

Future Funding for Recycling in Wisconsin *September 1998*

Charge

1997 Wisconsin Act 27 (1997-1999 Budget) directs the Department of Natural Resources to prepare a proposal to carry out the intent of the Legislature that this state continue at least through the year 2004 its practice of providing state financial assistance to municipalities, counties, other units of government, including federally recognized Indian tribes and bands in this state, and solid waste management systems for expenses relating to programs for the recycling of post consumer waste. The report is due to the Legislature by January 1, 1999.

Process

In March 1998, Secretary Meyer approved the establishment of a steering committee to oversee the development of the funding proposal; the formation of a Future Funding Work Group for the funding proposal; and clarified the scope of the proposal. From the language in the budget, it is clear that the report recommendation is to cover the Recycling Grants to Responsible Units (RUs) program. However, the current funding mechanism, a recycling surcharge on business income, funds not only the responsible unit grant program but also the Waste Reduction and Recycling Demonstration Grant Program and all waste reduction and recycling staff in the Department. In addition, agency staff and programs in the University of Wisconsin System; Departments of Administration; Commerce; Revenue; Agriculture, Trade and Consumer Protection; and the Recycling Markets Development Board are funded from the recycling surcharge which sunsets for tax years that end after 4/1/99. Therefore, our report will identify potential sources of revenue for the following:

- The amount needed to support the RU grant program and for the Department to administer it.
- The additional amounts needed to support the DNR's other waste reduction and recycling program needs.
- The amount needed to continue to fund the other agencies at their current levels.

A copy of the memo approved by Secretary Meyer is included in this report as [Appendix A](#).

Selecting Criteria: To identify potential sources for funding, the Future Funding Work Group reviewed the material developed by the Legislative Council's Special Committee on the Future of Recycling in its deliberations from September 1996 to May 1997. Of particular value was Memo #10, Potential Revenue Sources for the Recycling Fund (see [Appendix B](#)). Next, the work group selected the following four criteria to evaluate the funding alternatives:

1. Will it generate a significant and dependable revenue stream?
2. Is it relevant to the recycling program?
3. Does it support the waste hierarchy as expressed in the recycling law (ie. encourages waste reduction and resource conservation)?
4. Is it administratively affordable and feasible?

Applying Criteria to Alternatives: The Legislative Council's Special Committee on the Future of Recycling identified 18 alternative sources of funding in Memo 10. The work group reviewed these and combined advanced disposal fees and material specific disposal fees with manufacturers responsibility to narrow the pool of alternatives to 16. Each member of the group applied the four criteria to each alternative using a +1, 0 or -1 rating system (maximum score +4; minimum score -4). They then cumulated the assigned points for each of the alternatives and ranked the alternatives from highest points to lowest. Only four came out with positive scores: increasing tipping fee surcharge (with and without industrial waste tonnages included), extending the sales tax to solid waste services, increasing license fees on solid waste service providers, and assigning manufacturers responsibility. Increasing the state sales tax came out with a flat 0 score. The remaining alternatives netted negative scores because of the administrative burden, lack of sufficient funding or apparent disconnection with the purpose for which the funds would be sought. The work group decided to initially focus on the four alternatives with positive scores and the one alternative with a score of zero. Since the work group was asked to identify alternatives to the current funding source which is a surcharge on business income (as described in [Appendix C](#)), they did not consider this as an alternative to advance.

Defining Alternatives: Work group members further defined the five alternatives and analyzed their revenue generating capabilities as follows:

- I. **Increasing Tipping Fee Surcharge (2 Options):** A tipping fee is generally understood to mean the fee charged by a solid waste landfill or incinerator operator for the disposal or management of waste at the operator's facility. Nationally, tipping fees have been used as a basis for adding a supplemental charge that is used by the state (and local governments) to support recycling program development, public education, waste reduction programs, and other services designed to promote resource conservation and reduced dependence on land disposal of waste materials. The supplemental charge has been variously identified as a surcharge or tonnage fee by other states that use this system. Since this is a fee that is imposed by some states, it has also been viewed by some as a tax on users of landfill services.
- A 1996 study by Bowyer and Shore, *Funding Options for State Solid Waste Management Programs*, indicates that 26 states used tipping fee surcharges in some form. State tipping fee surcharges range from 50 cents per ton to over \$4 per ton. In some cases the local government may retain a portion of the surcharge to support local education or other programs, with the balance remitted to the state to support both state and local programs. Wisconsin currently has a \$.747 tipping fee surcharge.
- Potential revenue: The total tonnage of non-exempt solid waste in Wisconsin in 1997 was 8,665,711 tons of which 5,094,214 tons were municipal solid waste and 3,571,497 tons were industrial waste.
1. For municipal solid waste only, \$5,094,214 would be generated per dollar of tipping fee surcharge.
 2. For all non-exempt waste streams, \$8,665,711 would be generated per dollar of tipping fee surcharge.
- II. **Extending the Sales Tax to Solid Waste Services:** Solid waste services and tipping fees are not subject to Wisconsin sales taxes. A 5% sales tax on these services and tipping fees would be collected and placed in the General Fund to support responsible unit recycling programs.
- Potential revenue: Estimates vary widely. A 1990 Wisconsin Department of Revenue analysis found that a sales tax on fees charged by public and private haulers for collection and disposition of solid waste would generate about \$13 million. By another calculation (*Waste Age*, 12/96), solid and hazardous waste management services in the U.S. (excluding resource recovery) generate an estimated \$38.7 billion in revenue annually. Wisconsin's share of that (for 2% of the US population) would be \$774 million. If 1/3 of this revenue is generated by tax exempt municipalities, then private providers would generate \$516 million of revenue, yielding \$25.8 million in sales tax.
- III. **Increasing the License Fee on Solid Waste Service Providers:** Businesses that provide solid waste services in Wisconsin must have a license from the DNR. To generate funds for recycling grants, fees currently assessed on solid waste collectors and transporters and on landfill and incinerator operators could be raised. This could be a new flat fee or a new fee based on the amount of waste handled by a licensee in a year. In addition, fees could be assessed at the time of permitting new landfills and incinerators. Currently, a company pays \$100 for a collection and transportation license and \$30 for each additional truck. There are 1,634 licensed collection and transportation haulers and 95 municipal solid waste and industrial landfills. Landfills also pay an environmental fee which is based on the tons of waste received. In addition, there are two licensed municipal solid waste incinerators.
- Potential revenue: Assuming a flat fee increase of \$100 on collection and transportation licenses (at 1634 x \$100), \$163,400 would be raised. Charging \$30 per additional truck (\$30 x 7105) generates \$213,150. Raising the license fee on landfills (95) and incinerators (2) by an average of \$3500 per year would generate \$339,500. Thus, by doubling existing fees, \$716,050 would be raised.
- IV. **Assigning Manufacturers' Responsibility:** Manufacturers who produce specified packages and products for sale in Wisconsin would be asked to establish and maintain an infrastructure (collection, processing and marketing) for recycling them. If these manufacturers failed to establish a recycling system for their products and packaging, they would pay the state a fee to support responsible unit recycling programs.
- Potential revenue: As an example, if the fee was based on the weight of products and packages that are banned from Wisconsin landfills and incinerators, manufacturers would have to pay 65.5 cents per ton of materials sold in the state to generate each million dollars of revenue needed. The fee structure for materials currently banned from disposal could look like this:

