

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Natural Resources and Energy to which was referred
3 House Bill No. 602 entitled “An act relating to application of the solid waste
4 franchise tax” respectfully reports that it has considered the same and
5 recommends that the bill be amended by striking out all after the enacting
6 clause and inserting in lieu thereof the following:

7 Sec. 1. 32 V.S.A. § 5952a is added to read:

8 § 5952a. RECYCLING INFRASTRUCTURE SURCHARGE

9 There shall be a recycling infrastructure surcharge of \$3.00 per ton on all
10 waste subject to the solid waste franchise tax under section 5952 of this title.
11 The recycling infrastructure surcharge shall be in addition to the tax assessed
12 under section 5952 of this title and shall be paid, collected, and enforced under
13 this chapter in the same manner as the tax assessed under section 5952 of this
14 title. The Commissioner shall deposit the recycling infrastructure surcharge
15 collected under this section in the Recycling Infrastructure Assistance Fund
16 established under 10 V.S.A. § 6618a.

17 Sec. 2. 10 V.S.A. § 6618a is added to read:

18 § 6618a. RECYCLING INFRASTRUCTURE ASSISTANCE GRANTS;

19 FUND

20 (a) Creation of fund. There is hereby created in the State Treasury a fund
21 to be known as the Recycling Infrastructure Assistance Fund to be

1 administered by the Secretary of Natural Resources to provide financial
2 assistance to solid waste districts, municipalities, and other private and public
3 entities to construct, develop, or acquire the recycling infrastructure necessary
4 to meet the requirements of subsection 6605(j) of this title. The Recycling
5 Infrastructure Assistance Fund shall consist of all of the revenue generated by
6 the recycling infrastructure surcharge under 32 V.S.A. § 5952a.

7 (b) Disbursements. The Secretary may authorize disbursements from the
8 Recycling Infrastructure Assistance Fund for the following costs:

9 (1) to construct recycling facilities to accept, process, or recycle
10 mandated recyclables, leaf and yard residuals, or food residuals, provided that
11 assistance under this Fund shall be limited to 25 percent of the construction for
12 which the entity applies for assistance;

13 (2) to acquire or modify vehicles intended to transport mandated
14 recyclables, leaf and yard residuals, or food residuals, provided that assistance
15 under this Fund shall be limited to 25 percent per vehicle for which the entity
16 applies for assistance; and

17 (3) to acquire carts, totes, and containers to collect and transfer
18 recyclables, leaf and yard residuals, or food residuals, provided that assistance
19 under this Fund shall be limited to 25 percent of the carts, totes, or containers
20 for which the entity applies for assistance.

1 (c) Recycling Infrastructure Assistance Advisory Committee. The
2 Secretary of Natural Resources shall convene the Recycling Infrastructure
3 Assistance Advisory Committee to review the current recycling infrastructure
4 in the State and evaluate the sufficiency of existing recycling infrastructure to
5 meet the requirements of subsection 6605(j) of this title.

6 (d) Report. On or before January 15, 2017 and annually thereafter, the
7 Secretary of Natural Resources shall submit to the House Committees on
8 Natural Resources and Energy and on Ways and Means and the Senate
9 Committees on Natural Resources and Energy and on Finance a report with an
10 accounting of disbursements from the Recycling Infrastructure Assistance
11 Fund, a summary of the financial stability of the Fund, and any
12 recommendations for legislative action.

13 Sec. 3. REPEAL OF RECYCLING INFRASTRUCTURE SURCHARGE

14 AND RECYCLING INFRASTRUCTURE ASSISTANCE FUND

15 (a) 32 V.S.A. § 5952a (recycling infrastructure surcharge) shall be repealed
16 on July 1, 2019.

17 (b) 10 V.S.A. § 6618a (Recycling Infrastructure Assistance Fund) shall be
18 repealed on July 1, 2020.

1 Sec. 4. SOLID WASTE GOVERNANCE AND REVENUE REFORM

2 WORKING GROUP

3 (a) Creation. There is created the Solid Waste Governance and Revenue
4 Reform Working Group to review and recommend methods for restructuring
5 the State's solid waste governance structure and revenue support.

6 (b) Membership. The Solid Waste Governance and Revenue Reform
7 Working Group shall be composed of the following 11 members:

8 (1) one current member of the House of Representatives, who shall be
9 appointed by the Speaker of the House;

10 (2) one current member of the Senate, who shall be appointed by the
11 Committee on Committees;

12 (3) the Secretary of Natural Resources or designee;

13 (4) a representative of a solid waste district, solid waste alliance, or
14 other group engaged in municipal solid waste management from an urban area
15 in the State, to be appointed by the Speaker of the House;

16 (5) a representative of a solid waste district, solid waste alliance, or
17 other group engaged in municipal solid waste management from a rural area in
18 the State, to be appointed by the Committee on Committees;

19 (6) a representative of a municipality that manages solid waste and that
20 is not aligned with a solid waste district, solid waste alliance, or other group

1 engaged in municipal solid waste management, to be appointed by the
2 Governor;

3 (7) a representative of a solid waste hauler with fewer than
4 20 employees, to be appointed by the Governor;

5 (8) a representative of a solid waste hauler with 20 or more employees,
6 to be appointed by the Governor;

7 (9) a representative of a private transfer station, to be appointed by the
8 Governor;

9 (10) a representative of an in-state landfill, to be appointed by the
10 Governor; and

11 (11) a representative of a composting processing facility, to be appointed
12 by the Governor.

