

Connecticut Chapter, National Waste & Recycling Association
MEMO OF OPPOSITION – Section 25, Governor’s S.B. No. 946

The CT Chapter of the National Waste & Recycling Association (NW&RA) opposes Section 25 of S.B. No. 946; an act concerning revenue items to implement the Governor’s budget.

The \$ 1.50 per ton trash tax currently imposed when tipping waste for disposal at CT waste-to-energy (WTE) plants will increase to \$2.50 per ton under this section. This impacts an approximate 2 to 2.5 million tons of waste. The section also imposes an entirely new -- and dramatic first time ever -- imposition of a \$2.50 per ton tax for wastes tipped at CT waste transfer stations. This impacts an approximate 1 to 1.5 million tons of waste. This new \$2.50 tax applies to wastes tipped at both municipal and commercial transfer stations. Section 25 will take away millions of dollars annually from cash strapped citizens, municipalities and struggling businesses. We have not seen any official data associated with Section 25 that shows how much revenue this tax is projected to generate for the state, nor from who or what sources.

The tax is going to be painful for CT municipalities and companies. A community that generates 100,000 tons of curbside waste per year will pay an additional \$ 100,000.00 to dispose of its wastes at a CT WTE plant next year due to Section 25 taxes. And, should this same community be involved in any demolition work or a major renovation or reconstruction project generating -- say 50,000 tons of wastes that needs to be sent to a transfer station-- it will have to pay another \$125,000 in Section 25 taxes. Combined, this means this community will pay a grand total of \$225,000 in new Section 25 tax costs for 2015-16. In local budgets this means \$225,000 less funds for police; school aid; and other essential local services. It also means higher property taxes for CT municipalities. The same kind of analysis holds true for any CT business that is a large volume waste generator -- like a restaurant, grocery store or manufacturer. Simply put, paying any new, non-transparent, hidden tax in one’s disposal bill, in these stressful and tough economic times will be hard for local governments and businesses alike.

There is no way to charge this tax uniformly or fairly unless every transaction is weighed. This means municipalities will have to install new and expensive weigh stations with scales and attendants for residents and haulers dropping off waste; and, CT collection trucks will have to have some way to weigh the curbside containers of homeowners and all the thousands, upon thousands 2-4-6-8 and 10 yard containers we have to collect from businesses all over the state. We know of no mobile truck scale that currently meets weights and measures certification standards; and, most CT municipal transfer stations do not currently have working scales.

In general we believe there are sound public policy reasons not to increase fees on CT’s waste and recycling consumer. They range from the notion that new taxes don’t moderate the size or rate of growth of government well in hard economic times. That any new tax, while particularly difficult for small companies, of which there are many in CT, they are also difficult for bigger companies to manage as well. And last, taxes imposed at disposal are not transparent to the general public and they are a drag on the efficiency and productivity of our industry -- which is not good for our customers. An efficient and productive industry, we believe, is in the best overall interest of the CT and its consumer of waste and recycling services.

And last, it is important to know that CT waste and recycling consumers will have to pay the costs of several, new programs on the immediate horizon -- in addition to the potential imposition of Section 25 taxes. These costs include the programs of the state's new Materials Innovation and Recycling Authority (MIRA) -- and those to be created by the update to the State's Solid Waste Plan, as well as the costs associated with the now growing implementation of organics collection and management services in CT. CT citizens, communities and businesses face a set of great unknown expenses here. With regards solely to organics, much of the increased costs will be for the purchase of new specialized trucks and equipment required to collect and manage organic wastes. All these new costs, again like our tax discussion above, will have to be eventually paid for by our currently overburdened customers -- the citizens, municipalities and businesses of CT. The imposition of Section 25 is simply ill timed as we are gearing up to finance these other improvements -- improvements being made at the direction of the state to reach new recycling goals and to see that after useful life materials and discards are afforded the highest and best use instead of simply being disposed.

For these reasons, and others, the CT member companies of NW&RA urge that Section 25 be deleted from any bill released by this committee for further consideration in this session by the Legislature.

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