	Generation (tons)	Fee/\$	One Million of Revenue Needed
Newspapers	227,600		\$149,078
Corrugated containers	573,790		\$375,832
Magazines	51,540		\$33,759
Office Paper	130,470		\$85,457
Aluminum cans	32,850		\$21,516
Steel Cans	51,490		\$33,726
Plastic (1&2)	41,460		\$27,156
Glass bottles and jars	199,410		\$130,613
Major appliances	69,810		\$45,726
Tires	51,520		\$33,746
Vehicular batteries	37,860		\$24,798
Motor oil	58,400		\$38,252
Total	1,526,200 tons		\$1,000,000

- V. **Increasing the State Sales Tax Rate:** Currently there is a 5% tax on gross receipts from the sale or rental of all tangible personal property (that is not specifically exempt) and on selected services. These proceeds are a form of general purpose revenue (GPR) and the money raised is not pledged for specific purposes.

Potential revenue: An increase in the sales tax rate from 5% to 5.1% would generate about \$58 million in new revenue per year (as estimated by LFB in 1995) for recycling.

Public Information Meeting: The work group conducted a public information meeting on April 13, 1998 where stakeholders were given an opportunity to learn more about the five alternatives being considered and to comment on them. The meeting was publicized at the Associated Recyclers of Wisconsin annual conference on March 23rd, and the public meeting notice and press release were included in the March 31st issue of the WDNR News and Outdoor Report. A special notice was also sent to a list of 39 interested parties, organizations and agencies with an historic interest in recycling issues. The list is included as [Appendix D](#). The public was invited to provide written comments until May 13, 1998.

A total of 30 people attended the meeting, not including presenters (see [Appendix E](#)). The participants commented on and discussed the alternatives, and they expressed preferences on the five featured and other alternatives. The top three preferences of those attending the meeting were: GPR (without new taxes), tipping fee surcharges, and manufacturers' responsibility. (Note: GPR was not one of the alternatives presented but it was discussed at the meeting.)

The work group also made a presentation to the Council on Recycling at its April 29th meeting.

Conservation Congress Vote: The Conservation Congress voted on a number of issues this spring including the future of recycling in Wisconsin. The Conservation Congress voted 2,600 yes and 94 no to continue funding recycling programs. It also voted 2,379 yes and 115 no to use tipping fee surcharges as the source of revenue. Note: Conservation Congress members only voted on the tipping fee surcharge and did not have the opportunity to vote on other alternatives.

Comments Received: Representatives from the Associated Recyclers of Wisconsin, Columbia and Waukesha counties, and businesses provided formal comment at the public information meeting. Their comments and the written comments received by the Department since the public meeting are summarized in [Appendix F](#). Collectively the written comments indicate:

- first choice of tipping fee surcharge on municipal solid waste
- second choice of establishing a sales tax on solid waste services
- third choice of requiring manufacturers' to take responsibility to recycle their products.

Though the work group focused on soliciting comments on the five alternatives, it also received and considered comments on GPR funding, continuing the business surcharge, and terminating funding. A copy of all comments can be obtained from JoAnne Farnsworth, DNR-CF/8. Please note: the comments received are not based on a statistically representative sample of all parties interested in this issue.

Information from Other States: Another factor considered by the work group was consistency with neighboring states. While this factor was not a criterion for prioritizing selection of preferred alternatives, it does provide relevant guidance from the perspective of leveling the playing field for solid waste services and equalizing costs across state boundaries. Questions to consider, for example, are whether Wisconsin disposal fees are greater, less than, or equivalent to surrounding states and what incentive the fee levels offer in regards to importation or exportation of solid waste.

Members of the work group called solid waste contacts in neighboring states and asked the following questions:

1. What is your state's current state surcharge on tipping fees?
2. What is the average tipping fee for solid waste disposal?
3. Does your state charge sales tax on solid waste services?
4. How are the revenues from the tipping fee surcharge and/or sales tax used?

Here are their responses:

Illinois has a tipping fee surcharge with five different fee categories tied to the amount of waste the landfill accepts annually. Landfills in excess of 150,000 cubic yards must pay the top fee of \$0.95 per ton (or \$.45 per cubic yard) to the Solid Waste Fund. An additional \$0.12 per ton (or \$.051/2 per cubic yard) is assessed for its Subtitle D Fund. A county can impose an additional \$1.27 per ton (or \$.60 cents per cubic yard) in fees if it has the requisite ordinance and the municipality may add \$1.50 per ton for a possible total of \$3.84 per ton. Illinois does not charge a sales tax on solid waste services.

Iowa has a tipping fee surcharge that ranges from \$3.75 to \$4.75 per ton, depending on the performance of the landfill and its service area in meeting recycling goals. The tipping fee in Iowa generally falls in the range of \$15 to \$50. Iowa does not have a sales tax on solid waste services.

Michigan does not have a surcharge on tipping fees. It does impose a sales tax on solid waste services. These revenues go to the general fund and are not segregated. Tipping fees range from \$15 to \$35 per ton.

Minnesota has recently revised its fee structures for solid waste disposal. It now charges a 9.75% solid waste tax on residential collection and disposal. It charges businesses a 17% solid waste tax on collection and disposal. This fee replaces its sales tax on solid waste services. The state also has a \$2.00 per cubic yard (\$6.66 per ton) tipping fee. Counties and local municipalities may impose fees too. Counties have not gone above \$2.00 per cubic yard (\$6.66 per ton) and local municipalities are limited to \$1.00 per cubic yard (\$3.33 per ton). In addition, counties may impose a fee of up to \$7.50 per cubic yard for out-of-county waste. Minnesota tipping fees range between \$26 and \$45 per ton.

At the time of the phone conversations with them, no state contact could adequately and concisely explain how the funds received were spent. Their answers to questions one through three along with current Wisconsin information are tabulated in [Appendix G](#).

