STATE OF MAINE DEPARTMENT OF ENVIRONMENTAL PROTECTION





TESTIMONY OF

PAULA CLARK, DIRECTOR **DIVISION OF MATERIALS MANAGEMENT**

MAINE DEPARTMENT OF ENVIRONMENTAL PROTECTION

SPEAKING NEITHER FOR NOR AGAINST L.D. 259

AN ACT TO IMPROVE SOLID WASTE MANAGEMENT SPONSORED BY REPRESENTATIVE MCDONALD

BEFORE THE JOINT STANDING COMMITTEE **ENVIRONMENT AND NATURAL RESOURCES**

> DATE OF HEARING: MARCH 7, 2022

Senator Brenner, Representative Tucker and members of the Committee, I am Paula Clark of the Department of Environmental Protection speaking today neither for nor against LD 259 as proposed to be amended by Rep. Tucker as "An Act to Increase Waste Handling Fees Imposed on the Landfilling of Municipal Solid Waste and Construction and Demolition Debris". The amended bill proposes to increase the waste handling fees imposed by 38 M.R.S. § 2203-A on municipal solid waste (MSW) and MSW ash from \$1 to \$5 per ton, and on construction and demolition debris (CDD) and CDD processing residue from \$2 to \$10 per ton. I would like to provide information concerning how the statutory fees are administered and the revenues used.

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The current statute establishes a schedule of per ton fees on various types of waste that are landfilled ("waste handling fees"), most of which are "special wastes" (e.g. sludge and ash) carrying a \$5 per ton fee. Landfill operators submit payment of the fees quarterly and revenues are deposited into the Maine Solid Waste Management Fund (MSWMF). The MSWMF is a principal source of revenue supporting a wide range of State waste management related program activities, including the Solid Waste Diversion Grant Program (38 M.R.S. § 2201-B). It is administered centrally by the Department of Administrative and Financial Services, and between FY 2017 and FY 2021 took in annual waste handling fee revenues (exclusive of the fee on CDD and CDD residue) ranging from \$1.6 to \$2.3 million.1

During the last session, the Legislature passed PL 2021 c. 230 (An Act to Reduce the Landfilling of Municipal Solid Waste) placing a \$1 per ton fee on all MSW landfilled in Maine. Prior to that, the law imposed a \$2 per ton surcharge on MSW landfilled but also included an exception, the net result of which was that the vast majority of MSW landfilled in Maine was not subject to the fee. The Department began assessing the \$1 per ton MSW fee upon the effective date of the legislation in October 2021. In 2020, approximately 400,000 tons of MSW and 96,000 tons of MSW ash were landfilled in Maine. Increasing the fee on these wastes to \$5 would result in annual revenues of approximately \$2.5 million from MSW and MSW ash.

The current statute also imposes a \$2 per ton fee on the landfilling of CDD and residue from the processing of CDD. In accordance with 38 M.R.S. § 2201 that revenue "may be expended only for the state cost share to municipalities under the closure and remediation cost-sharing program for solid waste landfills established in section 1310-F." Revenue from this waste stream is managed directly by the Department, separate from other waste handling fees and dedicated to cost share reimbursement. In 2020, approximately 615,000 tons of CDD and CDD residue was landfilled, yielding about

¹ The MSWMF also receives approximately \$1.5 million annually in revenues from the \$1 fee on the retail sale of tires and lead-acid batteries pursuant to 36 M.R.S § 4832.

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\$1.2 million in fee revenue. Based on 2020 data, increasing this fee to \$10 per ton would result in total annual revenues of about \$6 million. To date, the Department has made municipal reimbursements totaling approximately \$9.7 million.

Thank you for the opportunity to provide comments today. I would be happy to respond to any questions you have, and will be available at work session if you would like additional information on the MSWMF or the programs it supports.