PROPOSED RULE MAKING

CR-102 (June 2024)
(Implements RCW 34.05.320)
Do **NOT** use for expedited rule making

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: June 22, 2026
TIME: 8:38 AM

WSR 26-14-021

Agency: Department of Ecology A.O.# 24-12

☒ **Original Notice**
☐ **Supplemental Notice to WSR** _____
☐ **Continuance of WSR** _____

☒ **Preproposal Statement of Inquiry was filed as WSR** 25-01-038 **; or**
☐ **Expedited Rule Making--Proposed notice was filed as WSR** _____**; or**
☐ **Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1); or**
☐ **Proposal is exempt under RCW** _____**.**

Title of rule and other identifying information: (describe subject) Organic Materials Management Rulemaking- Chapter 173-350 WAC Solid Waste Handling Standards; The Washington Department of Ecology proposes amendments to this chapter to address contamination in organic waste and finished products and to cover additional organic materials management practices.

Hearing location(s):

Date:	**Time:**	**Location:** (be specific)	**Comment:**
August 5, 2026	9:00 AM Pacific Time	Zoom webinar. Register: https://waecy-wa-gov.zoom.us/meeting/register/st4J5HrFR3G7CQEa_1u4SA	Meeting link and phone dial-in options are available after registering for the meeting.
August 6, 2026	5:30 PM Pacific Time	Zoom webinar. Register: https://waecy-wa-gov.zoom.us/meeting/register/eQg0jHlhTueGeMHFMC4fog	Meeting link and phone dial-in options are available after registering for the meeting.

Date of intended adoption: November 19, 2026 (Note: This is **NOT** the **effective** date)

Submit written comments to:
Name Chris Fredley
Address Department of Ecology
Solid Waste Management Program
PO Box 47600
Olympia, WA 98504-7600
Email organicsrule@ecy.wa.gov
Fax N/A

Other Submit comments to the comment site:
https://swm.ecology.commentinput.com?id=iPusYareb
Beginning (date and time) June 22, 2026, 12:00 AM

By (date and time) August 13, 2026, 11:59 PM

Assistance for persons with disabilities:
Contact Ecology ADA Coordinator
Phone 360-407-6831

Fax N/A
TTY For Washington Relay Service or TTY call 711 or 877833-6341
Email ecyADAccordinator@ecy.wa.gov

Other https://ecology.wa.gov/accessibility
Request for reasonable accommodation form:
https://apps.ecology.wa.gov/publications/documents/ecy070538.pdf
By (date) August 6, 2026, 11:59 PM

Purpose of the proposal and its anticipated effects, including any changes in existing rules: Ecology was tasked with addressing contamination in organic feedstocks and finished product at compost facilities. This proposal aims to reduce contamination by limiting the contamination allowed in incoming organic material feedstocks and finished products. This proposed rule includes:

- A contamination limit of 5% by volume for material coming into all organic materials management facilities.
- Changes to handling standards for compost facilities, anaerobic digesters, outdoor piles for storage or treatment, and other forms of organic materials management such as vermiculture.

- New standards for organic material pre-processing facilities that recover food embedded in packaging and manage contamination in highly contaminated loads. Pre-processing would be required for loads that have contamination above the 5% incoming contamination limit.
- Stricter contamination limits for finished products leaving organic materials management facilities.
- Standardized training requirements for all organic materials management facilities.
- Simplified permit requirements for engineering documents.
- Clarifications to the coverage of exempt activities at permitted sites.
- Several new permit exemptions for agricultural and small-scale composting operations.
- Updated language to address persons responsible for solid waste management, onsite storage, and transportation requirements.

Reasons supporting proposal: The recently passed organics management laws are driving recovery of more organic material statewide, and the Legislature mandated Ecology to write rules to ensure that physical contamination in organic materials is properly managed. Ecology is proposing amendments to the solid waste handling standards related to organic materials management under chapter 173-350 WAC to account for modern technology and common handling practices. New proposed pre-processing standards will help ensure that facilities pre-processing highly contaminated loads of organic materials operate in a safe and appropriate manner that protects human health and the environment.

