

Administrative Rule Fiscal Impact Statement

Date: 6/29/09

Agency: Iowa Department of Natural Resources
IAC Citation: 567 - IAC Chapter 101
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Summary of the Rule: Revisions are proposed for clarification and ease of use purposes and in order to correct inconsistencies between the Iowa Code and Iowa Administrative Code.

Fill in this box if the impact meets these criteria:

- No Fiscal Impact to the State.
- Fiscal Impact of less than \$100,000 annually or \$500,000 over 5 years.
- Fiscal Impact cannot be determined.

Brief Explanation:

Fill in the form below if the impact does not fit the criteria above:

Fiscal Impact of \$100,000 annually or \$500,000 over 5 years.

* Fill in the rest of the Fiscal Impact Statement form.

Assumptions: A fiscal impact will be incurred through the revision of subrule 101.14(2) pertaining to the statewide tonnage fee exemption for municipal solid waste (MSW) landfills that dispose of construction and demolition (C&D) wastes. By correcting this subrule to be consistent with Iowa Code section 455B.310(5), MSW landfills will no longer be allowed to avoid collecting the statewide tonnage fee for C&D wastes disposed of at the landfill. The fee exemption will still apply to permitted C&D waste landfills however.

Tonnage fees remitted to the department are placed in the Groundwater Protection Fund for department operations and support of statewide solid waste programs such as Solid Waste Alternatives Financial Assistance, Solid Waste Facility Permitting, Comprehensive Planning, Special Waste Authorization, Iowa Waste Reduction Center, Iowa Waste Exchange and Household Hazardous Waste Regional Collection Centers. A portion of the tonnage fee is also retained locally for waste management plan development and implementation and environmental protection activities. The base tonnage fee is \$4.25; however, based on a planning area's progress towards state mandated goals, each landfill plays slightly more or slightly less than the base amount. On average, \$2.78 per ton is remitted to the department and \$1.47 is retained locally.

For fiscal year 2008 (July 2007 to June 2008), a total of 278,831 tons of C&D waste were reported as exempt from the tonnage fee at MSW landfills. This equates to \$708,731 not remitted to the department for support of the statewide solid waste programs referenced above and \$408,972 not being retained locally for waste management plan development and implementation and environmental protection activities. The amount of waste disposed of in Iowa landfills has remained relatively consistent each year. The department intends to use the additional retained fees to focus on reducing and recycling efforts for the C&D waste stream. Through reducing and recycling C&D wastes, the amount of the tonnage fee to be remitted to the department in future years will likely decrease.

There is a potential fiscal impact to transfer stations which collect Iowa waste and deposit all of it at an out-of-state disposal facility pursuant to subrule 101.13(3). Currently, this rule has been interpreted to allow such transfer stations to collect solid waste from a service area that may be comprised of multiple comprehensive planning areas. The proposed revision to this subrule would require those transfer stations to become a member of the comprehensive plan for the cities and counties which they provide solid waste services for. If they serve cities or counties within multiple planning areas, they would have to choose a single planning area to become a member of. This could result in a loss of revenue if they could no longer provide services for cities or counties outside of the planning area that they participate in.

There are currently three transfer stations in the state that collect solid waste from cities and counties within an existing comprehensive planning area which they are not a participating member of. One the three transfer stations potentially affected by the proposed rule revision has not been in operation since June 2005. Therefore, only two transfer stations have the potential to be affected by the proposed revision. For fiscal year 2008, (July 2007 to June 2008) the two transfer stations potentially affected by the revision collected 100.63 tons and 8,749 tons of solid waste respectively, and neither transfer station collects solid waste from more than one comprehensive planning area.

Describe how estimates were derived: Quarterly Solid Waste Fee Schedule and Retained Fees Reports for fiscal year 2008 (July 2007 to June 2008) were reviewed for all MSW landfills. C&D debris reported as fee exempt were compiled for the fiscal year. The planning area's applicable tonnage fee was further separated into the portion that would have been remitted to the state and the amount that would have been retained locally.

Quarterly Transfer Station Tonnage Reports for fiscal year 2008 were reviewed for all transfer stations. Transfer stations that transport all waste collected out-of-state and are not a member of current comprehensive plan were identified and their tonnages were compiled.

Estimated Impact to the State by Fiscal Year

	<u>Year 1 (FY 10)</u>	<u>Year 2 (FY 11)</u>
Revenue by Each Source:		
GENERAL FUND		
FEDERAL FUNDS		
Other (specify)	\$708,731	\$708,731
Groundwater Protection Fund		
TOTAL REVENUE	\$708,731	\$708,731
Revenues retained locally for waste management plan development and implementation, and environmental protection activities	\$408,972	\$408,972
Expenditures:		
GENERAL FUND		
FEDERAL FUNDS		
Other (specify)		
TOTAL EXPENDITURES	\$0	\$0
NET IMPACT	\$708,731	\$708,731

This rule is required by State law or Federal mandate.
Please identify the state or federal law:

Iowa Code Section 455B.304, 455B.301A, 455B.302, and 455D.3.

Funding has been provided for the rule change.
Please identify the amount provided and the funding source:

Funding has not been provided for the rule.
Please explain how the agency will pay for the rule change:

Fiscal impact to persons affected by the rule: Persons disposing of C&D wastes at MSW landfills will be the affected parties. Waste disposal data from fiscal year 2008 (July 2007 through June 2008) indicates that 278,831 tons of C&D waste at 35 MSW landfills were reported as exempt from the statewide tonnage fee. Requiring MSW landfills to collect the tonnage fee on C&D wastes disposed of at the landfill equates to an additional \$1,117,703 of which \$708,731 is remitted to the department for support of the statewide solid waste programs and \$408,972 is retained locally to be used for comprehensive plan implementation and environmental protection activities. Of the \$708,731 not remitted to the department in FY2008, only \$206,335 would have gone toward solid waste administration (e.g. solid waste permitting and planning, field office enforcement).

Fiscal impact to Counties or other Local Governments (required by Iowa Code 25B.6): Using FY2008 tonnages, additional monies in the amount of \$408,972 would be retained locally throughout the state to provide waste management services for cities and counties. It is possible that the portion of the tonnage fee that will be remitted for C&D waste disposed of at an MSW landfill will be borne by those same residents receiving the benefits of local waste reduction programs. In other words, the disposal fee that residents pay could be increased by MSW landfill owners in order to cover the collection of the statewide tonnage fee. Through the earmarked tonnage fee retainage of approximately \$409,000 annually, local waste reduction and recycling efforts will gain revenue to expand and enhance programs.

* If additional explanation is needed, please attach extra pages.

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