Analysis of Alternatives

Based on public comment and an analysis of a variety of alternatives, the work group has identified five potential sources for funding municipal and state recycling programs after the business surcharge ends. It also added GPR (with no new taxes) as a potential source for consideration because GPR generated considerable discussion and rated high in the preference vote at the public meeting in April. Since no single alternative was preferred by all parties, each alternative by itself may put an excessive burden on some parties, and some may not generate enough revenue, the Legislature may want to consider a combination of two or more of these. Here is a brief analysis of the advantages and disadvantages of each alternative:

- I. **Increasing the State Tipping Fee Surcharge:** This alternative was favored by more of the municipalities and other organization submitting comments than any other and came in second in the preference vote taken at the public meeting. It is used by Minnesota, Illinois and Iowa. Most

respondents who liked this alternative either wanted the increased fees applied to municipal solid waste but not industrial waste, or they did not address applying the fees to industrial waste.

Advantages:

- Distributes the cost to all users, residential and commercial, in proportion to waste generation rates.
- Encourages implementation of the solid waste management hierarchy, including source reduction and recycling, by charging users more for the disposal option.
- System for collecting surcharges for tipping fees is already in place.
- Levels the playing field with neighboring states such as Illinois, Iowa and Minnesota which have tipping fee surcharges. Iowa and Illinois fees can exceed \$3.75 per ton. Minnesota fees can reach over \$15.00.

Disadvantages:

- Local governments that use tipping fees to cover the costs of residential solid waste services may have to use property taxes to pay for this fee.
- Since much of the money is returned to the local level in the form of grants, it might be argued that the money could be more efficiently handled if left at the local level. (This argument is easier to make when each county or local unit of government has assigned responsibility for solid waste services or oversight of those services.)
- Unpredictability of tonnages to be landfilled and fees generated.
- Additional charges that result from this fee could impact cost control expenditure limits for municipalities.

II. **Extending the State Sales Tax to Solid Waste Services:** This alternative was the second choice of municipalities and organizations submitting comments and came in fourth in the preference vote taken at the public meeting. It is used by Michigan.

Advantages:

- Easy for state and service providers to administer.
- Would be consistent with other state sales taxes on services.
- Relates to issue.

Disadvantages:

- Would not be paid on internal transactions.
- Sales tax revenues would not be segregated and could be used to fund other programs.
- Would not apply to municipal governments.
- Sales tax will not be paid uniformly by all since municipalities are tax exempt and the solid waste services they provide or contract for will not be taxed.

III. **Increasing the License Fees on Solid Waste Service Providers:** This was one of the least preferred alternatives by municipalities and organizations submitting comments and came in last in the preference vote taken at the public meeting.

Advantages:

- Simple to administer because there is an existing collection structure.
- Fee is logically tied to the collection, transportation and disposal of waste.

Disadvantages:

- Fees on solid waste service providers would most likely not generate a significant

amount of money and would almost certainly be passed on to the customers of these businesses.

- If the service provider or customer is a municipal government, the cost would probably be covered by raising property taxes. Thus, municipalities would raise property taxes to pay fees into a fund which then channels grant money back to them.
- Additional charges that result from this fee could impact cost control expenditure limits for municipalities.

IV. **Assigning Manufacturers Responsibility:** This alternative was fairly popular with most of the municipalities and other organizations submitting comments and came in third in the preference vote taken at the public meeting. It is universally opposed by business representatives who submitted comments. Many parties feel that manufacturers should assume more responsibility for recycling the items they produce. This alternative may not be the best way to fund all of the state's recycling program, but it could be used to fund programs for hard to recycling items like computer monitors (using the tire fee as a model).

Advantages:

- Internalizes the cost for recycling into price of product/package.
- Provides incentive for waste reduction.
- Removes some recycling costs and responsibilities from responsible units.

Disadvantages:

- Might set up many collection and processing systems over and above those in existence.
- Would not cover yard waste.
- Fee collection would have an administrative cost for state government and manufacturers.
- Fee collection for out-of-state manufacturers may be difficult.

V. **Increasing the State Sales Tax Rate:** This was also one of the least preferred of the five alternatives by municipalities and organizations submitting comments and came in next to last in the preference vote taken at the public meeting.

Advantages:

- Easy to administer since there is an existing collection structure.
- Provides a very broad-based source of funding for recycling.

Disadvantages:

- Sales tax revenues would not be segregated and could be used to fund other programs.
- Does not relate to issue or provide incentive to follow solid waste management hierarchy.

VI. **Using General Purpose Revenue:** Several organizations favored using GPR funds (with no new taxes) to fund recycling programs. This alternative was first in the preference vote taken at the public meeting.

Advantages:

- Easy to administer since there is an existing collection structure.
- Provides a very broad-based source of funding for recycling

Disadvantages:

- Sales tax revenues would not be segregated and could be used to fund other programs.

- Does not relate to issue or provide incentive to follow solid waste management hierarchy.
- Recycling would have to compete with all other programs for GPR funding.

Other Considerations

This document is limited to the identification of funding sources for municipal recycling programs and continued support for state agencies. Comments received from the public indicate an interest in reviewing other recycling-related issues. The Department will be addressing the following concerns in the Future of Solid Waste Management Report:

Cost Effectiveness: Several parties expressed concern over the wide range of costs associated with running municipal recycling programs across the state. Why are some programs less expensive than others? What effect has state grant assistance had on costs? Would consolidation of several programs improve cost efficiency?

Environmental Objectives: Of the priorities in Wisconsin's waste management hierarchy, the current statutes provide funding for recycling and composting. Would recycling funds be better directed at the first two steps of the hierarchy, reduction and reuse? What would a program favoring these two steps look like?

Reallocation of Funds: Under the current program, responsible units receive recycling grants based on their eligible expenditures. They also may receive additional money if they implement a volume-based fee program. Is this the simplest or most appropriate way to allocate recycling grants? Should there be a revision in the grant formula (e.g. to a per capita basis)? Should more money be directed towards incentives encouraging volume based fees or consolidation?

CORRESPONDENCE/MEMORANDUM

DATE: March 12, 1998

TO: George Meyer - AD/5

FROM: Paul Didier - WAI3 and Kathy Curtner - CFI8

SUBJECT: Solid Waste and Recycling Reports to the Legislature

Background:

Two recent laws have required the Department to prepare study reports to submit to the legislature regarding elements of the Department's Waste Management and Community Financial Assistance programs. The purpose of this memo is to brief you on our recent efforts on these tasks and to seek your concurrence with our proposed timelines and strategy for preparation of these reports. The two reports stem from the following requirements:

1. The 1997-1999 budget bill directs the DNR to prepare a proposal to "carry out the intent of the Legislature that this state continue at least through the year 2004 its practice of providing state financial assistance to municipalities, counties, other units of government, including federally recognized Indian tribes and bands in this state, and solid waste management systems for expenses relating to programs for the recycling of postconsumer waste." The proposal must be submitted to Legislature, by January 1, 1999, identifying a source of funding for financial assistance to local governments for recycling for the years 2001 to 2004.
2. 1997 Senate Bill 355 directs the DNR in cooperation with UW-Extension, to "conduct a study on the future of solid waste management, including an examination of ways to increase the efficiency and effectiveness of current recycling programs and an examination of ways to improve coordinated and cost-effective management of solid waste in Wisconsin." The bill directs the DNR to submit its finding to the Governor and the Legislature by June 30, 1999.