Statutory authority for adoption: Chapter RCW 70A.205 RCW

Statute being implemented: RCW 70A.205.540 Source separated solid waste collection services—Fees—Exceptions—Rulemaking

Is rule necessary because of a:

Federal Law?	☐ Yes	☒ No
Federal Court Decision?	☐ Yes	☒ No
State Court Decision?	☐ Yes	☒ No

If yes, CITATION:

Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters: None

Name of proponent: (person or organization) Department of Ecology
Type of proponent: ☐ Private. ☐ Public. ☒ Governmental.

Name of agency personnel responsible for:

	Name	Office Location	Phone
Drafting	Dawn Marie Maurer	Shoreline, WA	(425) 516-3015
Implementation	Dawn Marie Maurer	Shoreline, WA	(425) 516-3015
Enforcement	Dawn Marie Maurer	Shoreline, WA	(425) 516-3015

Is a school district fiscal impact statement required under RCW 28A.305.135? ☐ Yes ☒ No
If yes, insert statement here:

The public may obtain a copy of the school district fiscal impact statement by contacting:
Name
Address
Phone
Fax
TTY
Email
Other

Is a cost-benefit analysis required under RCW 34.05.328?

☒ Yes: A preliminary cost-benefit analysis may be obtained by contacting:
Name Chris Fredley
Address Department of Ecology
Solid Waste Management Program
PO Box 47600
Olympia, WA 98504-7600
Phone 564-233-1615
Fax
TTY For Washington Relay Service or TTY call 711 or 877-833-6341
Email organicsrule@ecy.wa.gov

Other A copy is available for download at the following webpage: https://ecology.wa.gov/regulations-permits/laws-rules-rulemaking/rulemaking/wac-173-350

☐ No: Please explain:

Regulatory Fairness Act and Small Business Economic Impact Statement

Note: The Governor's Office for Regulatory Innovation and Assistance (ORIA) provides support in completing this part.

(1) Identification of exemptions:

This rule proposal, or portions of the proposal, **may be exempt** from requirements of the Regulatory Fairness Act (see chapter 19.85 RCW). For additional information on exemptions, consult the exemption guide published by ORIA. Please check the box for any applicable exemption(s):

☐ This rule proposal, or portions of the proposal, is exempt under RCW 19.85.061 because this rule making is being adopted solely to conform and/or comply with federal statute or regulations. Please cite the specific federal statute or regulation this rule is being adopted to conform or comply with, and describe the consequences to the state if the rule is not adopted.

Citation and description:

☐ This rule proposal, or portions of the proposal, is exempt because the agency has completed the pilot rule process defined by RCW 34.05.313 before filing the notice of this proposed rule.

☐ This rule proposal, or portions of the proposal, is exempt under the provisions of RCW 15.65.570(2) because it was adopted by a referendum.

☒ This rule proposal, or portions of the proposal, is exempt under RCW 19.85.025(3). Check all that apply:

- ☐ RCW 34.05.310 (4)(b) (Internal government operations)
- ☒ RCW 34.05.310 (4)(c) (Incorporation by reference)
- ☒ RCW 34.05.310 (4)(d) (Correct or clarify language)
- ☒ RCW 34.05.310 (4)(e) (Dictated by statute)
- ☐ RCW 34.05.310 (4)(f) (Set or adjust fees)
- ☐ RCW 34.05.310 (4)(g) ((i) Relating to agency hearings; or (ii) process requirements for applying to an agency for a license or permit)

☐ This rule proposal, or portions of the proposal, is exempt under RCW 19.85.025(4). (Does not affect small businesses).

☐ This rule proposal, or portions of the proposal, is exempt under RCW _____.

Explanation of how the above exemption(s) applies to the proposed rule:

(2) Scope of exemptions: *Check one.*

☐ The rule proposal: Is fully exempt. *(Skip section 3.)* Exemptions identified above apply to all portions of the rule proposal.

☒ The rule proposal: Is partially exempt. *(Complete section 3.)* The exemptions identified above apply to portions of the rule proposal, but less than the entire rule proposal. Provide details here (consider using this template from ORIA): Ecology baselines are typically complex, consisting of multiple requirements fully or partially specified by existing rules, statutes, or federal laws. Where the proposed rule differs from this baseline of existing requirements, it is typically subject to (i.e., not exempt from) analysis required under the Regulatory Fairness Act (RFA; Chapter 19.85 RCW) based on meeting criteria referenced in RCW 19.85.025(3) as defined by the Administrative Procedure Act in RCW 34.05.310. The Small Business Economic Impact Statement (SBEIS) below includes a summary of the baseline for this rulemaking, and whether or how the proposed rule differs from the baseline.

