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# Budget Briefs

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## RECYCLING

The biennial state budget act (2001 Wisconsin Act 16), passed by the legislature and signed by Governor Scott McCallum on August 30, 2001, includes a substantial increase in the “tipping” (dumping) fee that supports recycling grants across the state. The state recycling fee, which is assessed on most solid waste disposed in landfills, will rise to \$3 per ton (up from 30 cents per ton), beginning January 1, 2002.

### BACKGROUND

In the late 1980s, federal regulations regarding the construction of solid waste disposal facilities significantly reduced the state’s available landfill capacity at a time when residents and businesses were generating increasing amounts of trash. The demand for landfill space, coupled with concerns over environmental degradation and the depletion of natural resources led to passage of 1989 Wisconsin Act 335, which created Wisconsin’s current recycling laws in Chapter 287, Wisconsin Statutes. The new law prohibited the dumping of most recyclable materials in local landfills and required local governments to operate recycling programs.

The legislature has also attempted on several occasions to reduce the volume of out-of-state waste being deposited in Wisconsin by requiring communities in other states to comply with Wisconsin’s recycling rules. However, these laws were invalidated by federal courts in August 1995 and January 1999 on the grounds that they constituted unconstitutional interference with interstate commerce.

### MATERIALS BANNED FROM LANDFILLS

Wisconsin’s recycling requirements were phased in, beginning January 1991, with a ban on lead acid (motor vehicle) batteries, major appliances, and waste oil from landfills. This was followed by bans on yard waste in January 1993 and most other recyclables in January 1995. In addition, the state phased in requirements regarding reduction of toxic substances in packaging materials and mandates on the labeling and recycled material content of plastic bottles. State law also provided that municipalities must provide, and retailers must provide or direct purchasers to, collection points for the recycling of automotive engine oil and other petroleum products.

Currently, the following materials generally may not be deposited in a solid waste disposal facility: aluminum cans, cardboard or corrugated paper boxes, foam polystyrene packaging, glass containers, magazines, newspapers or other publications printed on newsprint, office paper, plastic containers, steel cans and containers, tires, and bimetal cans made of a combination of steel and aluminum.

Newspaper publishers must meet a gradually escalating target for the volume of recycled content in newsprint, reaching 40% in 2003, or pay a fee to the state.

### MUNICIPAL RECYCLING PROGRAMS

Local governments, including cities, villages, towns, and Indian tribes, that implement recycling are known as “responsible units”. Currently, almost 1,100 such units operate recycling programs, which are funded through state grants, user fees, and property taxes. County

boards may designate the entire county as the responsible unit, although individual municipalities may opt out of the county system.

Responsible units may choose to operate separate recycling programs, using either municipal or contracted employees, or they may conduct joint recycling efforts with other units. Some units require residents to contract privately for their own waste hauling and recycling.

To be eligible for a state grant, a responsible unit must operate an "effective recycling program" that requires single-family residences; buildings containing multiple dwelling units; and commercial, retail, industrial, and government facilities to separate recyclable materials from other waste. The unit must have a system for collecting, processing, and marketing the separated materials, along with adequate enforcement of pertinent ordinances and a public education program. A responsible unit that does not conduct an effective recycling program, as defined by state law, may be denied access to landfills and is ineligible for state financial assistance.

The Department of Natural Resources is authorized to cite violators of solid waste laws, including individuals who dump prohibited materials in landfills. Municipalities may also impose their own forfeitures for these offences, ranging from \$50 for a first offense to not more than \$2,000 for a third or subsequent violation.

## **STATE FINANCIAL ASSISTANCE TO RECYCLING PROGRAMS**

**State Grants to Local Recycling Units.** The state supports local recycling efforts through grants financed by surcharges on certain businesses and "tipping" fees imposed on all solid waste, other than high-volume industrial waste, disposed of in licensed landfills. In 2000, grants totaling \$24.4 million were awarded to 999 units. (Act 16 continues the grants at the level of \$49 million for the 2001-03 biennium.)

The recycling surcharge, which applies to businesses with gross receipts over \$4 million, continues at the rate of 3% of gross tax liability for corporations and 0.2% of net business income for partnerships and other types of businesses.

Act 16 increases the recycling tipping fee from 30 cents to \$3 per ton, beginning January 1, 2002, with the two-fold purpose of increasing the funding available for recycling grants and stemming the flow of out-of-state waste into Wisconsin's landfills. With the increase in the state recycling fee to \$3-per-ton, the average total tipping fee at Wisconsin landfills will be \$41 per ton. Comparable fees at landfills in the states that border Wisconsin are: Illinois - \$44, Michigan - \$63, and Minnesota - \$54.

**New Efficiency Incentive Grants and Pilot Program.** Act 16 creates a new \$1.9 million Recycling Efficiency Incentive Grant Program in fiscal year 2002-03, which will provide additional grants to eligible units. The Department of Natural Resources will set the standards and operating procedures for the program. Act 16 also creates a pilot program that would offer nine responsible units of various sizes an alternative method of complying with landfill bans that became effective in 1995.