Organizing the Studies:

Based on discussions within our programs, the two bureaus decided to form an in house steering group made up of the two Bureau Directors, Kate Cooper, Kevin Kessler, Dennis Mack, Susan Bergan, JoAnne Farnsworth plus Steve Brachman and Tom Blewett of the University of Wisconsin - Extension. (co-directors of SHWEC). The steering group was formed to provide project oversight and to decide how best to address and coordinate the two pieces of legislation.

The steering group has created two work groups as follows:

- Future Funding for Recycling made up of: JoAnne Farnsworth, group leader; Susan Hundt Bergan; Joel Stone; Dan Fields; Pat Sheahan and Tom Blewett, UW-Extension (SHWEC).
- Future of Solid Waste Management made up of: Steve Brachman, UW-Extension (SHWEC), group leader; Kate Cooper; Tom Blewett; Dennis Mack; Gene Mitchell; and Dave Lundberg. (Other members may be added.)

Timelines:

Deadlines are contained in the legislation. However, we believe that the recycling program funding study must proceed on a fast track in order to have recommendations prepared in time to meet the schedule for FY 1999-2001 budget proposals. We believe that the future of waste management study can be on a longer time frame since we do not anticipate a budget proposal will be needed. We propose to complete the recycling program funding study by mid-August, 1998. A draft would be available for the bureaus to use in preparing their biennial budget proposals by May 1, 1998. The future of solid waste management study would be completed by December 31, 1998.

Scope of the Funding Recommendations:

From the language in the budget, it's clear that our recommendations have to cover the financial assistance program administered by the Department for Recycling Grants to Responsible Units. However, the recycling surcharge currently funds not only that grant program, but also our Waste Management recycling staff for RU oversight, all the other recycling staff in the Department and the Waste Reduction and Recycling Demonstration Grant Program. In addition, agency staff and programs in the University of Wisconsin System, Department of Administration, Department of Commerce, Department of Revenue, Department of Agriculture, Trade and Consumer Protection and the Recycling Markets Development Board are funded from the same recycling surcharge.

Whereas other agencies probably expect the Department to propose a funding source that could be used to support their programs too, we do not believe we should begin to assess the relative merits and priorities of all these various recycling programs. Rather, we believe that our recommendations should focus on the funding source(s). Therefore, we propose to delineate the amount of funding needed in the following manner:

1. The amount needed to support the RU grant program and for the department to administer it (The work group is assuming that the funds needed for the RU grant program remains at \$24 million each year through the year 2004.);
2. The additional amounts needed to support the DNR's other recycling program needs after June 30, 1999; and
3. The amount needed to continue to fund the other agencies.

To assure that the focus of the report would on the funding source rather than on the funding level and the relative program priorities between the agencies, the report would assume that the funding level for points 2 and 3 (above) would be a continuation of the level from the current biennium. The report would clearly state that the scope was limited to funding source rather than assessing the needed funding level.

Internal and External Involvement:

There will be a need to involve Department staff as well as other agencies and external stakeholders in the preparation of both of these reports. We will need to provide opportunities for others to provide ideas and to comment on the draft reports. Although there have been many external questions directed at Department staff recently regarding our plans in this regard, we have indicated to external stakeholders thus far that we are only in the preliminary planning stages. With your concurrence, we and the University representatives would begin to use newsletters and other means to let people know about our study plans.

Our recommendations above for the internal steering group and two work groups should not be interpreted as a lack of commitment to external involvement. The Recycling Funding work group would like to have an informational meeting for the public prior to making a recommendation in its report. The purpose of the meeting would be to share the alternatives being considered as a funding source, ask for input, and to gauge whether any movement has occurred in interested parties in finding (a) common funding source(s).

Concurrence:

We are requesting your concurrence on the following:

1. The structure and membership of our steering committee and work groups for the two studies;
2. The proposed timelines for the studies;
3. The proposed scope of the funding recommendations; and
4. Our plans to use newsletters, meetings and other means to share information about these studies and to meet with external stakeholders to get their input.

Craig Karr, Administrator Date

Division of Customer Assistance & External Relations

Jay Hockmuth, Administrator Date

Division of Air & Waste Management

George E. Meyer Date

Secretary

cc: Kate Cooper

Kevin Kessler

Dennis Mack

Susan Hundt Bergan

Joanne Farnsworth

Joel Stone

Dan Fields

Gene Mitchell

Pat Sheahan

Paul Heineken - AD/S

Steve Brackman - UW-Ex

Tom Blewett - UW-Ex

Mary Kohrell - UW-Ex

Dave Lundberg - WCR

FUTURE OF RECYCLING

MEMO NO.10

November 12, 1996

TO: MEMBERS OF THE SPECIAL COMMITTEE ON THE FUTURE OF RECYCLING

FROM: David L. Lovell, Senior Analyst

SUBJECT: Potential Revenue Sources for the Recycling Fund

The great bulk of state expenditures related to recycling are made from the Recycling Fund, including expenditures for implementation and enforcement of the recycling law, technical and financial assistance for local recycling programs and market development activities. The Recycling Fund currently is funded by the Temporary Recycling Surcharge, a surcharge on the income taxes of corporations, partnerships and sole proprietorships. (For a more complete description of the Recycling Fund and the Temporary Recycling Surcharge, see MEMO NO.8, *State Funding of Recycling Programs in Wisconsin* (October 21,1996).)

The Temporary Recycling Surcharge applies only to returns for taxable years ending on or before April 1,1999. That is to say, the surcharge sunsets after the collection of the bulk of the 1999 taxes. If the state is to continue funding recycling activities from the Recycling Fund, it will be necessary for the Legislature and Governor to select a source of revenue for the Fund beyond 1999. This Memo identifies potential revenue sources that the Committee may consider for that purpose. The Memo begins with a brief discussion of criteria to consider in evaluating potential revenue sources.

A. CRITERIA FOR THE EVALUATION OF POTENTIAL REVENUE SOURCES

The following is a list of criteria that the Committee may want to keep in mind while evaluating the potential revenue sources that are identified in this Memo and the additional options that may be identified in Committee discussion.