☐ The rule proposal: Is not exempt. *(Complete section 3.)* No exemptions were identified above.

(3) Small business economic impact statement: *Complete this section if any portion is not exempt.*

If any portion of the proposed rule is **not exempt**, does it impose more-than-minor costs (as defined by RCW 19.85.020(2)) on businesses?

☐ No Briefly summarize the agency's minor cost analysis and how the agency determined the proposed rule did not impose more-than-minor costs. _____

☒ Yes Calculations show the rule proposal likely imposes more-than-minor cost to businesses and a small business economic impact statement is required. Insert the required small business economic impact statement here:

This Small Business Economic Impact Statement (SBEIS) presents the:

- Compliance requirements of the proposed rule.
- Results of the analysis of relative compliance cost burden.
- Consideration of lost sales or revenue.
- Cost-mitigating action taken by Ecology, if required.
- Small business and local government consultation.
- Industries likely impacted by the proposed rule.
- Expected net impact on jobs statewide.

A small business is defined by the Regulatory Fairness Act (chapter 19.85 RCW) as having 50 or fewer employees. Estimated costs are determined as compared to the existing regulatory environment—the regulations in the absence of the rule. The SBEIS only considers costs to "businesses in an industry" in Washington State. This means that impacts, for this document, are not evaluated for government agencies. The existing regulatory environment is called the "baseline" in this document. It includes only existing laws and rules at federal and state levels.

This information is excerpted from Ecology's complete set of regulatory analyses for this rulemaking. For complete discussion of the likely costs, benefits, minimum compliance burden, and relative burden on small businesses, see the associated Regulatory Analyses document (**Ecology publication no. XX-XX-XXX, MONTH 20XX**)

COMPLIANCE REQUIREMENTS OF THE PROPOSED RULE, INCLUDING PROFESSIONAL SERVICES

The baseline for our analyses generally consists of existing laws and rules. This is what allows us to make a consistent comparison between the state of the world with and without the proposed rule amendments. For this rulemaking, the baseline includes: chapter 173-350 WAC and chapter 70A.205 RCW.

The baseline also includes anticipated changes to the volume and characteristics of organic material that will be managed by Washington organics management facilities due to statutory requirements. Amendments to chapter 70A.205 RCW in 2022, 2024, and 2025 require expanded commercial and residential organics management services. A 2025 analysis projected that these statutory amendments would lead to an increase in the amount of material handled by compost facilities; from about one million tons in 2023 to more than three million tons in 2035. The feedstocks Ecology anticipates will expand the most are also among the more contaminated; particularly, food waste and mixed food/yard waste from households and businesses in places where organics waste collection is newly required.

The proposed rule amendments would: (1) Clarify requirements for recyclable materials containers, (2) Clarify that an organics management facility does not own a load they rejected, (3) Create, revise, or clarify definitions, (4) Create organic materials pre-processing standards, (5) Limit feedstock physical contamination to 5% prior to organic materials management, (6) Revise organic solid waste permit exemptions, (7) Clarify exemptions at permitted facilities, (8) Standardize training requirements across all organic management facilities, (9) Revise language for documentation requiring a professional engineer, (10) Revise testing requirements for finished organic materials, (11) Reduce physical contaminant limits in finished organic materials, (12) Create permitting standards for other organic materials handling activities, (13) Update the rule's organizational structure, wording, and references

1. Clarify requirements for recyclable materials containers

The proposed amendment to WAC 173-350-025 specifies responsibilities of the "owner, operator, and occupant of any premises, business establishment, or industry responsible for the management of solid waste generated or accumulated on the property." Among these responsibilities: "Ensuring that where there is a container to collect recyclable materials, there is a separate container for waste to be disposed; Ensuring recyclable materials containers clearly identify acceptable materials"

Expected impact

The purpose of the proposed rule amendment is to incorporate the statutory requirements into rule and clarify them to meet the statutory intent. Statute intends to create a solid waste handling system that supports the separation of recyclable materials from solid waste, including disposing of them in separate containers and clearly labeling those containers. The proposed rule amendment supports those statutory requirements. Because these requirements are intended to implement the statutory requirements, we do not expect any costs associated with them. There may be some benefit associated with adding more precision to meet the requirements outlined in statute. It could make it easier for local health jurisdictions to enforce, and it may help reduce for regulated entities who would otherwise be uncertain in how to meet the statutory requirements.

