

April 14, 2009

## **Miami-Dade County concerns with HB 5121**

### **\$1.25 per ton solid waste disposal tax**

- HB 5121 imposes a \$1.25 per ton disposal tax on every ton of solid waste accepted by a landfill. Every resident, visitor, business, government, and not-for-profit agency will have to pay more for their waste disposal – whether provided by Miami-Dade County, a city or private hauler.
- Approximately **\$3.5 million** would have been paid on the 2.8 million tons of waste disposed of system-wide last fiscal year (FY 2007-08).
- Approximately **\$1 million** would have been paid on the 745,000 tons of garbage and trash collected within the DSWM service area (residences in the unincorporated area plus nine municipalities) last fiscal year (FY 2007-08). To cover this amount, approximately **\$3 would have to be added to each household annually** to cover the cost.
- Approximately **\$70,000** would have been paid in FY 2007-08 on the 57,084 tons of waste collected from other County Departments that contract for the service.
- Approximately **\$500,000** would have been paid in FY 2007-08 on the 502,911 tons of waste collected from contract municipalities that dispose of their waste in our system. For example, the City of Miami would have paid an additional \$171,000, the City of Hialeah would have paid an additional \$104,000, and the City of Homestead would have paid \$63,000.
- Private haulers would have to pay an additional **\$450,000**. For example, Waste Services would have paid an additional \$277,000 and Waste Management would have paid an additional \$123,000 last fiscal year.
- The proposed fee provides no benefit to the landfill nor does it directly fund any service related to the landfill.
- Recycled materials used as cover such as fines and excess soils from sites that we use as daily cover would also be charged under this bill.
- Ashfills should be exempt from the tax since they receive ash from Waste to Energy facilities, which reduce the volume of Municipal Solid Waste that is disposed of in landfills.
- If adopted, the fee should be applied only to waste disposed of at a site not applied to materials, which are beneficially reused. This will avoid double charges and charges on materials that are reused and hence offset use of natural resources. Some examples of this reuse are cover from soil fines or

excess soils, crushed concrete for haul road building and materials reused in drainage layers or permeable layers for gas management systems such as glass and, tire chips.

- If adopted, the fee should be applied only to the first time that waste is accepted and not applied to waste transferred within the system.
- The state has mandated that local governments provide solid waste services which include establishing and maintaining a reasonable disposal fee. The state should honor this long-standing division of services and not pre-empt local control with this legislation. Local governments should retain the right to set the level of fees for the services that are provided.

**REVENUE ESTIMATING CONFERENCE**

**TAX:** Other Taxes and Fees  
**ISSUE:** Solid Waste Disposal Fee  
**BILL NUMBER(S):** Governor's Proposal  
**SPONSOR(S):**  
**MONTH/YEAR COLLECTION IMPACT BEGINS:** 7/1/2009  
**DATE OF ANALYSIS:** 3/12/2009

**SECTION 1: NARRATIVE**

**a. Current Law:**

No fee per ton of solid waste disposed of at a permitted waste management facility is currently imposed on the owner of such facility.

**b. Proposed Change:**

Imposes a fee of \$1.25 for each ton of solid waste disposed of at permitted solid waste management facilities on the owner of such facility. The fee shall be distributed as follows: 50% to the Solid Waste Management Trust Fund and 50% to the General Revenue Fund.

**SECTION 2: DESCRIPTION OF DATA AND SOURCES**

Municipal solid waste generated in Florida in 2006  
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 Division of Waste Management,  
 Department of Environmental Protection

**SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)**

See attached  
 High Impact: Includes waste disposed of at waste-to-energy facilities  
 Middle Impact: Excludes waste disposed of at waste-to-energy facilities

**SECTION 4: PROPOSED FISCAL IMPACT**

State Impact: All Funds	FY 2009-10 Annualized	FY 2009-10 Cash	FY 2010-11 Cash	FY 2011-12 Cash	FY 2012-13 Cash
High	\$29.6m	\$27.2m	\$29.6m	\$29.6m	\$29.6m
Middle	\$25m	\$22.9m	\$25m	\$25m	\$25m
Low					

**SECTION 5: CONSENSUS ESTIMATE (ADOPTED 3/14/09)** The conference adopted the high estimate for the bill as drafted, and the middle estimate if waste-to-energy is removed.

Bill as drafted

	FY 2009-10 Annualized	FY 2009-10 Cash	FY 2010-11 Cash	FY 2011-12 Cash	FY 2012-13 Cash
General Revenue	14.8	13.6	14.8	14.8	14.8
State Trust	14.8	13.5	14.8	14.8	14.8
<b>Total State Impact</b>	<b>29.6</b>	<b>27.1</b>	<b>29.6</b>	<b>29.6</b>	<b>29.6</b>
Total Local Impact	0	0	0	0	0
<b>Total Impact</b>	<b>29.6</b>	<b>27.1</b>	<b>29.6</b>	<b>29.6</b>	<b>29.6</b>

If amended to remove waste-to-energy

	FY 2009-10 Annualized	FY 2009-10 Cash	FY 2010-11 Cash	FY 2011-12 Cash	FY 2012-13 Cash
General Revenue	12.5	11.5	12.5	12.5	12.5
State Trust	12.5	11.4	12.5	12.5	12.5
<b>Total State Impact</b>	<b>25.0</b>	<b>22.9</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>
Total Local Impact	0	0	0	0	0
<b>Total Impact</b>	<b>25.1</b>	<b>22.9</b>	<b>25.1</b>	<b>25.1</b>	<b>25.1</b>

**Solid Waste Disposal Fee**

**I. Florida Municipal Solid Waste Landfilled**

(in million tons)

	<u>Landfilled</u>	<u>Recycled</u>	<u>Waste-to-Energy</u>
2004	19.1		
2005	23.5		
2006	22.7	8.5	3.7
2007	19.3		

**II. Facility Types**

**Class I Landfill**

Solid waste including household and commercial garbage. Statute and rules prohibit the following from being disposed in Class I landfills: hazardous waste, biomedical waste, lead-acid batteries, used oil, yard trash, white goods (old appliances), non-containerized liquids, or whole waste tires.

**Class III Landfill**

Yard trash, construction and demolition debris, processed tires, asbestos, carpet, cardboard, paper, glass, plastic, furniture other than appliances, or other materials approved by the Department of Environmental Protection that are not expected to produce leachate which poses a threat to public health or the environment.

**Construction & Demolition Debris Facilities**

Discarded materials generally considered to be not water soluble and non-hazardous in nature, including but not limited to steel, glass, brick, concrete, asphalt material, pipe, gypsum wallboard, and lumber. The term includes rocks, soils, tree remains, trees, and other vegetative matter which normally results from land clearing or land development operations for a construction project, as well as clean cardboard, paper, plastic, wood, and metal scraps from a construction project.

**Land Clearing Debris Disposal Facilities**

Rocks, soils, tree remains, trees, and other vegetative matter which normally results from land clearing or land development operations for a construction project.

**III. Fee Revenue Estimate**

**Landfilled**

**Waste-to-Energy**

20 million tons annually @ \$1.25/ton = \$25 million annually  
 3.7 million tons annually @ \$1.25/ton = \$4.6 million annually