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DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF ENVIRONMENTAL PROTECTION

333 W. Nye Lane, Room 138
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**Presentation to the
Assembly Committee on Natural Resources, Agriculture and Mining,
by the Nevada Division of Environmental Protection
Regarding AB447**

March 31, 2003

Mr. Chairman, Committee members my name is Dave Emme and I am the Chief of the Division of Environmental Protection's Bureau of Environmental Information and Planning.

The Division is proposing AB447 to improve the State's recycling efforts, enhance certain permitting and enforcement procedures, make various technical corrections, and to correct what we perceive as an inequity in our source of revenue for State solid waste and recycling programs by substituting a fee on waste disposal for the current fee on the retail sale of tires.

We have provided each of you with a copy of our 2003 State Recycling Status Report. This report provides background information and statistics regarding recycling in Nevada. The Executive Summary on page 1 outlines the basic provisions of AB447 and section 1 of the report describes the rationale for these provisions.

Let me begin by addressing the matter of program funding. For the last ten years, a \$1 fee applied to the retail sale of motor vehicle tires has funded Nevada's solid waste program, including State and local regulatory programs governing municipal and industrial landfills, and our program to promote recycling and waste reduction. In fiscal year 2002, tire fees generated approximately \$1.4 million. This revenue is deposited in

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SUBMITTED BY: Dave Emme

the Solid Waste Management Account and allocated as follows: NDEP receives 44.5 percent; Clark County Health District receives 30 percent; Washoe County District Health Department receives 25%; and the Department of Taxation receives 0.5%.

Our proposal is to retain the same allocation structure, but repeal the tire fee, as accomplished in Section 15, and to replace it with a fee on waste disposal, described in Section 1 of the bill. The \$0.30 per ton fee on waste disposal is set at an amount so that, overall, Nevadan's wouldn't be paying any more in disposal fees than they were paying in tire fees. Our reasons for proposing this change are straightforward.

Fundamentally, applying a fee on waste disposal to fund waste management programs is more consistent with the concept of a "user fee" than a fee on the retail sale of tires. Tires only account for 2% of solid waste generated in Nevada yet tire fees pay for 100% of the waste management programs.

Also, since Nevada receives solid waste from out of state, Nevada tire fees in essence subsidize the cost of regulation of this imported waste. In 2002, Nevada received 535,000 tons of trash from California. While we cannot legally apply a discriminatory fee solely on this imported waste, a fee applied to waste disposal regardless of origin means that the generators of this imported waste pay their fair share for the costs of regulation.

I have provided a handout with a table that shows annual tire fee revenue, waste disposal amounts and predicted revenue that would be derived from a fee on waste disposal. Again, the idea is that Nevadan's pay the same amount in waste fees as they were paying in tire fees, but there is a modest increase in overall revenue because the waste fee captures the imported waste. The Division's share of this additional revenue would be used to make available recycling grants to local governments.

Now, I would like to briefly review the other sections of the bill and as I proceed I'll note a few proposed amendments that you should have on a sheet before you.

Section 3 of the bill proposes to require that new regional disposal sites apply for a certificate of designation prior to submitting an application for a permit. This additional process, which is borrowed from our hazardous waste program, is simply intended to provide an opportunity to review the relative risks and the public benefits of a new disposal site that has regional significance. We are proposing amendments to subsections 3 and 4 and to the definition of "regional disposal site" in subsection 5.

Section 4 of the bill includes only technical corrections to existing statute.

Section 5 clarifies and enhances our authority to issue enforcement orders. Subsection 2 makes generators of solid waste responsible for legal disposal of their solid waste and provides authority for the Division to issue enforcement orders to generators of waste if, for example, they have sent their waste to an illegal disposal site and the operator of the illegal site is unable or unwilling to take necessary action.

Sections 6 and 7 are merely technical changes, providing for correct cross-references.

Section 8 proposes to revise reporting requirements for recycling information. Under the current scheme, each municipality collects information from recyclers and submits a summary report to the Division that is used to compute Statewide and local recycling rates. This reporting system is a burden for local governments and compliance has been uneven. We propose to have recycling reports submitted directly to the Division rather than through local governments, and to establish authority to audit reports to verify their accuracy and provide for a modest penalty for failure to report-although we believe our proposed penalty of \$100 is too modest, and so we suggest an amendment to establish a \$500 fine for failure to report.

Section 9 provides the Division with authority to award grants to nonprofit institutions and municipalities and requires the adoption of regulations and coordination with local authorities regarding the grants. The Division has for several years provided contract

support for various recycling projects. We have been advised that grants are a more appropriate mechanism to provide this type of support.

Section 10 is a technical cross-reference.

Section 11 enhances recycling by including multifamily dwellings in curbside collection programs in Clark and Washoe Counties and by making recycling information more readily available to businesses through the business licensing process. These provisions respond directly to two concerns that we have heard often from Clark County, first, that recycling opportunities for apartment dwellers are limited at best and second, that commercial recycling needs to be promoted and information made available to new businesses in particular.

Section 12 requires municipalities that adopt a recycling program to appoint a recycling coordinator and adopt ordinances that require new large office buildings and apartment complexes to include space for storage of recyclables in their applications for building permits. These provision also respond to concerns expressed in Clark County that there is no local recycling coordinator to actively promote recycling and provide recycling information and that lack of available storage space causes some building owners to resist recycling collection programs. Note that we propose to amend subsection 1 and 2 to clarify that these requirements apply only to the more populated counties.

Section 12 also revises the frequency at which local governments must review their recycling programs from every 3 years to every 2 years, and requires the findings of the review be submitted to the Division.

Section 13 is a minor change to the notice tire dealers must post to more accurately indicate that waste tires accepted by them may be either disposed of or recycled. Currently, most are disposed of.

Section 14 includes a minor addition to the Division's recycling responsibilities by adding a recognition program.

Section 15 through 17 includes sections of statute that are proposed to be repealed, technical reference to local government funding provisions, and an effective date for the act.

We believe that these modification of the solid waste requirement of the State of Nevada will result in a more equitable program, enhance Nevada's recycling efforts and serve to make a healthier and cleaner environment for Nevada's citizens and visitors.

With that overview, I would be happy to answer any questions.