

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. § 5952 is amended to read:

8 § 5952. IMPOSITION OF TAX

9 (a)(1) A tax is imposed for each calendar quarter or part thereof upon the
10 franchise or privilege of doing business of every person required by 10 V.S.A.
11 chapter 159 to obtain certification for a facility. The tax shall be imposed in
12 the amount of ~~\$6.00~~ **\$12.00** per ton of waste delivered for disposal or
13 incineration at the facility, regardless of the amount charged by the operator to
14 recoup its expenses of operation, including the expense of this tax.

15 (2) The tax shall be similarly imposed on waste collected in the State
16 and delivered to a transfer facility for shipment to an incinerator or other
17 treatment facility or disposal facility that is located outside the State.
18 However, if the transfer station is located within a district which is authorized
19 by an interstate compact to enter into cooperative agreements with a district in
20 another state, the tax shall only be imposed if the treatment or disposal facility
21 is located outside the State and also outside the cooperating district in another

1 state. For purposes of this determination, a treatment or disposal facility may
2 be considered to be located within a district only if that district existed before
3 July 1, 1987.

4 (3) The tax shall be similarly imposed on waste collected in the State
5 and shipped to an incinerator or other treatment facility or disposal facility that
6 is located outside the State, without having been delivered to a transfer station
7 located in this State. In this situation, the tax is imposed for each calendar
8 quarter or part thereof upon the franchise or privilege of doing business of
9 every person regulated under 10 V.S.A. § 6607a as a commercial hauler of
10 solid waste. This tax shall not be imposed on waste exempt under subdivision
11 (2) of this subsection.

12 (b) The tax imposed by this section shall be in addition to any other taxes
13 imposed on the taxpayer.

14 * * *

15 (e) The tax imposed under subsection (a) of this section shall not be
16 collected for waste collected outside the State, shipped into the State as an
17 entire load for processing, and then shipped out of State for final disposition,
18 provided that the waste collected out of State shall be calculated as part of the
19 annual per ton certification fee under 3 V.S.A. § 2822(j).

1 Sec. 2. 10 V.S.A. § 6618(a) is amended to read:

2 (a) There is hereby created in the State Treasury a fund to be known as the
3 Waste Management Assistance Fund, to be expended by the Secretary of
4 Natural Resources. The Fund shall have three accounts: one for Solid Waste
5 Management Assistance, one for Hazardous Waste Management Assistance,
6 and one for Electronic Waste Collection and Recycling Assistance. The
7 Hazardous Waste Management Assistance Account shall consist of a
8 percentage of the tax on hazardous waste under the provisions of 32 V.S.A.
9 chapter 237, as established by the Secretary, the toxics use reduction fees
10 under subsection 6628(j) of this title, and appropriations of the General
11 Assembly. In no event shall the amount of the hazardous waste tax which is
12 deposited to the Hazardous Waste Management Assistance Account exceed
13 40 percent of the annual tax receipts. The Solid Waste Management
14 Assistance Account shall consist of **\$6.00** of the franchise tax on waste
15 facilities assessed under the provisions of 32 V.S.A. chapter 151, subchapter
16 13, and appropriations of the General Assembly. The Electronic Waste
17 Collection and Recycling Account shall consist of the program and
18 implementation fees required under section 7553 of this title. All balances in
19 the Fund accounts at the end of any fiscal year shall be carried forward and
20 remain a part of the Fund accounts, except as provided in subsection (e) of this
21 section. Interest earned by the Fund shall be deposited into the appropriate

1 Fund account. Disbursements from the Fund accounts shall be made by the
2 State Treasurer on warrants drawn by the Commissioner of Finance and
3 Management.

4 Sec. 3. 10 V.S.A. § 6618a is added to read:

5 § 6618a. SOLID WASTE INFRASTRUCTURE ASSISTANCE FUND

6 (a) Creation of fund. There is hereby created in the State Treasury a fund
7 to be known as the Solid Waste Infrastructure Assistance Fund to be
8 administered by the Secretary of Natural Resources to provide financial
9 assistance to solid waste districts, municipalities, and other private and public
10 entities to construct, develop, or acquire the solid waste infrastructure
11 necessary to meet the requirements of subsection 6605(j) of this title. The
12 Solid Waste Infrastructure Assistance Fund shall consist of 50 percent of the
13 franchise tax on waste facilities assessed under 32 V.S.A. chapter 151,
14 subchapter 13.