2. Clarify that an organics management facility does not own a load they rejected

Proposed

The proposed rule amendment would add the following language to WAC 173-350-025(4)(e): Any person collecting or transporting solid waste is responsible for legal management of the waste by ensuring delivery only to solid waste handling facilities that have approval by oversight agencies to manage the waste types delivered and such persons must adhere to any waste acceptance restrictions. A solid waste handling facility may reject a load and takes no ownership of a rejected load if it finds within the load waste that is prohibited under regulation, permit conditions, or facility acceptance policies.

Expected impact

Facilities have the right to reject a load if it does not meet the requirements of acceptable waste under the existing rule. The proposed amendment clarifies this by making it explicit that organics management facilities do not own a load they have rejected. We do not expect any costs from this proposed amendment.

3. Create, revise, or clarify definitions

Proposed

The proposed rule amendment would modify existing definitions, add new terms not previously defined in the rule, and remove definitions that appear in the existing rule.

Expected impact

There is no expected impact from the new, revised, or clarified definitions, in and of themselves Definitions that support substantive amendments in other parts of the rule are incorporated into the analysis specific to those amendments.

4. Create organic materials pre-processing standards

Proposed

The proposed rule amendment creates WAC 173-350-215 and lists organic materials pre-processing facility requirements in that section. Organic material pre-processing is defined as the processing of source separated solid waste to remove physical contaminants and packaging prior to organic materials management. Pre-processing operations for feedstocks with less than five percent physical contaminants by volume is exempt from all requirements under this section. The proposed permit requirements for pre-processing facilities in WAC 173-350-215 are the same as the existing requirements for recycling and material recovery facilities in WAC 173-350-210 except for additional design requirements to calculate maximum site and feedstock processing capacity, and operation plan requirements describing the types of waste to be handled, how materials will meet a five percent physical contamination limit after pre-processing, same collection every 3 months or every 5,000 cubic yards, how materials with excessive physical contamination will be handled, and how pre-processing will be kept distinct from processing.

Expected impact

The proposed rule amendment creates a section with distinct requirements for pre-processing facilities. Existing facilities that pre-process waste with more than 5% physical contamination by volume would be required to meet the proposed operating and monitoring standards within 18 months of the effective date of the rule amendment, and would have an additional six months to meet performance and design requirements. The only proposed amendment we expect to create ongoing costs is the requirement to begin collecting and sample pre-processed material for physical contaminants within 18 months of the effective date of the rule. Facilities would be required to sample their pre-processed material every three months, or every 5,000 cubic yards (or 1 million gallons for liquids), to ensure it meets the five percent physical contaminant by volume limit. While it creates laboratory costs for pre-processing facilities, it also helps ensure consistency in pre-processed organic material, reducing uncertainty for organic materials management facilities that would receive the pre-processed material and require a low concentration of physical contaminants in their feedstock. There may be some additional costs for existing facilities to amend their permits to include pre-processing activities and demonstrate that they meet the pre-processing facility standards, but we believe these will be one-time administrative costs. However, we do not expect that existing permitted facilities will have a substantial impact on their operations from the rule. While any organic materials management facility that accepts feedstock with greater than five percent physical contaminants by volume would be subject to the requirements proposed in WAC 173-350-215, pre-processing could be done under their existing solid waste permit and we expect facilities already meet the requirements to reduce physical contaminants to five percent by volume or less.

5. Limit feedstock physical contamination to 5% prior to organic materials management

Proposed

Under the proposed amendments, compost, other organic materials management, and anaerobic digester facilities must limit physical contaminants in incoming feedstocks to no more than five percent by volume in accordance with the proposed amendments to WACs 173-350-220, -225, and -250, respectively.

Expected impact

We do not anticipate any impact on existing facility operations due to the proposed five percent contamination limit. The baseline already limits compost facilities to accept feedstock that is five percent contamination by volume or lower unless they have a plan to decontaminate it prior to composting. We expect that compost facilities that accept feedstocks with greater than five percent contamination under the baseline already engage in sufficient pre-processing to meet the proposed rule amendment. More generally, we do not expect compost facilities to successfully process feedstock with more than five percent contamination without first pre-processing to reduce the concentration of physical contaminants.