Electronic copy at <http://badger.state.wi.us/agencies/wilis/lc/recycle/recy.html> under "Legislative Council Staff Materials."

1. **Revenues generated.** A revenue source must be able to generate sufficient revenues to fund the anticipated appropriations from the Recycling Fund. Most revenue sources can be made to generate any amount of revenue by simply adjusting the rate of fees or taxes used to generate revenue. However, there are practical and political limits to this. For example, it would make little sense, and could be politically unpalatable, to establish a surcharge on an existing tax or fee that is substantially larger than the underlying tax or fee. Of course, the Committee could recommend a package of smaller sources that collectively generate sufficient revenue for the Recycling Fund.
2. **Equity and fairness.** Ideally, a revenue source should be fair and equitable, although these concepts can be interpreted in various ways. One approach is to attempt to raise program funding from those elements of society that give rise to the need for the program being funded. For recycling, this would mean developing fees or taxes on activities that generate solid waste or, more narrowly, that generate the materials that are subject to recycling under the recycling law. Another approach is to ensure that no segment of society is burdened with an unfair share of the cost of a program. This thinking suggests looking for broad-based revenue sources for programs that are of broad applicability, such as the recycling program. In some instances, these two approaches to fairness and equity can be reconciled in a single option.
3. **Relation to solid waste policy objectives.** Some revenue sources can be designed to advance solid waste policy objectives. In particular, revenue sources that impose a direct cost on waste generators, especially costs that increase with the amount of waste generated, are sometimes promoted as incentives for generators to produce less waste and as a means to make explicit the cost of managing the waste.
4. **Administrative considerations.** A revenue source must be administratively feasible and affordable. This often means looking for existing revenue collection mechanisms that can be expanded or added to and avoiding revenue sources that require the creation of new administrative structures. Nonetheless, the creation of new collection methods and administrative structures may be justified if the cost is not too great, especially in relation to the amount of revenues to be collected.

B. REVENUE SOURCES FOR THE RECYCLING FUND

This section of the Memo identifies a variety of potential revenue sources for the Recycling Fund. It does not present an exhaustive list of potential revenue sources, but attempts to present a broad range of options. It focuses for the most part on revenue sources that relate in some way to the generation or disposal of solid waste. It does not

discuss options related to personal or business income taxes themselves, although surcharges on these taxes are included. In addition, it does not discuss the many taxes and fees that are not related in any way to solid waste, such as the motor fuel tax, excise taxes on tobacco products and alcoholic beverages, the real estate transfer fee and the oil inspection fee.

This section also presents some of the arguments for and against the various options presented. Again, it does not present all arguments, but it raises some of the more important issues to consider in evaluating the options, especially relating to the criteria identified in the first section of the Memo.

1. **Fees on Waste Generators** There are at least three types of fees which could be assessed on waste generators, fees based on the quantity of waste disposed of, fees based on the cost of the disposal of the waste and material-specific fees.

- a. **Quantity-Based Fees**

A "tipping fee" is a fee charged by a landfill or incinerator operator for the disposal of waste at the operator's facility. A tipping fee is based on the amount of solid waste, usually measured in tons, disposed of by individual generators. A tipping fee surcharge is an additional fee charged by the state and collected by the operator along with the tipping fee.

Over 8 million tons of solid waste is disposed of in Wisconsin annually, about 3.5 million tons being municipal solid waste (MSW), 3 million being high-volume industrial waste and 1.5 million being other nonhazardous waste (including construction and demolition waste). Consequently, a \$1 per ton surcharge would generate about \$8 million annually if applied to all wastes or about \$3.5 million annually if applied only to MSW. By comparison, Wisconsin currently assesses four tipping fee surcharges on solid waste disposal of in approved landfills, which total 32.7 cents per ton for high-volume industrial waste and 62.7 cents per ton for other nonmining wastes. Disposal fees charged by landfill operators are highly variable. Anecdotal information provided by the Department of Natural Resources (DNR) indicates that current MSW tipping fees in Wisconsin range from \$20 per ton to \$60 per ton while tipping fees for construction and demolition waste range from \$5 per ton to \$30 per ton.

A recent study of state funding of state solid waste programs indicates that 26 states use tipping fee surcharges to fund all or part of their solid waste programs. Such individual surcharges generally range from 50 cents per ton to \$2 per ton. (Jeff Bowyer and Michael Shore, *Funding Options for State Solid Waste Management Programs*, North Carolina Office of Waste Reduction, Department of Environment, Health and Natural Resources (OWR-96-26, June 1996).) The State of New Jersey collects four separate surcharges, totaling \$4.05 per ton. One of these surcharges, which is \$1.50 per ton, is used to support town and county recycling programs.

Tipping fee surcharges are sometimes promoted as a revenue source because, in addition to generating state revenues, they create an incentive for generators to reduce the amount of waste they generate. The more waste that a generator creates, the higher are the total surcharges paid for waste disposal and the greater is the incentive for the generator to reduce waste. In addition, there are a number of existing tipping fee surcharges and so there is a system for collecting a new surcharge.

A disadvantage to the use of tipping fee surcharges to raise revenues to fund, among other things, grants for local recycling programs arises from the fact that a large proportion of the state's population receives MSW collection and disposal services from its municipal governments. It is argued that property taxes would have to be increased to cover the cost of the tipping fees paid by local governments which provide MSW collection and disposal services. Those revenues would then be sent to the state, only to be returned to the local governments for the operation of recycling programs. Arguably, this is an illogical and inefficient system.

- b. **Cost-Based Fees**

Fees may also be assessed on waste generation based on the cost of solid waste collection and disposal. Since Wisconsin does not currently impose a sales tax on such services, this could be accomplished by expansion of the sales tax. However, as was noted previously, a large proportion of the state's population is served by municipal solid waste services, which are not subject to the sales tax. This obstacle could be overcome by requiring municipalities to calculate the cost of providing solid waste services to their residents and to remit the equivalent of a sales tax on that cost. Also, as with tipping fees, there is an existing sales tax collection system which, with some elaboration to address the issue of municipally provided services, could be used to collect this fee.

Cost-based waste generator fees as a source of funds for local recycling assistance grants are vulnerable to the same criticisms as tipping fees. In addition, the cost of solid waste collection and disposal varies widely over the state, depending upon the distance from the generator to the nearest disposal facility, the cost of operating the disposal facility and other factors. As a result, a cost-based fee is less equitable than a volume-based fee and is likely to be a less effective incentive for individuals to reduce their generation of solid waste.

