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S.B. 119
135th General Assembly

Fiscal Note & Local Impact Statement

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Version: As Passed by the Senate

Primary Sponsor: Sen. Reineke

Local Impact Statement Procedure Required: Yes

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Highlights

- The bill maintains total state fees on the transfer or disposal of solid waste (trash and other wastes) at \$4.75/ton, but modifies the distribution of the revenue among various state funds, including one new fund (National Priority List Remedial Support Fund).
- Local boards of health could see an increase of between \$8.6 million and \$34.6 million annually from additional permissive construction and demolition debris (C&DD) fees.
- Local subdivisions paying C&DD disposal fees may see increased expenses when paying waste disposal fees.

Detailed Analysis

The bill generally (1) modifies the distribution of solid waste transfer and disposal fees, (2) permits additional locally collected construction and demolition debris (C&DD) fees, and (3) allows certain counties to unilaterally withdraw from a joint solid waste district.

Solid waste management

State solid waste disposal fee changes

The bill maintains total state fees on the transfer or disposal of solid waste (trash and other wastes) at \$4.75/ton and modifies the distribution of the revenue among state funds as shown in the table below.

Solid Waste Fee Revenue, FY 2022 Compared to Projected Future Revenues by Fund				
Fund	Fee per Ton (Current)	Fee per Ton (S.B. 119)	FY 2022 Revenue	Projected Annual Revenue (S.B. 119)
Hazardous Waste Facility Management Fund (Fund 5030)	\$0.20	\$0.11	\$2,976,000	\$1,642,000
Hazardous Waste Cleanup Fund (Fund 5050)	\$0.70	\$0.60	\$10,447,000	\$8,956,000
Solid Waste Fund (Fund 4K30)	\$0.75	\$0.90	\$11,238,000	\$13,434,000
Environmental Protection Fund (Fund 5BC0)	\$2.85	\$2.81	\$42,507,000	\$41,943,000
Soil and Water Conservation District Assistance Fund (Fund 5BV0)	\$0.25	\$0.25	\$3,696,000	\$3,696,000
National Priority List Remedial Support Fund (new fund)	--	\$0.08	--	\$1,194,000
Total	\$4.75	\$4.75	\$70,864,000	\$70,864,000

As shown in the table above, solid waste fee revenue is distributed between five funds under current law and six funds under the bill including the following new fund:

The National Priority List Remedial Support Fund – to consist of money credited to it from the collection of an \$0.11 per ton fee on the transfer or disposal of solid waste. The bill requires Ohio EPA to use money deposited to the fund for the state’s removal and remedial actions and long-term operation and maintenance costs for actions taken under the federal “Comprehensive Environmental Response, Compensation, and Liability Act” (CERCLA). The bill permits Ohio EPA to use money in the fund to enter into contracts with federal, state, or local government agencies, nonprofit organizations, colleges, and universities to carry out those removal and remedial duties on behalf of the agency.

Solid waste fees – county or joint solid waste management district

The bill authorizes a solid waste management district to use locally collected disposal fees to provide financial assistance to counties, boards of health, municipal corporations, and townships to mitigate the impacts of solid waste facilities to public health, safety, and welfare. Under current law the generating county or district receives an amount equal to the difference between fees assessed on waste generated inside the receiving county or district and fees assessed on waste generated outside of the county or district.

County withdrawal from an SWMD

The bill allows a county that is the locale of solid waste management facilities that collectively paid 75% or more of a joint solid waste management district’s (SWMD) annual

revenue to unilaterally withdraw from that district without the approval of the other counties comprising the joint district. Upon withdrawal, the county becomes a county solid waste management district.

The bill requires (1) the board of county commissioners of the unilaterally withdrawing county to submit a copy of the withdrawal resolution to the board of directors of the joint district and to the Ohio EPA Director, (2) if a nonwithdrawing county objects to the withdrawal, the board of directors of the joint SWMD must conduct a meeting to discuss the objection, and (3) that the withdrawal occur not later than 180 days after the county submits the withdrawal resolution to the board of directors of the joint district and requires the Ohio EPA Director to take all actions necessary to effectuate the withdrawal within that 90-day period. The bill prohibits the Director from requiring the withdrawing county to join a joint district, or regional solid waste management authority, or rejoin the joint district from which it is withdrawing.

The potential fiscal effects for any affected SWMD is difficult to predict, however, at a minimum any affected SWMD would be required to create a new solid waste plan which would increase administrative costs for the district.

Construction and Demolition Debris

The bill permits a county or SWMD to levy a fee on the disposal of C&DD and asbestos or asbestos-containing material at a C&DD or solid waste disposal facility within the district based on where the waste is generated in the same manner that applies to fees levied upon the disposal of solid waste:¹

- For waste generated within the county/district: not less than \$1 per ton and not more than \$2 per ton;
- For waste generated outside the county/district: not less than \$2 per ton and not more than \$4 per ton;
- For waste generated outside of the state: not less than the fee for waste generated within the county/district.

Based on state-level C&DD fee revenue for FY 2022, if all districts charged the per-ton fee on C&DD disposal, between \$8.6 million and \$34.6 million could be generated by this fee annually. According to practitioners, it is also possible that there are districts that would opt to not charge the fees as permitted by the bill.

C&DD fee revenues are required to be used to administer C&DD laws and to abate abandoned C&DD. The bill expands the uses of the fee revenues to additionally include mitigation of the impacts to public health, safety, and welfare of C&DD facilities and solid waste facilities.²

¹ Under continuing law for solid waste disposal fees, any disposal facility that does not use weight to determine the fee shall use a conversion factor of (1) three cubic yards per ton of solid waste or (2) one cubic yard per ton for baled waste, as applicable.

² Under continuing law, local boards of health retain \$0.27 per cubic yard or \$0.54 per ton of the fees associated with the transfer or disposal of C&DD.

Because of the bill's additional permissive C&DD fees, local subdivisions may see increased costs when disposing of their own locally generated C&DD waste. State agencies may also be impacted by these new costs, the extent of which would vary from agency to agency.