6. Revise organic solid waste permit exemptions

Proposed

The proposed rule amendment would include additional or modified permit exemptions for composting facilities, other organics management facilities, anaerobic digesters, and piles for storage or treatment.

Expected impact

Ecology is not aware of any existing facilities that would be impacted by the permit exemption amendments, except:

- An estimated two to six anaerobic digesters with between 1,000 and 5,000 gallons of material on-site at any one time would now be required to notify Ecology.
- Five anaerobic digester facilities processing only manure, agricultural waste, and up to 30% food processing waste would now be required to periodically test and report nutrient concentrations of their digestate to the partner dairies and WSDA beginning within the next 12 months.
- Facilities operating under an exemption where the criteria for exemption would be changed under the proposed rule amendment may have to resubmit a notification of exemption to address the new criteria.

7. Clarify exemptions at permitted facilities

Proposed

The proposed rule amendment includes language in each section that is meant to clarify permit and exemption requirements for local health jurisdictions and for the owners and operators of facilities. If a site requires a solid waste permit according to one section of WAC 173-350 but qualifies for an exemption under another section or sections of WAC 173-350, then: it would require a permit and would not be permit exempt; all activities could be covered under the same permit, and the activity would only need to meet the applicable conditional exemption standard; the plan of operation for that site must detail how they meet permit exemptions for any applicable sections.

Expected impact

We expect the rule amendment to clarify which facilities need permits and what the regulatory requirements for those facilities are. We do not expect any costs.

8. Standardize training requirements across all organic management facilities

Proposed

WAC 173-350-220(6), WAC 173-350-225(6), and WAC 173-350-250(6), would require compost, other organics management, and anaerobic digester facilities to keep and follow a plan of operation that must be available in a language that employees can read. Each plan of operation includes requirements for ensuring the appropriate training.

Expected impact

The proposed change may reduce the costs for compost facilities in complying with the training requirement. We do not expect the proposed change to compromise environmental or public health. The language still requires facility employees to be adequately trained but no longer specifies a particular training requirement for compost facility supervisors. The proposed requirement to make the plan of operation available in a language that employees can read is not in the baseline. However, because adequate training would already require the bulk of the plan of operation to be translated into languages spoken by employees, we do not expect this additional requirement to add significant costs.

9. Revise language for documentation requiring a professional engineer

Proposed

The proposed rule amendment defines “engineered features” and specifies that only engineered features proposed to meet the standards in each respective section must be prepared by a professional engineer registered in the state of Washington.

Expected impact

We expect the proposed rule amendment to reduce confusion over what parts of documentation that owners and operators of organic materials management facilities are required to provide must be completed by a professional engineer. We expect the rule may reduce documentation costs for some facilities.

10. Revise testing requirements for finished organic materials

Proposed

The proposed amendment would change requirements from the baseline, including requiring: Accreditation for any laboratory conducting conduct analyses; Laboratory test results in annual reports from facilities to include the summary of laboratory results from the accredited laboratory; Permitted compost, other organics management, and anaerobic digester facilities to test at least once per quarter, instead of at least once per year as in the baseline; testing at least once per year or every 5,000 cubic yards, whichever is more frequent, for some exempt facilities that do not require testing in the baseline; Test for salmonella or fecal coliform as most appropriate with a default to test for fecal coliform unless otherwise approved.

Expected impact

We expect no costs from the rule other than the increase in testing frequency. Facilities that would be required to conduct additional testing under the proposed rule amendment within 18 months of the effective date of the rule amendment would incur some cost associated with the additional testing. We also expect there to be some benefit – both to human health and to the marketability of organic products - in ensuring that finished organic products in Washington consistently meet the requirements outlined in Table 220-B as seasonal feedstocks and weather can impact composting biology, resulting in seasonal variations that will be better tracked through quarterly testing.

11. Reduce physical contaminant limits in finished organic materials

Proposed

The proposed amendment to chapter 173-350 WAC defines a new physical contaminant limit in Table 220-B of 0.5 percent, not to exceed 0.1 percent film plastic, by weight.