- c. **Material-Specific Disposal Fees**

Revenue for the Recycling Fund could be raised through fees charged for the disposal of specific materials. This option could be designed as a targeted type of tipping fee surcharge, which would be collected and remitted to the state by facility operators. Alternatively, it could be made the responsibility of retail outlets that sell the materials subject to the fee to accept the materials for disposal and to collect the fees. The retailer would then arrange for the appropriate disposal or recycling of the material and remit the fee, minus a specified amount for handling the waste materials, to the state. The fee could be charged by the ton of material disposed or, more likely, by the number of individual items disposed. Materials that might be subject to such a fee include tires, appliances, lead acid batteries, household batteries, paints and finishes and motor oil. Disposal fees can be designed to discourage the use or encourage the recycling of targeted materials, especially materials that present problems when present in solid waste. To the extent that the fee applies to materials that everyone uses, it would be broad based, as well. However, the fee would not necessarily be tied to the materials that are part of the recycling program. In addition, to raise sufficient revenues for the Recycling Fund, it may be necessary to set the fees at levels that the public would object to paying. Instead, this kind of fee may be more appropriate to partially fund the Recycling Fund or to fund programs to address the special problems presented by those materials than for funding the Recycling Fund in general.
2. **Fees on Solid Waste Service Providers**

Fees could be assessed on solid waste haulers and on landfill and incinerator operators. Such a fee could be assessed at the time of licensing. It could take the form of a flat fee or it could be based on the amount of waste handled by the licensee in a year. In addition, fees could be assessed at the time of permitting new landfills and incinerators. However, because of the infrequency of permitting new facilities, this latter option would not produce a regular, reliable revenue stream.

Fees on service providers would almost certainly be passed on to the service providers' customers. In cases where either the service provider or the customer is a municipal government, the cost would most likely be recovered from property tax revenues. This, then, raises the same concerns raised regarding tipping fee surcharges, that municipalities would use property tax revenues to pay fees into a fund that provides them with grant money.
3. **Fees on Retail Transactions**

Fees on retail transactions are sometimes offered as funding mechanisms for recycling programs because they are very broad based, affecting the entire consuming public. In addition, such proposed fees are often targeted at specific consumer goods which are deemed to represent a particular problem either for solid waste management generally or for recycling specifically. Such targeted fees are viewed as disincentives to the consumption of the targeted products.
- a. **Advance Disposal Fees**

One type of retail fee is the so-called "advance disposal fee" (ADF). An ADF is similar to a disposal fee, described under item 1., c., above, except that it is imposed at the time of a product's purchase instead of disposal. An example of such a fee is the Single-Use Package Throwaway Fee contained in 1989 Wisconsin Senate Bill 300, the Bill that created the recycling law. That proposal would have imposed a fee of 0.16 cent on the sale of each single-use package sold in commerce in Wisconsin and would have generated an estimated \$22.7 million per year. However, the Legislature rejected this fee because it was determined to be excessively difficult and costly to administer. The Department of Revenue estimated that it would need a staff of 120.5 positions and a budget of \$3.87 million to collect the fee. In addition, retail merchants, who would have been required to collect the fee, opposed the fee because of the burden it would have imposed on them. The State of Florida implemented an ADF, which was the model for the fee proposed in Senate Bill 300. That fee charged one cent for every can, bottle, jar and beverage container sold at wholesale. The fee did not apply to manufacturers whose materials were recycled at a rate of 50% or more, whose materials contained specified recycle content or who bought back specified

amounts of their materials from the waste stream for recycling. The Florida Department of Revenue was given a staff of 105 positions and a budget of \$2.7 million to collect the fee, which was projected to generate \$24 million annually. A year after its implementation, the Florida Legislature allowed the ADF to "sunset," rather than extending the fee.

ADFs could be applied to other targeted material, including the same materials listed in the earlier discussion of disposal fees. For example, for the past eight years, a fee has been collected by this state at the time of titling new cars. The fee equals \$2 times the number of tires sold with the car. The revenues from the fee, which came to \$3.4 million in fiscal year 1995-96, were used for programs related to the management of waste tires. Both the fee and the programs it funded were repealed by 1995 Wisconsin Act 27, the 1995-97 Biennial Budget Act, effective June 30, 1997. An option for a part of a larger funding package for the Recycling Fund could include a continuation of this fee.

Similar fees have been proposed for the wholesale purchase of such substances as newsprint or plastic resins made from virgin materials. Such fees can have the advantage of creating incentives for the users of those materials to use recycled materials. Also, since these fees would be applied to a smaller number of businesses, their administration would be simpler. On the other hand, because of their narrow base, a large portion of the cost of state recycling programs would be placed on only a few types of businesses.

b. **Sales Tax**

Another "fee" imposed on retail sales is the state's sales tax, which is a 5% tax on the gross receipts from the sale and rental of all tangible personal property that is not specifically exempt and on selected services that are specifically listed in the statutes. Sales tax revenues are placed in the General Fund. One funding option using the sales tax is to increase the sales tax rate. The Legislative Fiscal Bureau projected that the sales tax would generate about \$2.9 billion in fiscal year (FY) 1996-97. [Memorandum to the Members of the Joint Committee on Finance from Bob Lang Director, Legislative Fiscal Bureau, *Alternative General Fund Revenue Sources* (May 12, 1995).] An increase in the sales tax rate from 5% to 5.1% would generate about \$58 million in new revenue.

Another option is to apply the sales tax to selected goods or services to which it does not currently apply. The Legislative Fiscal Bureau estimated that all sales tax exemptions on goods and services in the state will be worth nearly \$2.9 billion in FY 1996-97, about the same amount as will be raised by the sales tax. Selected exemptions for personal property could be eliminated and additional services could be made subject to the sales tax to generate revenues for the Recycling Fund. The specific goods and services could be selected on the basis of their contribution to the waste stream. For example, in FY 1996-97, applying the sales tax to direct mail advertising services and packaging and labeling services would generate an estimated \$7.6 million and \$5.7 million, respectively, and elimination of the sales tax exemption for newspapers, periodicals and shopper's guides would generate approximately \$14.1 million. [Memorandum to the members of the Joint Committee on Finance from Bob Lang, Director, Legislative Fiscal Bureau, *Alternative General Fund Revenue Sources* (May 12, 1995).]

Either of the preceding options would be relatively easy to administer. Increasing the rate of the sales tax would provide a very broad-based funding source for recycling, but could be politically difficult. Extending the sales tax to selected goods and services, on the other hand, could target substantial generators of solid waste but also could be criticized as placing the burden of funding recycling programs on a narrow segment of the economy. In addition, both options require the designation of general purpose revenue (GPR) from the sales tax for a specific purpose, which may be seen as an undesirable precedent to set.

c. **Deposits**

Another type of fee that can be assessed at retail sale is a deposit. Deposits of 5 or 10 cents are imposed on beverage containers by a number of states, primarily to ensure that the containers are returned for reuse or recycling. A significant amount of deposits remain unclaimed. A deposit law could be structured so that the unclaimed deposits would become a funding source for recycling programs. Massachusetts raised approximately \$5 million by this mechanism in 1992. [*Survey of State Funding for Solid Waste Management Programs*, Division of Solid Waste, New York State Department of Environmental Conservation (revised 1992).]