13 (c) Powers and duties. The Solid Waste Governance and Revenue Reform
14 Working Group shall:

15 (1) Recommend a governance structure for the sustainable and
16 long-term management of solid waste in the State. In developing its
17 recommendations, the Working Group shall:

18 (A) analyze the current solid waste governance structure, and how it
19 aligns to the goals of 2012 Acts and Resolves No. 148;

1 (B) identify areas where the current model for the governance of
2 solid waste in the State is working well and supporting advancement toward
3 the goals of 2012 Acts and Resolves No. 148;

4 (C) identify areas where the current model for governance of solid
5 waste in the State is impeding progress toward the goals of 2012 Acts and
6 Resolves No. 148, creating disparity across geographic regions, or impeding
7 the efficient and cost-effective collection, processing, or disposal of recyclable
8 material and solid waste;

9 (D) identify opportunities for improved efficiency in the governance
10 of Vermont’s solid waste system; and

11 (E) assess alternatives to the current model for the governance of
12 solid waste in the State, including an analysis of the advantages and
13 disadvantages of the current model and each proposed alternative.

14 (2) Recommend a sustainable financing structure to replace the solid
15 waste franchise tax under 32 V.S.A. § 5952. In developing its
16 recommendation, the Working Groups shall:

17 (A) review prior reports and recommendations regarding methods of
18 generating tax revenue to support the management of solid waste in the State;

19 (B) review current local, regional, and statewide solid waste
20 assessment structures, such as general assessments, fees, and taxes levied by
21 government entities;

1 (C) assess revenue options that support the Working Group’s
2 recommended governance structure for the sustainable and long-term
3 management of solid waste in the State, and that fund:

4 (i) the Agency of Natural Resources’ solid waste program;

5 (ii) municipal household hazardous waste collection programs;

6 (iii) capital investments to support regional and local solid waste
7 and recycling infrastructure; and

8 (D) summarize the long-term financial projections that account for
9 expected changes to diversion rates in the solid wastestream under the
10 sustainable financing structure recommended by the Working Group.

11 (3) Assess the success of the Recycling Infrastructure Assistance
12 Program under 10 V.S.A. § 6618a, including:

13 (A) review and assess implementation of the recycling infrastructure
14 grant program;

15 (B) review updated projections of generation vs. capacity gap; and

16 (C) recommend whether the temporary solid waste surcharge should
17 be extended.

18 (d) Assistance. The Solid Waste Governance and Revenue Reform
19 Working Group shall have the administrative, technical, and legal assistance of
20 the Agency of Natural Resources, the Office of Legislative Council, and the

1 Joint Fiscal Office. For purposes of scheduling meetings, the Working Group
2 shall have the assistance of the Agency of Natural Resources.

3 (e) Report. On or before January 15, 2018, the Solid Waste Governance
4 and Revenue Reform Working Group shall submit a written report to the
5 House Committees on Natural Resources and Energy and on Way and Means
6 and the Senate Committees on Natural Resources and Energy and on Finance
7 with the recommendations and assessment required under subsection (c) of this
8 section and any recommendations for legislative action. The report shall
9 include a summary of the Working Group's recommended governance and
10 financing changes.

11 (f) Meetings.

12 (1) The Secretary of Natural Resources shall call the first meeting of the
13 Solid Waste Governance and Revenue Reform Working Group to occur on or
14 before August 1, 2016.

15 (2) The Solid Waste Governance and Revenue Reform Working Group
16 shall select a chair from among its members at the first meeting.

17 (3) A majority of the Solid Waste Governance and Revenue Reform
18 Working Group shall constitute a quorum.

19 (4) The Solid Waste Governance and Revenue Reform Working Group
20 shall cease to exist on February 1, 2018.

21 (g) Reimbursement.

1 (1) For attendance at meetings during adjournment of the General
2 Assembly, legislative members of the Solid Waste Governance and Revenue
3 Reform Working Group shall be entitled to per diem compensation and
4 reimbursement of expenses pursuant to 2 V.S.A. § 406 for no more than [#]
5 meetings.

6 (2) Other members of the Solid Waste Governance and Revenue Reform
7 Working Group who are not employees of the State of Vermont and who are
8 not otherwise compensated or reimbursed for their attendance shall be entitled
9 to per diem compensation and reimbursement of expenses pursuant to
10 32 V.S.A. § 1010 for no more than [#] meetings to be paid from the budget of
11 the Agency of Natural Resources.

12 Sec. 5. EFFECTIVE DATES

13 (a) This section and Sec. 4 (Solid Waste Governance and Revenue Reform
14 Working Group) shall take effect on passage.

15 (b) Secs. 1 (recycling infrastructure surcharge), 2 (recycling infrastructure
16 assistance grants and fund), and 3 (repeal of recycling infrastructure surcharge
17 and fund) shall take effect on July 1, 2016.

18 (Committee vote: _____)

19 _____

20 Representative _____

21 FOR THE COMMITTEE