Expected impact

All organic materials management facilities currently reporting physical contaminant concentrations in their finished organic products, such as compost or digestate, would meet the limits in the proposed rule amendment. While we anticipate growth in the total volume of organic materials recovered and an increase in physical contamination in feedstocks in the next several years, we expect the proposed amendments would reduce physical contaminants in these products and the associated risks to the environment and public health. Limiting the amount of contamination consumers experience in purchased compost would also increase consumer confidence and demand, increasing the overall market value of compost and other finished organic products. Moreover, Ecology is required by statute to address physical contaminants in organic products. Reducing the physical contaminant limit in organic products meets this statutory obligation.

12. Create permitting standards for other organic materials handling activities

Proposed

The proposed rule amendment to WAC 173-350-225 would create standards for other organic materials handling activities that are not exempt or not covered by permits elsewhere. Proposed permit requirements generally align with permit requirements in WAC 173-350-220 and WAC 173-350-330.

Expected impact

In the baseline, other organic materials handling facilities would be subject to permitting by local health jurisdictions under WAC 173-350-490. While there are no organic materials management facilities currently permitted under WAC 173-350-490, it would have the potential to offer some flexibility for local health jurisdictions but would also create a burden on local health jurisdictions to appropriate regulatory standards for each facility. It is our expectation that local health jurisdictions would largely have based any permits granted under WAC 173-350-490 on existing language that appears in other sections in chapter 173-350 WAC.

13. Update the rule’s organizational structure, wording, and references

Proposed

The proposed rule amendment restructures the rule to allow each organic materials facility section to have a common structure. Each section would include the requirements for the corresponding facility activity with as much common language as possible, making it easier to read and understand within each section. The proposed rule rescinds WAC 173-350-300 and moves the on-site storage, collection, and transportation requirements to WAC 173-350-025, instead. The proposed amendment also makes minor updates to wording and updates references to statute where those have changed.

Expected impact

We do not expect any material impact from the proposed rule amendments beyond adding clarity.

COSTS OF COMPLIANCE: EQUIPMENT

"Compliance with the proposed rule, compared to the baseline, is not likely to impose additional costs of equipment."

COSTS OF COMPLIANCE: SUPPLIES

"Compliance with the proposed rule, compared to the baseline, is not likely to impose additional costs of supplies."

COSTS OF COMPLIANCE: LABOR

Facilities operating under an exemption where the criteria for exemption would be changed under the proposed rule amendment may have to resubmit a notification of exemption to address the new criteria, which could include labor costs. It is unknown how many facilities this may impact.

Some organic materials management facilities engage in significant pre-processing. Ecology estimates that six compost facilities currently post-consumer food waste, which we expect will require significant pre-processing in the future. If they accept feedstock with more than 5% physical contamination and elect to continue to do so, they may be required to meet the pre-processing standards defined by the proposed rule amendment. In that case, there may be some costs associated with demonstrating that they meet the proposed design and operating standards for organic materials pre-processors. While many facilities have already supplied this information in their existing plans, it is possible that some have not. We do not expect this to increase their operating costs, but there may be one-time administrative costs associated with demonstrating these requirements.

Between two and six anaerobic digesters with between 1,000 and 5,000 gallons of material on-site at any one time. These facilities would now be required to notify Ecology. We assume this would cost each facility roughly one to three hours of labor at a rate of $51 per hour.

COSTS OF COMPLIANCE: PROFESSIONAL SERVICES

There may be some costs assessed by local health jurisdictions for any facility modifying an existing permit as a result of the rule, but the exact cost is unknown.

We expect the primary cost arising from the new requirements for organic materials pre-processing facilities will be the cost to regularly test pre-processed material every 5,000 cubic yards starting within 18 months of the effective date of the rule amendment. We estimate sampling and testing pre-processed material to cost roughly $80 per test, though the ultimate total cost depends on the volume of organic material managed over time and what proportion of that material will first go through pre-processing. We assume that commercial food waste is the feedstock that is most likely to require pre-processing, less 5% of pre-consumer food processing waste that would not require pre-processing. This amounts to around 568,000 tons in 2025, increasing to 740,000 tons in 2035. It is possible that between 50-100% of this material must be pre-processed. This would require roughly 185 to 369 tests per year in 2035. We estimate the present value cost of testing under these assumptions would be between $251 thousand and $501 thousand across all facilities engaged in organics material pre-processing.

