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(FORM UPDATED: 08/11/2010)

# WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

**2011-12**

(session year)

**Assembly**

(Assembly, Senate or Joint)

**Committee on Natural Resources...**

## **COMMITTEE NOTICES ...**

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

## **INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL**

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)  
(**ab** = Assembly Bill)                      (**ar** = Assembly Resolution)                      (**ajr** = Assembly Joint Resolution)  
(**sb** = Senate Bill)                              (**sr** = Senate Resolution)                              (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

\* Contents organized for archiving by: Stefanie Rose (LRB) (August 2013)

## Assembly

### Record of Committee Proceedings

#### Committee on Natural Resources

##### Assembly Bill 643

Relating to: fees imposed on the disposal of solid waste and hazardous waste at licensed solid waste and hazardous waste disposal facilities.

By Representatives Tauchen, Bernier, Stroebel, Endsley, Doyle and Brooks.

February 29, 2012 Referred to Committee on Natural Resources.

March 7, 2012 **PUBLIC HEARING HELD**

Present: (16) Representatives Mursau, Rivard, Williams, Kleefisch, Nerison, Severson, Steineke, Tiffany, Stroebel, Litjens, Molepske Jr, Mason, Danou, Clark, Milroy and Hulsey.

Absent: (0) None.

Excused: (0) None.

##### Appearances For

- Gary Tauchen, Madison — Representative, 6th Assembly District
- Greg Hubbard, Madison — Waste Management of Wisconsin
- Gerard Hamblint, Madison — Waste Management of Wisconsin
- John Welch, Madison — Solid Waste Association of North America

##### Appearances Against

- None.

##### Appearances for Information Only

- None.

##### Registrations For

- Pete Christianson, Madison — Veolia Environmental Services
- Fred Radandt, Manitowoc — National Solid Wastes Management Association

##### Registrations Against


- None.

##### Registrations for Information Only

- None.

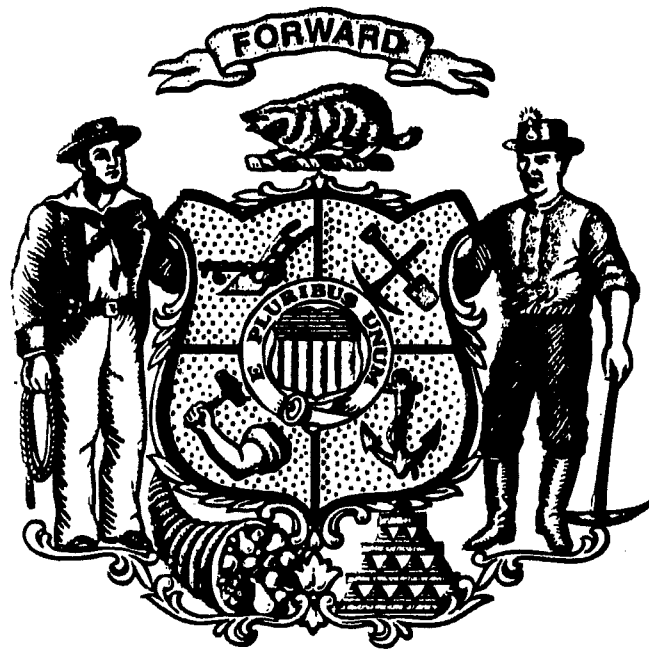
March 15, 2012

Failed to pass pursuant to Senate Joint Resolution 1.



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Tim Gary  
Committee Clerk





# GARY TAUCHEN

State Representative • 6<sup>th</sup> Assembly District

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Madison, WI 53708-8953

TO: Chairman Mursau and the Members of the Natural Resources Committee  
FROM: Representative Gary Tauchen  
DATE: March 7<sup>th</sup>, 2012  
RE: AB 643 Testimony

Good morning. I would like to thank Chairman Mursau and the members of the Natural Resources Committee for hearing Assembly Bill 643 today.

I am authoring AB 643 to eliminate state-imposed landfill taxes on certain waste streams. This bill will save money for Wisconsin municipalities and businesses while encouraging recycling and brownfields redevelopment.

As you know, Wisconsin's landfill tax was increased by \$7.10 in 2009 to \$13 per ton making it the highest such tax in the nation. The increased tax is leading to unintended consequences. These include higher costs for municipal recycling programs and brownfields cleanups, disincentives to recycle construction debris, and tax liability for county and private sector service providers that have non-paying customers.

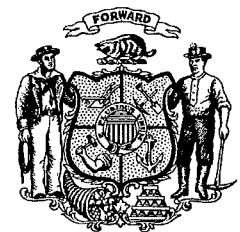
AB 643 addresses these problems by:

- Exempting recycling plants used by local governments and businesses from the landfill tax on a portion of the residue produced during the sorting of recyclables. Many communities pay for recycling services through property taxes or utility fees, and this tax reduction would reduce those expenses. For businesses, the increased cost to recycle is built into the price for the service.
- Eliminating the landfill tax on a portion of the residue produced by facilities licensed to recover recyclables from construction and demolition debris. This would encourage voluntary recycling by making it less costly to divert loads for recovery.
- Waiving the landfill tax on contaminated soils removed during brownfields remediation. This will free state and local brownfields funding for more constructive purposes.
- Allowing public and private landfill operators to seek a waiver from the DNR for taxes submitted to the state from customer accounts that cannot be collected. Currently, landfill operators pay the tax to the state regardless of whether or not they have received payment from the customer for the taxes and service. This would allow a landfill operator to receive credit for unpaid taxes.

