

SB 629-FN - AS INTRODUCED

2020 SESSION

20-3059

08/06

SENATE BILL **629-FN**

AN ACT establishing the solid waste reduction management fund and establishing a solid waste disposal surcharge.

SPONSORS: Sen. Watters, Dist 4; Sen. Birdsell, Dist 19; Sen. Fuller Clark, Dist 21; Sen. Kahn, Dist 10; Rep. Ebel, Merr. 5; Rep. O'Connor, Rock. 6; Rep. M. Murray, Hills. 22; Rep. Wolf, Merr. 5

COMMITTEE: Energy and Natural Resources

ANALYSIS

This bill:

I. Establishes the solid waste reduction management fund.

II. Establishes a solid waste disposal surcharge.

III. Repeals the existing surcharge on out-of-state waste.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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1 planning, education and outreach, compliance monitoring, enforcement, and permitting activities
2 directly associated with approved activities in this chapter.

3 II. The fund shall be used to provide annual payments to municipalities to offset costs
4 associated with the solid waste disposal surcharge established under RSA 149-R:5, at the rate of
5 \$1.50 per ton of solid waste for which the municipality was financially responsible for disposal at a
6 New Hampshire landfill, incinerator, or waste-to-energy facility, in accordance with procedures
7 established by rulemaking under the authority of RSA 149-R:6, I.

8 III. The fund shall be used to provide matching grant funding to municipalities or private
9 entities for projects, including a regional or municipal materials recycling facility operated by a
10 public or private entity, and other regional recycling efforts, that will provide a demonstrated,
11 significant improvement in waste diversion methods and contribute to reduction of wastes requiring
12 disposal.

13 IV. The fund may be used to hire consultants, contractors, or to pay other necessary
14 expenses directly associated with approved activities in this chapter.

15 149-R:5 Solid Waste Disposal Surcharge.

16 I. Beginning July 1, 2021, each holder of a permit issued pursuant to RSA 149-M for a
17 landfill, incinerator, or waste-to-energy facility in New Hampshire shall pay to the department a
18 quarterly surcharge of \$1.50 per ton of solid waste disposed of at such facility.

19 II. Such payment shall be made quarterly by each facility permit holder, on forms and with
20 supporting documentation as provided for in rulemaking conducted pursuant to RSA 149-R:6, I.

21 III. The department shall deposit surcharges collected under this section into the fund.

22 IV. Failure to pay surcharges within 60 days of the date due shall result in the assessment
23 of interest at a rate established by the commissioner. The commissioner may waive all or any
24 portion of interest for good cause. The department shall deposit interest collected under this section
25 into the fund.

26 149-R:6 Rulemaking. The commissioner shall adopt rules, after public hearing and pursuant to
27 RSA 541-A, relative to:

28 I. The time, amount, and manner of payment of solid waste disposal surcharges.

29 II. Required records to be kept by facility permit holders of the type and quantity of solid
30 waste disposed.

31 III. Certified reports required to be submitted with surcharge payments by facility permit
32 holders.

33 IV. The time, amount, and manner of payments to municipalities pursuant to RSA 149-R:4,
34 II.

35 V. Certified reports required to be submitted by municipalities requesting payments
36 pursuant to RSA 149-R:4, II.

37 VI. Administering matching grants pursuant to RSA 149-R:4, III.

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1 VII. Uses of the fund and changes to uses of the fund.

2 149-R:7 Penalty; Fine. Any facility permit holder shall be guilty of a misdemeanor who:

3 I. Does not pay the surcharge required in RSA 149-R:5; or

4 II. Knowingly gives or causes to be given any false information in reports, records, or
5 documents required by the department under RSA 149-R.

6 149-R:8 Annual Report. The department shall submit a biennial report commencing on October
7 1, 2021 to the governor and council, speaker of the house of representatives, and president of the
8 senate, relative to the activities and finances of the solid waste management fund.

9 2 Administration and Enforcement of Solid Waste Reduction Management Fund. Amend RSA
10 149-M:6, XI to read as follows:

11 XI. ~~[Assess a surcharge on the disposal of out of state solid waste in the amount of \$1 per~~
12 ~~ton, which shall be assessed against the person transporting the out of state solid waste to the~~
13 ~~facility and not assessed against the facility. The surcharge shall be assessed and collected only with~~
14 ~~respect to the first point of disposal, processing, or treatment within this state. The proceeds shall~~
15 ~~be used by the department to reduce and offset general fund expenditures for solid waste~~
16 ~~management.] **Administer and enforce the provisions of RSA 149-R.**~~

17 3 New Subparagraph; New Hampshire Solid Waste Reduction Management Fund. Amend RSA
18 6:12, I(b) by inserting after subparagraph (358) the following new subparagraph:

19 (359) Moneys deposited in the New Hampshire solid waste reduction management
20 fund established in RSA 149-R:3.

21 4 Repeal. RSA 149-M:7, VII, relative to rulemaking relative to the out-of-state waste disposal
22 surcharge, is repealed.

23 5 Effective Date. This act shall take effect July 1, 2020.

**SB 629-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT establishing the solid waste reduction management fund and establishing a solid waste disposal surcharge.

