

## Department of Planning and Budget 2006 Fiscal Impact Statement

**1. Bill Number:** HB 5083

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron:** Purkey

**3. Committee:** Transportation

**4. Title:** Fee on trucks hauling solid waste

**5. Summary/Purpose:** The bill would impose on commercial motor vehicles that haul solid waste in the Commonwealth a state fee equal to 100 percent of the existing rate charged for delivering solid waste to a Virginia solid waste management facility. The bill provides that the fee would be charged at either the solid waste management facility or a Commonwealth weigh station, whichever is reached first. The revenues raised would be deposited into the Transportation Trust Fund and used for highway construction and maintenance.

**6. Fiscal impact estimates are indeterminate.**

**7. Budget amendment necessary:** No.

**8. Fiscal implications:** This bill would double the fee to be paid by a commercial motor vehicle making a delivery to a solid waste management facility in the Commonwealth, by imposing an additional fee at a rate of 100 percent of the existing rate currently charged by the waste management facility.

The Department of Environmental Quality (DEQ) and the Waste Management Board have primary responsibility for regulation of waste disposal facilities in the Commonwealth. The Board has been given the statutory authority and responsibility to promulgate and enforce regulations related to waste management. DEQ has responsibility for issuing the permits and licenses to waste management facilities and monitoring compliance.

The amount of revenue that would potentially be generated as a result of the provisions of this bill cannot currently be estimated with precision. However, according to information provided by DEQ, such revenues could be significant. Virginia managed 24.4 million tons of waste during 2005, of which approximately 16.3 million tons was land filled and 2.1 million tons was incinerated. This equates to 18.4 million tons that could be subjected to this fee. However, not all of that waste was transported by commercial vehicles. Some of the waste was transported by private citizens to disposal facilities or incinerators, and some was transported by rail. In addition, some waste is disposed free of charge under "host community agreements" and would also not be subjected to the surcharge negotiated by each facility. DEQ estimates the average gate fee (which is established by the facility and would be equal to the surcharge) is \$36 per ton.

The bill requires the Department of Motor Vehicles (DMV) to promulgate regulations that define when, where, and to whom payment of the additional fee will be made, the type of forms to be used when making payment, and the penalties associated with late payments. There would be some cost to DMV associated with the development of regulations to implement the provisions of the bill. However, such costs could be funded from existing resources.

- 9. Specific agency or political subdivisions affected:** Department of Motor Vehicles, Department of Environmental Quality, Department of State Police (weight enforcement officers), all localities that operate a solid waste management facility or that send waste to a solid waste management facility within the Commonwealth.

- 10. Technical amendment necessary:** No.

- 11. Other comments:** There could be some additional costs to private solid waste management facilities associated with implementation of the provisions of the bill. This bill requires the imposition of the additional fee at the first of two sites reached by the commercial vehicle once within the Commonwealth: a state-run weigh station, or the waste facility. Having dual fee collection sites could lead to some confusion as to whether or not the fee has been assessed or paid. It may be difficult for the State Police officers manning weigh stations to determine the fee to be paid, given the absence of a standard disposal rate. It is also unclear who has or should have record keeping and billing responsibilities.

**Date:** 09/22/2006/jlv

**Document:** G:\06-08\FIS\2006 Special Session I\Hb5083.DOC Janet Vogelgesang

cc: Secretary of Transportation  
Secretary of Natural Resources