



**CONNECTICUT
RESOURCES
RECOVERY
AUTHORITY**

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March 9, 2012

Chairman Edward Meyer
Chairman Richard Roy
Members of the Environment Committee

**RE: S.B. 265 AN ACT CONCERNING THE TAXATION OF REFUSE EXPORTED
FROM CONNECTICUT**

Senator Meyer, Representative Roy and members of the Environment Committee: Thank you for the opportunity to submit testimony in support of **Senate Bill 265**.

CRRA is responsible for the implementation of the Solid Waste Management Plan (SWMP). The SWMP serves as the basis for Connecticut's solid waste management planning and decision-making. Accordingly, the SWMP ranks waste management methods from most to least preferable. According to this hierarchy, source reduction is most preferable, followed by reuse, recycling and composting, energy recovery and, least preferable, landfilling. Based on this hierarchy we no longer perceive trash as waste to be disposed of; rather, trash is viewed as a commodity that includes valuable raw materials and energy resources.

This solid waste hierarchy is not only codified in the SWMP, it is also the law, spelled out in Connecticut General Statutes Section 22a-228(b) and 22a-259. However, the reality is that our current tax laws do not reflect the values and goals articulated in the SWMP. CGS 22a-232 requires Resource Recovery Facilities (RRF) to pay a Solid Waste Assessment (more commonly known as the "dioxin tax"). RRFs are required to pay to the Commissioner of Revenue Services \$1.50 per ton of solid waste processed at such facility. In FY11, CRRA's Hartford RRF processed 661,227 tons of refuse-derived fuel which resulted in its paying a dioxin tax of almost \$1 million -- \$991,840, to be exact. Alternatively, trash that ends up in an environmentally less preferable out-of-state landfill is not similarly taxed.

Clearly, current tax law is an incentive for landfilling and discourages the environmentally-preferable technology of resource recovery. This misguided tax law, coupled with the steep decline in wholesale electricity prices, has RRFs on the precipice of no longer being an economically viable alternative to landfilling. **S.B. 265** can help reverse this disturbing trend.

In closing, CRRA's mission is to develop and implement environmentally sound solutions and best practices for solid waste disposal and recycling management on behalf of the residents of Connecticut. As such, it is our duty to strongly support and advocate for the passage of **S.B. 265**.