FISCAL IMPACT: State County Local None

STATE:	Estimated Increase / (Decrease)			
	FY 2020	FY 2021	FY 2022	FY 2023
Appropriation	\$0	\$0	\$0	\$0
Revenue	\$0	\$0	\$2,200,000	\$2,900,000
Expenditures	\$0	\$0	\$1,700,000	\$2,600,000
Funding Source:	<input type="checkbox"/> General <input type="checkbox"/> Education <input type="checkbox"/> Highway <input checked="" type="checkbox"/> Other - Solid waste reduction management fund			

COUNTY:

Revenue	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	Indeterminable Increase	Indeterminable Increase

LOCAL:

Revenue	\$0	\$0	\$375,000	\$750,000
Expenditures	\$0	\$0	\$750,000	\$750,000

METHODOLOGY:

This bill establishes the solid waste reduction management fund, establishes a solid waste disposal surcharge and eliminates the existing surcharge on out-of-state waste.

The Department of Environmental Services provided the following facts and assumptions regarding the fiscal impact of this bill.

- In 2018, 1.978 million tons of solid waste was disposed in New Hampshire.
- The \$1.50 surcharge per ton of solid waste established by the bill will be assessed on permitted landfills, incinerators and waste-to energy facilities (waste disposal facilities).
- The surcharge will be implemented on July 1, 2021. Payments will be made in arrears following each fiscal quarter, with the first payment due in October 2021. Revenue in FY 2022 will consist of 3 quarterly payments (October, January and April).
- While permitted waste disposal facilities will be responsible for paying the surcharge to the State, it is assumed the surcharge will be passed through to each facility's customers.

- In the case of landfill, materials used as alternate daily cover would not be subject to the surcharge.
- Surcharge payments will be deposited into the dedicated Solid Waste Management Fund created by the bill.
- Each municipality will be eligible to receive annual payments from the fund equal to the amount of surcharge paid on the solid waste generated by the municipality's activities, and on waste collected from residents and businesses, but paid for by the municipality.
- To receive the annual payments, municipalities will submit annual reports verifying their eligibility. The Department assumes the reports will be due by March 31 for the prior calendar year in alignment with the current reporting schedule required for permitted solid waste facilities. The first report would be due on March 31, 2022 for waste disposed between July 1, 2021 and December 31, 2021. Reports in subsequent years will be for a full calendar year. The annual payments to municipalities will be made before the end of each fiscal year on June 30th.
- Facilities owned by a municipality will be required to pay the surcharge on all waste disposed, but the municipality will be eligible to receive payment for the portion for which the municipality was directly responsible for collection and disposal.
- Roughly 35-45% of the in-state waste disposed at NH disposal facilities originates from municipal sources. For this analysis, the Department assumes the higher end of this range. In 2018, 1,089,330 tons of solid waste originated from in-state. 45% of this amount, or roughly 500,000 tons is assumed to have been disposed by NH municipalities in 2018.
- The fund will be used to provide for solid waste planning, technical assistance, education, and outreach; payments to municipalities; and administration of the grant program to distribute matching funds for projects and infrastructure that support waste reduction and diversion.
- While the bill does not establish new positions, the Department assumes a portion of the revenue generated by the bill would be used to create and fund five new positions, starting in December 2021, necessary to carry out the provisions of the bill. These positions include the following:
 - o Program Specialist III, LG 23, to administer the solid waste management fund, municipal payments and grant applications.
 - o Program Assistant I, LG19, to administer grant applications and other related duties.
 - o Environmentalist III, LG24, to provide technical assistance and education.
 - o Principal Planner, LG24, to perform solid waste management planning, data management and technical assistance.

- o Administrator II, LG 31, for program management, supervision, solid waste management planning and technical assistance.
- Approximately 40-50% of the annual revenue deposited in the fund, estimated to be \$1.3 million annually, will be used for matching grants as outlined in proposed RSA 149-R:4, III.

Based on the assumptions and information provided the Department estimated the fiscal impact as follows:

SOLID WASTE REDUCTION MANAGEMENT FUND		
REVENUE	FY 2022*	FY 2023
Quarterly Surcharge (\$1.50 per ton X 1,978 million tons)	\$2,200,000	\$2,900,000
Payments to Municipalities (Approximately 500 tons X \$1.50)	(\$375,000)	(\$750,000)
Subtotal (Net Revenue):	\$1,825,000	\$2,150,000
County Grants/County Revenue (None expected)	\$0	\$0
Municipal Matching Grants (Indeterminable)	IND	IND
EXPENDITURES		
Salary, benefits and associated costs for five new positions listed above.	\$324,000	\$528,000
Grant Program (Assuming 40-50% of Annual Revenue)	\$1,000,000	\$1,300,000

** Revenue in FY 2022 will consist of 3 quarterly payments. Municipal revenue would be for two quarters in FY 2022 as reports will be due by March 31. Expenditures for staff in FY 2022 are for half a year since the positions would be filled in December of 2021.*

The Department indicates municipalities operating waste facilities may incur minimal administrative costs to complete the annual reporting forms. Such costs are expected to be minor because of the information would already be recorded for accounting purposes. In addition, counties may incur costs for the surcharge payment on waste generated by county facilities. There would be no impact or county revenue.

AGENCIES CONTACTED:

Department of Environmental Services