

[Assembly Bill 1063](#) (Williams)

Date: Introduced

Program: Integrated Waste Management Fee

Sponsors: Californians Against Waste

Public Resources Code 48000

Effective January 1, 2016

Michele Pielsticker (Chief) 916.322.2376

Cindy Wilson (Analyst) 916.445.6036

This analysis only addresses the provisions that impact the Board of Equalization (BOE).

Summary: Increases the integrated waste management (IWM) fee statutory cap from \$1.40 to an unspecified amount per ton.

Purpose: To provide additional funding to the Department of Resources Recycling and Recovery (Cal Recycle) for solid waste regulatory costs.

Fiscal Impact Summary: Unknown due to lack of rate.

Existing Law: An IWM fee is imposed¹ on each disposal facility operator based on the amount, by weight or volumetric equivalent, of all solid waste deposited at each disposal site. CalRecycle establishes the fee at an amount that is sufficient to generate revenues equivalent to the approved budget for that fiscal year, including a prudent reserve, but shall not exceed \$1.40 per ton. The IWM fee is currently set at \$1.40 per ton of solid waste disposed.

The BOE collects the IWM fee and, after payment of refunds and administrative collection costs, deposits the revenue in the Integrated Waste Management Account within the IWM Fund. CalRecycle uses money in the account, upon appropriation by the Legislature, to implement and administer:

- the *California Integrated Waste Management Act of 1989*, and
- the state water board's and regional water board's *Porter-Cologne Water Quality Control Act* at solid waste disposal sites.

The IWM fee increases by \$0.12 per ton for each solid waste landfill operator whose owner notifies CalRecycle that it elects to participate in the State Solid Waste Postclosure and Corrective Action Trust Fund (Trust Fund). Section 48011 authorizes CalRecycle to expend Trust Fund moneys to pay for corrective action and postclosure activities that have not been performed by the solid waste landfill owner or operator.

Proposed Law: This bill increases the IWM fee statutory cap to an unspecified per ton amount. CalRecycle must use any amount over \$1.40 per ton to cover the reasonable solid waste handling and disposal regulatory costs for the performance of:

- Audits,
- Inspections, or
- Administrative enforcement and adjudication.

The bill becomes operative January 1, 2016.

¹ Public Resources Code (PRC) Section 48000

Background: Assembly Bill 939 (Ch. 1095, Stats. 1989) enacted the California Integrated Solid Waste Management Act of 1989. Among other things, AB 939 added Section 48000 to require each operator of a solid waste landfill to pay a quarterly fee, in addition to the solid waste fee, to the BOE based on all solid waste disposed at each disposal site, on or after January 1, 1990. The fee was initially set at \$0.50 per ton of waste disposed during the period of January 1, 1990, through June 30, 1990. For the period July 1, 1990, through June 30, 1991, the fee was set by the California Integrated Waste Management Board² at an amount sufficient to generate revenues equivalent to the approved budget for the 1990-91 fiscal year, including a prudent reserve, but not to exceed \$0.75 per ton.

In 1993, AB 1220 (Ch. 656) consolidated the solid waste fee and the IWM fee into a single IWM fee. The IWM fee was set at \$1.34 per ton for the 1994-95 fiscal year. That bill also provided that commencing with the 1995-96 fiscal year the amount of the fee established by the CIWMB would be an amount sufficient to generate adequate revenues, as specified, but not to exceed \$1.40 per ton.

In 2009, AB 274 (Ch. 318) created the Trust Fund, intended to create a dedicated funding mechanism to protect the General Fund from expenditures resulting from the failure of the owner or operator of a closed solid waste landfill, who was required to maintain evidence of financial ability, to comply with a final order from CalRecycle related to compliance with postclosure and corrective action requirements. Among other things, that bill increased, on and after January 1, 2012, the IWM fee by an additional \$0.12 per ton upon each solid waste landfill operator that elects to participate in the Fund.

In 2010, AB 1004 (Chapter 417) delayed, from January 1, 2012, to July 1, 2012, the \$0.12 per ton IWM fee imposed upon each solid waste landfill operator whose owner elects to participate in the Trust Fund.

In General: Effective July 1, 1994, the IWM fee was set at \$1.34, pursuant to AB 1220. The CIWMB approved a fee increase at its June 2001 board meeting to \$1.40 per ton, the maximum allowed by statute, effective July 1, 2002.

Commentary:

1. **This bill does not increase the IWM fee.** This bill simply increases the IWM fee statutory cap from \$1.40 to an unspecified amount per ton. If this measure were successfully signed into law, any new rate would have to be established by CalRecycle in an “amount sufficient to generate revenues equivalent to the approved budget for that fiscal year, including a prudent reserve.”
2. **BOE staff does not foresee any administrative problems with this bill.** The BOE does not foresee any administrative problems with an IWM fee cap increase.

Administrative Costs: This bill does not increase BOE administrative costs because it only increases the IWM fee statutory cap. However, if CalRecycle changes the IWM fee rate, the BOE costs would include feepayer notification, computer programming, return and publication revisions, increased audit presence, and public inquiry responses. A detailed cost estimate is pending.

² Authority transferred to CalRecycle pursuant to SB 63 (Ch. 21, Stats. 2009).

Revenue Impact: An estimate cannot be prepared since this measure does not specify an IWM fee cap.

However, as a point of reference, the IWM fee revenue from FY 2004-05 to FY 2013-14 at the current \$1.40 per ton fee rate is as follows:

IWM FEE REVENUE		
Fiscal Year From	Fiscal Year To	IMF Fee
2013	2014	\$43,276,000
2012	2013	\$40,911,000
2011	2012	\$40,790,000
2010	2011	\$42,295,000
2009	2010	\$41,910,000
2008	2009	\$48,556,000
2007	2008	\$54,680,000
2006	2007	\$57,609,000
2005	2006	\$61,171,000
2004	2005	\$56,479,000