This option would promote reuse and recycling of beverage containers. However, deposit laws have been proposed and rejected in Wisconsin a number of times, including during the development of the current recycling law.

4. **Fees on Businesses or Individuals**

As was noted in the introduction to this Memo, the Recycling Fund currently is funded by a surcharge on business income taxes. An option for future funding is to continue this surcharge, in its current form or in a modified form. Alternatively, a similar surcharge could be placed on the personal income tax. Like the sales tax option, this is a broad-based funding option that spreads the cost of recycling programs over all consumers. A surcharge could be graduated on the basis of income (as the current business surcharge is) or net worth or it could be a flat amount charged to all tax filers.

Fees on businesses could take other forms, such as a franchise fee paid by corporations at the time of filing their annual report with the Secretary of State. Again, a fee could be graduated on the basis of income or net worth or could be a flat fee.

5. **General Purpose Revenue**

Another potential source of revenue for the Recycling Fund is GPR. GPR is revenue from the General Fund and consists primarily of revenue from the income and sales taxes. Some people have argued that recycling is of statewide concern, affecting all sectors of society. For this reason, they say, it is most appropriate to use GPR to fund recycling programs. Reliance on GPR would require recycling programs to compete for limited funds in each budget cycle. While this biennial reassessment of funding for recycling could be viewed as good fiscal policy, the instability of GPR funding was one of the principal reasons that the recycling law created a segregated fund for recycling programs.

Current Recycling Funding

Temporary Recycling Surcharge

State solid waste recycling and waste reduction programs are funded from the segregated recycling fund, a separate, nonlapsible trust fund created in 1989 Act 335. The revenues in this fund come from a segregated recycling surcharge, established in 1991 Act 39, which applies to most businesses.

Currently, a temporary surcharge of 2.75% of gross tax liability is imposed on corporations. There is a minimum payment of \$25 and a maximum payment of \$9,800. Corporations (including S corporations) and taxable insurance companies with less than \$4,000 in total receipts are excluded from the recycling surcharge.

Nonfarm sole proprietorships, partnerships, limited liability companies (LLCs) taxable as partnerships and S corporations are subject to a temporary recycling surcharge of 0.2173% of net business income, with a \$25 minimum payment and a \$9,800 maximum payment. Sole proprietorships and partnerships with less than \$4,000 of gross receipts from nonfarm trade or business activities are exempt from the surcharge.

Members of the clergy and noncorporate farms with a net farm profit of less than \$1,000 are also exempt. Noncorporate farms that are subject to the surcharge pay a flat amount of \$25.

The business recycling surcharge took effect on April 1, 1991. Generally, for tax years prior to 1998, the rate was 5.5% or 0.4345%. The surcharge is eliminated for tax years ending after April 1, 1999.

(Adapted from Legislative Fiscal Bureau documents.)

APPENDIX D

Distribution of Public Information Meeting Notice	WI NEWSPAPER ASSOCIATION J LEROY YAROGASON 3822 MINERAL POINT RD PO BOX 5580 MADISON, WI 53705	WI TAXPAYERS ALLIANCE TODD BERRY 355 W WILSON ST MADISON, WI 53703
LEAGUE OF WOMEN VOTERS OF WI MARY JO TIETEGE 122 STSTE ST STE 405 MADISON, WI 53703-2500	BUILDERS & CONTRACTORS OF WI STEPHEN L. STONE 2601 CROSSROADS DR MADISON, WI 53704	AUTOMOBILE & TRUCK DEALERS GARY D. WILLIAMS 150 E GILMAN ST #A PO BOX 5345 MADISON, WI 53705-0345
TAMMY STALSBURGH SWANA WI CHAPTER 2925 LAKE SHORE DR LA CROSSE, WI 54603	BARBARA SISCO ASTSWMO HALL OF STATES 444 N CAPITAL ST NW STE 315 WASHINGTON DC 20001	WISCONSIN TOWNS ASSOCIATION W7686 STATE HWY 29 SHAWANO, WI 54166-6086
WI ENVIRONMENTAL DECADE 122 STATE ST MADISON, WI 53703	MADISON AUDOBON SOCIETY 222 S HAMILTON ST MADISON, WI 53703	SIERRA CLUB 222 S HAMILTON ST MADISON, WI 53703
CITIZENS FOR A BETTER ENV 222 S HAMILTON ST MADISON, WI 53703	SUSAN MUDD CITIZENS FOR A BETTER ENV 152 W WISCONSIN AVE STE 510 MILWAUKEE, WI 53203-2508	WI MANUFACTURERS & COMMERCE 501 E WASHINGTON MADISON, WI 53703
WI MERCHANTS FEDERATION 30 W MIFFLIN STE 310 MADISON, WI 53703	WISCONSIN COUNTIES ASSOCIATION MARK ROGACKI 100 RIVER PLACE STE 101 MONONA, WI 53716	LEAGUE OF WI MUNICIPALITIES DAN THOMPSON 202 STATE ST MADISON, WI 53703
AROW BOB AND LE JORDAN PO BOX 44008 MADISON, WI 53744-4008	ALLIANCE OF CITIES ED HUCK 14 W MIFFLIN PO BOX 335 MADISON, WI 53703	JACQUELINE MOORE BOWLES COUNCIL ON RCY MEMBER 1400 N SIXTH ST MILWAUKEE, WI 53212
REUBEN DAMM COUNCIL ON RCY MEMBER 240 BREVITY LANE COLUMBUS, WI 53925	CAROL KUBLY COUNCIL ON RCY MEMBER W3796 COUNTY HWY EE MONTICELLO, WI 53570	DANIEL MEYER COUNCIL ON RCY MEMBER 241 SHORE ACRES RD WISCONSIN RAPIDS, WI 54494
CATHERINE ONSAGER COUNCIL ON RCY MEMBER	ROBERT REICHEL COUNCIL ON RCY	JOHN REINDL COUNCIL ON RCY

