.

Section 5 - 8. Penalties for violations.

These sections include the technical amendments on criminal and civil penalties which are needed to satisfy the federal requirements to obtain final authorization of the state's hazardous waste program.

Section 9. Definitions.

This section defines various terms found in the legislation.

Section. 10. Hazardous waste contracts.

This section prohibits a legislative staff member from soliciting or receiving a contract concerning hazardous waste from a state agency following the session during which the staff member worked for the legislature.

Alaska State Legislature

BETTYE FAHRINKAMP, Chairman
ROBERT H. ZIEGLER, SR., Vice Chairman
DICK ELIASON
PAUL FISCHER
VIC FISCHER
BOB MULCAHY
ARLISS STURGULEWSKI



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Senate

SENATE LETTER OF INTENT

CS FOR SENATE BILL NO. 503 (FIN)

It is the intent of the Legislature that the Department of Environmental Conservation obtain from the United States Environmental Protection Agency authorization to administer and enforce a hazardous waste program in Alaska. The Department should focus its efforts so that the state's final application for full management control be complete by July 1, 1986.

To this end and with respect to the mandate to be codified at AS 46.02.299 (a)(2), the Department is instructed to adopt regulations relating to the management of hazardous waste that exhibit the characteristics of toxicity, persistence, or carcinogenicity and other characteristics of hazardous waste as identified by EPA. The department shall evaluate the most appropriate mechanism by which to identify a waste characteristic of toxicity, persistence or carcinogenicity and other characteristic as identified as hazardous by EPA. This evaluation must include the methods described in the proposed state regulations dated October 26, 1983 that identify hazardous wastes by the characteristics mentioned above. Regulations developed under AS 46.299(a)(2) must incorporate the results of this analysis.

The regulations ultimately adopted by the state are to take effect three years from this bill's enactment, July 1, 1987. The department is to develop and implement a program to educate those effected by this legislation about the requirements of this act during the third year.

In order to gain experience managing a hazardous waste program, the department should assume through cooperative agreement with EPA as much active control as feasible of the currently operating hazardous waste program. The assumption of these duties by the department should begin immediately.

The exemptions for mining waste and waste associated with oil and gas production as defined should be effective until the completion of the studies indicated in the legislation. After each study has been completed and the findings of these studies and proposed federal regulations have been considered by the department, the department may terminate the exemption or promulgate amendments to the state's hazardous waste regulations.

Adopted by the Senate May 17, 1984.

SB 503 - An Act Relating to Hazardous Waste

A Brief History.

In 1981, legislation (SB 29) was passed that directed the state to seek EPA authorization to administer and enforce a hazardous waste program in Alaska. The program would otherwise be managed by EPA.

Over two years later at the end of 1983, with the proposed regulations and other aspects of the authorization package nearly completed, it became apparent that the penalty sections of the current Alaska statute would have to be amended to meet EPA specifications.

Two bills SB 498 - Rules by Request of the Governor and SB 503 Resources were introduced at the beginning of the session to meet this obligation. The Governor's legislation provided the amendments to the penalty sections only, and as such was an endorsement of the hazardous waste regulation developed by the Department of Environmental Conservation. In its proposed regulations, DEC was attempting to develop a hazardous waste management program that made sense for Alaska and did not simply mimic the federal approach. SB 503 also included similar language regarding changes to the penalty codes, but limited the development of the state hazardous waste program to be the same as the federal program.

These two bills represented divergent and contradictory approaches. All interested agreed that the state should take over the management of the hazardous waste program. However, there was disagreement as to how this should be accomplished.

CSSB 503 Hazardous Waste Legislation, History

In addition, two other bills relating to hazardous waste were introduced at the start of this session. These are SB 450 - Vic Fischer regarding the disposal of hazardous waste, and SB 486 - Josephson providing the public the right to know about the storage and disposal of hazardous materials and wastes.

All four items were referred to Senate Resources Committee, which combined them into one mega-workdraft in the form of a committee substitute for SB 503. The workdraft was sent to over 30 groups and individuals to seek their comments including business, labor, environmental, health, resource development, government, and civic interests. After this review was complete, the Resources Committee then convened a meeting on April 9, 1984 of these same interested parties to hammer out compromise legislation.

After a full day of intense negotiation, agreement was reached by all the work group participants. Alaska Oil and Gas Association, Associated General Contractors, environmentalists, Alaska District Council of Laborers, Municipality of Anchorage, and various legislative and state government offices were represented. The result is the committee substitute for SB 503 before this committee.

TESTIMONY OF CHRIS NOAH
DEPUTY COMMISSIONER OF THE
DEPARTMENT OF ENVIRONMENTAL CONSERVATION

Before the Senate Resources Committee
Alaska State Legislature
Regarding: CS for SB 503

April 17, 1984

Madam Chairman, other members of the committee, my name is Chris Noah, Deputy Commissioner of the Department of Environmental Conservation. I am here to testify on the committee substitute for Senate Bill 503, entitled: "An act relating to hazardous waste; changing penalties for environmental pollution violations; and providing for an effective date."

I am here primarily to endorse this bill and urge its passage in its present form. The bill is the result of negotiations and compromise on the part of various organizations and persons concerned with the manner by which waste is classified as hazardous and managed in this state. It also incorporates the essential statutory changes contained in SB 498 which had been introduced by the Governor. The changes contained in SB 498 were based on the determination by the United States Environmental Protection Agency that certain statutory changes were necessary before the state could obtain final authorization from EPA to carry out its responsibilities under the Resource Conservation and Recovery Act of 1976. With regard to these statutory changes, we have been advised by the Attorney General's Office that the present bill (CS for SB 503) does indeed include the changes required by EPA. Specifically, these are the changes to both the criminal and civil penalties contained in Sections 5, 6 and 7 of the present bill.

It is the other parts of the bill which were the subject of discussion and compromise by various persons and organizations. In particular, it is the result of an agreement reached at an informal meeting on Monday, April 9, 1984. This administration participated in these discussions and is in accord with the agreement which is now before you in the form of this bill. The bill is one which I believe all parties can live with. Further, and most importantly, it is one which will result in a hazardous waste management program which is both effective and reasonable. However, I should state and point out that the new duties which the bill would impose on the department cannot be fulfilled without adequate funding. It is my hope, therefore, that the agency operating budget and companion appropriation to this bill will also be approved by the legislature.

Thank you for this opportunity.

CN/DD/af