To calculate the prospective costs of additional test requirements for finished compost, we assumed that any facility that produced more than 5,000 cubic yards of compost and less than 20,000 cubic yards in that year would need additional tests beginning 18 months after the effective date of the rule amendment, equal to: (20,000 – Amount Produced) ÷ 3. Any permitted facility that produced less than 5,000 cubic yards of compost would require three additional tests, while facilities that produced greater than 20,000 would not require any additional tests. We assumed that the amount of compost produced at each facility in each future year would change by the same rate that the total amount of compost produced in Washington is projected to change. A low cost scenario assigns growth in finished compost produced from 2023 onwards such that half of the growth is split evenly among all composters while half is allocated proportionally. In this way, low volume composters grow more quickly and would have to test their finished product more frequently under the baseline rule. In the high-cost scenario, we assume that any change in finished compost is handled by new facilities, so that existing facilities do not expand at all. These scenarios produce a range of projected costs, discounted at a 0.41% real rate over a twenty-year time horizon, of $112,852 - $225,604.

COSTS OF COMPLIANCE: ADMINISTRATIVE COSTS

Where applicable, Ecology estimates administrative costs ("overhead") as part of the cost of labor and professional services, above.

COMPARISON OF COMPLIANCE COST FOR SMALL VERSUS LARGE BUSINESSES

Quantified costs generally pertain to testing requirements for permitted organic materials management facilities. We estimate that all but one of these facilities qualify as small businesses under the definition in the RFA of 50 or fewer employees. We were unable to assign the quantified costs associated with proposed testing requirements for pre-processed organic material from feedstocks with greater than 5% physical contaminants by volume. No permit yet exists, and Ecology does not have any data to suggest which, if any, businesses would add pre-processing to a new or existing permit in response to the proposed rule amendment.

Table 1. Costs by business size

Averages	Small businesses	Largest 10% of businesses
Num. employees	12.9	38.6
Annual cost per employee	$66	$0

We conclude that the proposed rule amendments are likely to have disproportionate impacts on small businesses, and therefore Ecology must include elements in the proposed rule amendments to mitigate this disproportion, as far as is legal and feasible.

MITIGATION OF DISPROPORTIONATE IMPACT

The RFA (19.85.030(2) RCW) states that:

"Based upon the extent of disproportionate impact on small business identified in the statement prepared under RCW 19.85.040, the agency shall, where legal and feasible in meeting the stated objectives of the statutes upon which the rule is based, reduce the costs imposed by the rule on small businesses. The agency must consider, without limitation, each of the following methods of reducing the impact of the proposed rule on small businesses:

a) Reducing, modifying, or eliminating substantive regulatory requirements;
b) Simplifying, reducing, or eliminating recordkeeping and reporting requirements;
c) Reducing the frequency of inspections;
d) Delaying compliance timetables;
e) Reducing or modifying fine schedules for noncompliance; or
f) Any other mitigation techniques including those suggested by small businesses or small business advocates.

If a proposed rule affects only small businesses, the proposing agency must consider all mitigation options defined in this chapter."

We considered all of the above options, and the goals and objectives of the authorizing statutes (see Chapter 6). We limited compliance cost-reduction methods to those that:

- Are legal and feasible.
- Meet the goals and objectives of the authorizing statute.

The baseline rule does not include inspection frequency or fine schedules, so these are not feasible to amend within the proposed rule amendment.

Organic materials management facilities are overwhelmingly small businesses as defined by the RFA. Any mitigation actions to reduce the costs on small business are designed to either reduce compliance costs for all regulated business, or to reduce regulatory costs to the extent possible for businesses engaged in activities where less stringent requirements would not compromise the goals and objectives of the authorizing statute.

We included the following elements in the proposed rule amendments to reduce costs to small businesses:

- Maintaining a delayed compliance timetable. The existing baseline rule includes a delayed compliance timetable for all new rule requirements, allowing small businesses to adjust to rule changes. The proposed rule maintains that delayed compliance timetable.
- Substantive regulatory requirements are reduced, modified, or eliminated by:
    - Proposing new or expanded permit exemptions that reduce regulatory requirements for some organics management facilities.
    - Standardizing training requirements across all organic management facilities, which reduces regulatory requirements for compost facilities.
- Reporting requirements are simplified or reduced by:
    - Proposing new or expanded permit exemptions that reduce reporting and recordkeeping requirements for some organics management facilities.
    - Revising language for which documentation requires a professional engineer, which we expect to simplify reporting requirements for some facilities.