W3764 WOLTER RD WEST SALEM, WI 54669	MEMBER LINCOLN COUNTY SW N4750 LANDFILL LANE MERRILL, WI 54452	MEMBER DANE CTY PUBLIC WORKS DEPT 1919 EXPO WAY MADISON, WI 53713
RICHARD MEYER DEPT OF COMMERCE 201 E WASHINGTON AVE #301 INTER-D	WILLIAM MCCOSHEN DEPT OF COMMERCE 123 W WASHINGTON AVE 9 TH FLR INTER-D	JON WHITE DATCP 2811 AGRICULTURE INTER-D
BEN BRANCEL DATCP 2811 AGRICULTURE INTER-D	LEO TALSKY DOA 101 E WILSON ST 6 TH FLR INTER-D	MARK BUGHER DOA 101 E WILSON ST 10 TH FLR INTER-D
CAROL HELD DOR 125 S WEBSTER 2 ND FLR INTER-D	CATE ZEUSKE DOR 125 S WEBSTER 2 ND FLR INTER-D	TOM MARTINELLE DOT 4802 SHEB AVE #951 INTER-D
CHARLES THOMPSON DOT 4802 SHEB AVE #120B INTER-D	GAIL MILLER WRAY RMDB DEPT OF COMMERCE 201 W WASHINGTON INTER-D	ALBERT BEAVER UW-EXTENSION OFFICE OF THE CHANCELLOR 432 N LAKE ST INTER-D
SHERRIE GRUDER UW-EXTENSION SHWEC 610 LANGDON ST #527 INTER-D		

Future Funding of Recycling Public Information Meeting
Attendance

(Facilitator: Bob Bright, UW-Extension)

NAME	WHO YOU REPRESENT
John Reindl	AROW
Jim Pennau	Winnebago County and AROW
Jason Gilman	City of Onalaska
John Reinemann	WI Department of Revenue
Jon White	WI DATCP
Dan Meyer	Council on Recycling
Jim Tenuta	NSWMA
Pat Stevens	WI Manufacturers and Commerce
Ed Wilusz	WI Paper Council
David Eger	Waukesha County
Sonya Newenhouse	WasteCap WI
Gail Miller Wray	RMDB
John Hendren	RMDB
Sherri Radke	City of West Allis
Jenna Kunde	Keep Greater Milwaukee Beautiful
Bill Casey	Columbia County
Chris Lato	WI Radio Network
Tony Driessen	Quarles and Brady
Julianna Nelson	SPI/APC
Dorinda Floyd	City of Milwaukee
Steve Jaeguat	City of Milwaukee
Tom Liebe	Broydrick and Associates
Lynn Morgan	Waste Management Inc.
Tom Moore	USA Waste Services of WI
Jacqueline Jugenheimer	DOA/State Budget Office
Rick Stautz	City of Shawano/Shawano County SWMB
Rick Stadelman	WI Towns Association
Jeff Schoepke	Office of the Governor
Sandra George	WI Newspaper Association
Kathleen Haas	UW-Extension

Future Funding of Recycling Public Input Results

	ALTERNATIVES SELECTED FOR PUBLIC COMMENT						OTHER ALTERNATIVES		
	Manufacturers Responsibility	Tipping Fee (MSW)	Tipping Fee (MSW & NMSW)	Increase General Sales Tax	Establish Sales Tax on SW Services	Increase SW License Fees	Existing Business Tax	GPR	None
Town of Barre		yes (2 nd)	??						yes (1 st)
DeForest	yes	no	no	no	yes				
Eau Claire		yes (2 nd)			yes (1 st)				
LaCrosse		yes	??		no				
Madison	yes	yes	yes		yes				
Milwaukee	yes	***	no	no	yes		yes		
Waukesha**	yes* (1 st)	yes (5 th)	yes (4 th)	yes (6 th)	yes (3 rd)	yes (2 nd)			
Brown Co.	yes*	yes	??						
Columbia Co.**		yes			yes				
Marathon Co.		yes	yes (lower)						
Walworth Co.		yes							
WI Alliance of Cities		***							
WI Counties Assoc.	yes (2 nd)	yes (1 st)	??		yes (2 nd)	yes (2 nd)	yes (2 nd)	yes (2 nd)	
WI Towns Assoc.		yes (1 st)	yes (1 st)			yes (2 nd)			
AROW**	yes (2 nd) yes* (3 rd)	yes (1 st)			yes (6 th)		yes (10th)	yes (12 th)	
WCSWMA & SWANA	yes* (1 st)	yes (2 nd)	??	yes (4 th)	yes (5 th)		yes (3 rd)		
SPI/APC	no								
WMC**	no	no	no	no	no	no		yes	
WPC**	no	no	no	no	no	no			yes
WMI									
WNA**									yes
John Reindl	yes*	yes			yes				
Public Meeting	yes (3 rd)	yes (2 nd)		yes (5 th)	yes (4 th)	yes (6 th)		yes (1 st)	
Future Rcy Funding Comm.	yes (4 th)	yes (2 nd)	yes (3 rd)	yes (5 th)	yes (1 st)	yes (4 th)		yes (4 th)	

* = Manufacturers pay for specific items like appliances, computers, tires, etc.

** = Commented at public meeting.

*** = Would only support tipping fee if it pays most or all costs for recycling

AROW = Associated Recyclers of Wisconsin WMC = Wisconsin Manufacturers and Commerce
WCSWMA = Wisconsin County Solid Waste Managers Association WPC = Wisconsin Paper Council
SWANA = Solid Waste Association of North America WMI = Waste Management, Inc.
SPI/APC = Society of Plastics Industry/American Plastics Council WNA = Wisconsin Newspaper Association

Other Comments

Walworth Co "Host communities who have major solid waste facilities within their jurisdiction should be given the authority to impose a fee as a method for them to generate revenue to pay for recycling.

Crosse SW Sales Tax - regressive (tip fees) collection?

Appears to penalize comprehensive programs and those with higher tipping fees.

Brown Co Like LaCrosse- current landfill fees fund other programs, plus support.

Require landfills to prepare SW Management Plans for their service area.

Towns Per capita dist.

Examine mandates - now and future.

John Reindl Exempt recycling and composting from sales tax SW

Marrathon Don't fund local RU grants program, but promote recycling and new uses for the materials (R & D).

WMC Evaluate appropriate level of funds- wide range

WMI Place efficiency, success, cost effectiveness

Midwest Solid Waste Fee Synopsis

STATE	SURCHARGE ON TIPPING FEES (PER TON)	TIPPING FEES (PER TON)	SALES TAX ON SW SERVICES	SW TAX ON COLLECTION & DISPOSAL
Illinois	\$1.07 - state \$1.27 - counties* \$1.50- municipality*	no information available	no	----
Iowa	\$3.75-4.75	\$15-50	no	----
Michigan	\$0	\$15-35	yes	----
Minnesota	\$6.66 - state \$6.66+ - counties* \$3.33 - municipalities*	\$26-45	no	9.75% residential 17% businesses
Wisconsin	\$0.747	\$17-55	no	----
*optional				