

Chairman Schaffer, Vice Chair Landis, Ranking Member Hicks-Hudson, Senator Wilkin and Senator O'Brien, thank you for allowing me to testify in opposition to Sb 119.

My name is Michael Dinneen. I am a member and trustee of the Construction and Demolition Association of Ohio, a former executive board member of the CDRA, an employee of a third generation Ohio waste materials company and a member of the OEPA Materials Management Advisory Council. I share all of this because it gives me a unique perspective on SB 119 before you.

The construction and demolition waste industry in Ohio includes over 60 facilities, primarily operated by Ohio family-owned businesses. We handle your construction and demolition waste or CDD. CDD is the material that comes from your bathroom or kitchen remodel, the deck you remove from your home or the house that your local nonprofit land bank takes down all across Ohio. The resulting material is highly recyclable and the entrepreneurs of our industry are working every day to find responsible outlets for it. CDD operations have many differences from the typical landfill we all think about. I remember a tour that we gave to a local elementary school class, in which one of the parents asked, why doesn't it smell? CDD materials do not produce methane and can operate while producing little to no odor. This is one of many differences that has created the need for a specific Ohio Revised Code chapter dedicated to CDD.

Based upon the testimony I have listened to on SB119, I understand this bill to be instigated by the operation of one solid waste facility in Seneca County. I can only imagine the issues that the residents and neighbors of the Sunny Farms facility have gone through in the past 50 years since the facility started operations. I appreciate the issues that have been presented to the committee by the proponents of SB 119, however the changes proposed by SB 119 will not solve the issues of the constituents.

Ohio does have two sections of code to address waste, ORC section 3714 regulating the operation of construction and demolition debris facilities and ORC section 3734 regulating the solid waste industry, both of which are administered by the OEPA and the local boards of health. The interaction of these codes are complex. The facts of the facility in Seneca county are that it is operated under the rules promulgated under ORC 3734 and is collecting the fees leveed under ORC 3714.

The proposed fee on CDD materials leveed under ORC 3714 is a 341% increase to today's rate. This cost will be borne by the over 11 million citizens of Ohio. Increasing the cost of repairs to your home, increasing the cost of new home construction, and increasing the cost of removing dilapidated homes by the local communities across the state, by millions in new taxes.

The consumer price index is high today, we hear about it in the news every day. The only reason that the CPI is not even higher is because some things, like these Ohio fees have not been increased. The entire waste industry is already reeling from wage inflation, equipment inflation, inflation in the cost of compliance and much more. I personally have seen a waste contract increase twice in the last 12 months. The proposed increases of SB 119 will add a third increase to an already costly year in the world of waste. In a period of already high inflation, I do not believe additional unnecessary costs should be piled on.

The fees the CDD industry collect in particular, pay for activities needed by the State of Ohio. The recipients of those fees include the Ohio EPA, the local boards of health, the local communities, the Ohio EPA's recycling and litter prevention grants program and the Ohio Soil and Water Conservation Districts across the state. None of these entities have presented proponent testimony asking for additional funding, except for Seneca County. Some of these entities even have significant unspent fund balances sitting and waiting for the authority to spend. Furthermore, the proposed state budget has not asked for any additional funds for any of these entities. While I believe that these entities would welcome the additional funding, many of them would have to initiate new programs to be able to spend the 341% raise that is proposed in SB 119 or would remain in a restricted holding account, unspent.

Proponents of SB 119 have shared that the Seneca County Board of Health does not have the funding to regulate the facility in question. However, the Seneca County Board of Health is the recipient of an estimated \$680,000 in 2022 from Sunny Farms and to the best of my knowledge the Seneca County Board of Health has over \$2,800,000.00 in a restricted account for the purpose of oversight and inspection of facilities and the rules of the CDD industry, ORC 3714. Please remember that the Seneca County facility we are attempting to help is operating under ORC 3734. This fund has grown from over \$2,100,000.00 based on the Board's 2021 audited financials. I am told that this fund is growing because it is restricted by the ORC 3714 code to use for facilities licensed by ORC 3714. However, SB 119 does not correct the code and would simply add more funds to a restricted account with no authority to spend them to regulate the Sunny Farms facility.

The attempt by SB 119 to affect out-of-state waste is understood. While I will not take a position on the appropriateness of importing waste for disposal to Ohio, some facts remain. Ohio is still within a short drive to a large percentage of population of the United States, especially the northeast, our labor pool and cost of living is still much lower than that of other states, and we have an amazing transportation infrastructure. SB 119 will not change these things and based on my research will not be overcome by the new taxes included in SB 119.

The fact still remains, the majority of the CDD facilities in the state of Ohio do not accept out of state waste.

The fact still remains, the majority of waste disposed of in Ohio is generated in Ohio.

According to OEPA data out of state waste being disposed of in Ohio is about 25%. That means that Ohioans will pay 75% of the proposed increase which in my professional opinion, will not affect the flow of waste coming into Ohio disposal facilities from out of state. Accordingly, Ohio's 75% of the increased fees proposed by SB 119 will cost the state of Ohio citizens well over \$100,000,000.00 in additional fees levied by ORC 3714 and ORC 3734, based on OEPA 2021 and 2022 disposal data. I refuse to believe that the solution to the issues presented by the proponents of SB 119 cannot be solved for much less than \$100,000,000.00 in additional taxes on Ohio citizens.

If the goal of SB 119 is to apply appropriate funding to the oversight of the facility in Seneca County, it would be my opinion that this bill will not accomplish the goal. If the goal of SB 119 is to affect the flow

of out of state waste into the State of Ohio, it would be my opinion that this bill will not accomplish the goal.

Thank you for your time and consideration.