Again, my thanks to the Committee for hearing AB 643 today and allowing me to testify. Are there any questions?



# WISCONSIN STATE LEGISLATURE





**NSWMA**  
National Solid Wastes Management Association

*National Solid Wastes Management Association - Wisconsin Chapter*

*Fred Radandt, NSWMA Wisconsin Chapter Chair  
Manitowoc Disposal, Inc., Manitowoc, WI*

**Testimony In Support of  
Assembly Bill 643**

Chairman Jeff Mursau & Members of the Assembly Committee on Natural Resources:

On behalf of the National Solid Wastes Management Association (NSWMA) of Wisconsin -- a nonprofit trade group representing waste collection, recycling and disposal companies throughout the state -- I am submitting testimony in support of Assembly Bill 643, a bill relating to fees charged for the disposal of solid wastes. NSWMA believes this legislation is an effective way to encourage the use of recycling programs while finding ways to save local governments resources.

As you are aware, last session a provision was inserted into the state budget raising the imposed "tipping fees" in the state of Wisconsin. The increase in the 2009-2011 State Budget called for the fee to be raised to \$13 per ton of all wastes discarded in Wisconsin landfills. This increase led to Wisconsin having the highest landfill tipping fee in the entire nation.

This bill, AB-643 authored by Rep. Gary Tauchen, creates a key exemption from this tipping fee that will be of great benefit to Wisconsin taxpayers. The bill allows for a materials recycling facility (MRF, also called a "murf") to be relieved of the burden of the tipping fee for all waste materials collected by municipal recycling bins that are non-recyclable. Ordinary citizens, in their eagerness to recycle, discard materials into recycling containers that simply cannot be recycled. This is often glossy cardboard, certain types of plastics or other household waste mistakenly thought of as being recyclable.

However, when the contents of the bins are sorted at the municipality's MRF, the materials that cannot be reused or recycled simply must be landfilled at their expense. Therefore, when the MRF takes those residue materials to the landfill, the \$13 per ton fee is assessed to that waste.

By creating this exemption, we will dramatically reduce the costs of recycling in the state of Wisconsin. The bill caps the exemption at 10% of the total weight of materials accepted at a facility. With an estimated 150,000 tons of this non-recyclable waste collected every year, the result of this exemption could result in nearly \$1.9 million of property tax relief for Wisconsin homeowners.

Further, the bill calls for up to 30% of the total weight of material accepted by a facility accepting construction and demolition (C&D) materials to be recycled to be exempted from the tipping fee. As the name C&D suggests, this type of waste is the materials discarded from a construction or demolition site, such as wood, dry wall, plastic and metal pipes. This will encourage voluntary recycling of C&D wastes by making it less costly to divert loads for recovery. It also enables C&D recycling sites to compete with C&D dumpsites, which are 100% exempted from the tipping fee tax.

This practice is not new to our great state. Landfills do not collect the recycling tax portion of the landfill tax for waste removed from recyclable paper at a paper mill. Nor is the tax imposed on waste generated by Goodwill Industries and other similar non-profit groups. Rather, landfills currently report these waste categories separately to the Department of Natural Resources (DNR).

Additionally, the bill completely exempts from the tipping fee any soils removed in a brownfields cleanup. This provision will help to reduce the costs of cleaning up the contaminated site and will allow current brownfield funding to provide a greater impact by reducing the costs associated with remediation activity.

Finally, the bill helps to protect landfill operators and haulers from some of the costs incurred when a customer fails to pay for waste services. If a customer of my business doesn't pay their bills, I am still on the hook to pay the landfill taxes on the waste – so not only am I not collecting a fee for the services my business provides, but then I am obligated to pay the DNR the tipping fees. This bill helps ease that bad debt by allowing a tax waiver for customers who have not paid their bills for more than 120 days.

NSWMA would like to make one recommendation for an amendment to this section of the bill. To receive this waiver for bad debt, a landfill would have to submit an affidavit to the DNR identifying the non-paying customer and describing the efforts made to collect the taxes due. The DNR would then deduct from future obligations that amount from the landfill tax – or submit a refund check if the taxes have already been paid. A hauler could also submit an affidavit to the landfill, which could then submit it to the DNR. **NSWMA would also like an option added to the bill that would allow the waste hauler to submit the affidavit directly to the DNR as well.**

In summary, AB-643 brings relief to local taxpayers, bolsters and improves our recycling and brownfields cleanup programs, and brings fairness to the landfill tax for businesses with customers struggling to pay their bills. NSWMA supports this legislation and thanks the bill author, sponsors and members of this committee for their efforts to bring attention to these issues.

Thank you.