15 (b) Disbursements. The Secretary may authorize disbursements from the
16 Solid Waste Infrastructure Assistance Fund for the following costs:

17 (1) to construct solid waste management facilities to accept, process, or
18 recycle mandated recyclables, leaf and yard residuals, or food residuals,
19 provided that assistance under this Fund shall be limited to 25 percent of the
20 construction for which the entity applies for assistance;

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

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

9 (c) Solid Waste Infrastructure Advisory Committee. The Secretary of
10 Natural Resources shall convene a Solid Waste Infrastructure Advisory
11 Committee to review the current solid waste management infrastructure in the
12 State and evaluate the sufficiency of existing solid waste management
13 infrastructure to meet the requirements of subsection 6605(j) of this title.

14 (d) Report. On or before January 15, 2017 and annually thereafter, the
15 Secretary of Natural Resources shall submit to the Senate and House
16 Committees on Natural Resources and Energy a report with an accounting of
17 disbursements from the Solid Waste Infrastructure Assistance Fund, a
18 summary of the financial stability of the Fund, and any recommendations for
19 legislative action.

20 (e) Transfer to Agency of Natural Resources. Notwithstanding subsections
21 (a) and (b) of this section, the first \$68,000.00 received by the Fund in each

1 fiscal year from the solid waste franchise tax assessed under 32 V.S.A. chapter
2 151, subchapter 13 shall be transferred to the Agency of Natural Resources for
3 purposes of administration and implementation of solid waste management
4 programs.

5 Sec. 4. 32 V.S.A. § 5952(a)(1) is amended to read:

6 (a)(1) A tax is imposed for each calendar quarter or part thereof upon the
7 franchise or privilege of doing business of every person required by 10 V.S.A.
8 chapter 159 to obtain certification for a facility. The tax shall be imposed in
9 the amount of ~~\$12.00~~ \$6.00 per ton of waste delivered for disposal or
10 incineration at the facility, regardless of the amount charged by the operator to
11 recoup its expenses of operation, including the expense of this tax.

12 Sec. 5. 10 V.S.A. § 6618(a) is amended to read:

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14 Waste Management Assistance Fund, to be expended by the Secretary of
15 Natural Resources. The Fund shall have three accounts: one for Solid Waste
16 Management Assistance, one for Hazardous Waste Management Assistance,
17 and one for Electronic Waste Collection and Recycling Assistance. The
18 Hazardous Waste Management Assistance Account shall consist of a
19 percentage of the tax on hazardous waste under the provisions of 32 V.S.A.
20 chapter 237, as established by the Secretary, the toxics use reduction fees
21 under subsection 6628(j) of this title, and appropriations of the General

1 Assembly. In no event shall the amount of the hazardous waste tax which is
2 deposited to the Hazardous Waste Management Assistance Account exceed
3 40 percent of the annual tax receipts. The Solid Waste Management
4 Assistance Account shall consist of \$6.00 of the franchise tax on waste
5 facilities assessed under the provisions of 32 V.S.A. chapter 151,
6 subchapter 13, and appropriations of the General Assembly. The Electronic
7 Waste Collection and Recycling Account shall consist of the program and
8 implementation fees required under section 7553 of this title. All balances in
9 the Fund accounts at the end of any fiscal year shall be carried forward and
10 remain a part of the Fund accounts, except as provided in subsection (e) of this
11 section. Interest earned by the Fund shall be deposited into the appropriate
12 Fund account. Disbursements from the Fund accounts shall be made by the
13 State Treasurer on warrants drawn by the Commissioner of Finance and
14 Management.

15 Sec. 6. SUNSET; SOLID WASTE INFRASTRUCTURE ASSISTANCE

16 FUND

17 10 V.S.A. § 6618a (Solid Waste Infrastructure Assistance Fund) shall be
18 repealed on July 1, 2021. Prior to repeal of 10 V.S.A. § 6618a, the Agency of
19 Natural Resources shall have continuing authority to reimburse costs for grants
20 awarded under the Solid Waste Infrastructure Assistance Fund. Upon repeal of

1 the Solid Waste Infrastructure Assistance Fund, the Agency of Natural
2 Resources shall have continuing authority to close out grants under the Fund.

3 Sec. 7. EFFECTIVE DATES

4 (a) This section and Secs. 1 (solid waste franchise tax), 2 (Waste
5 Management Assistance Fund), 3 (Solid Waste Infrastructure Assistance
6 Fund), and 6 (sunset of Solid Waste Infrastructure Assistance Fund) shall take
7 effect on July 1, 2016.

8 (b) Secs. 4 (sunset of increase on solid waste franchise tax) and 5 (repeal of
9 allocation of solid waste franchise tax) shall take effect on July 1, 2021.

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12 (Committee vote: _____)

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Representative _____

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FOR THE COMMITTEE