SMALL BUSINESS AND LOCAL GOVERNMENT CONSULTATION

We involved small businesses and local governments in the development of the proposed rule amendments, using:

- Email announcement of the proposed rule to over 46 local governments and one small business
- Contacted compost facilities in the Central region about the rulemaking and comment period
- Three public meetings to present the rule, which were attended by 37 local governments

NAICS CODES OF INDUSTRIES IMPACTED BY THE PROPOSED RULE

The proposed rule amendments likely impact the following industries, with associated NAICS codes. NAICS definitions and industry hierarchies are discussed at https://www.census.gov/naics/.

- 111 Crop Production
- 112 Animal Production and Aquaculture
- 311 Food Manufacturing
- 321 Wood Product Manufacturing
- 322 Paper Manufacturing
- 32531 Fertilizer and Compost Manufacturing
- 444180 Other Building Material Dealers
- 444240 Nursery, Garden Center, and Farm Supply Retailers
- 561730 Landscaping Services

- 5621 Waste Collection
- 5622 Waste Treatment and Disposal
- 611310 Colleges, Universities, and Professional Schools
- 712130 Zoos and Botanical Gardens

CONSIDERATION OF LOST SALES OR REVENUE, IMPACT ON JOBS

We used the REMI E3+ model for Washington State to estimate the impact of the proposed rule amendments on directly affected markets. The model accounts for variables including but not limited to: inter-industry impacts; price, wage, interstate and international trade, and population or labor market changes; and dynamic adjustment of all economic variables over time. Within the REMI model, we input the net quantified costs and benefits associated with the proposed rule amendment: organic material pre-processing standards test requirement, revised permit exemptions for notification and dairy digester testing, and revised testing requirements for finished organic products. We run two model simulations: a low net benefit scenario that uses the maximum cost estimate and the minimum benefit estimate, as well as a high net benefit scenario that uses the minimum cost estimate and the maximum benefit estimate. We assign the impact to the "Waste management and remediation services" industry in REMI, which includes organics management operations and we model the net cost of the proposed rule amendment as a change in production cost.

Table 2 presents the range of expected impacts based on the two model simulations. Expected impacts are in total jobs in the state, in terms of full-time equivalent employment, and a measure of the value of total economic output of the state economy.

Table 2. Annual impacts on jobs and output (in $ thousands)

Industry	Initial Jobs Impact	Jobs Impact in 20 years	Initial output impact	Output impact in 20 years
Whole state	0	0	-7 - +42	-24 - +74
Waste management and remediation services	0	0	-1 - +8	-7 - +17

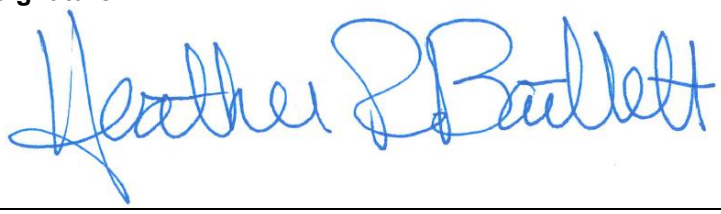
Simulations in the REMI model only account for the benefits and costs quantified in the analysis. It does not include benefits that we did not quantify, such as improvements to the environment or public health or an increase in demand for finished organic products. It also does not include indirect impacts that we were not able to quantify.

The public may obtain a copy of the small business economic impact statement or the detailed cost calculations by contacting:

Name Chris Fredley
Address Department of Ecology
Solid Waste Management Program
PO Box 47600
Olympia, WA 98504-7600
Phone 564-233-1615
Fax
TTY For Washington Relay Service or TTY call 711 or 877-833-6341
Email organicsrule@ecy.wa.gov
Other Webpage: https://ecology.wa.gov/regulations-permits/laws-rules-rulemaking/rulemaking/wac-173-350

Date: June 22, 2026

Name: Heather Bartlett

Title: Deputy Director

Signature: