

North Carolina Disposal Tax: Opportunities to Grow Recycling



Investing in Recycling

- Using disposal tax proceeds for recycling:
 - will help avoid other costs and
 - make your recycling program more cost efficient
- Disposal tax proceeds can allow **addition of services** “normal budget” has not allowed.
- Disposal tax proceeds can help **modernize existing services**.
- Disposal tax proceeds can be used to afford **match for DPPEA grants**.



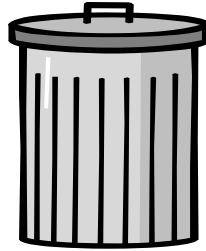
Conditions Ripe for Recycling Success

1. Global and domestic demand for recycled materials growing.
2. MRF capacity expanding and additional materials now recyclable.
3. Increased opportunities for collection efficiency (especially through commingling).
4. Local governments across the state demonstrating easily copied examples of recycling excellence.
5. Rising disposal costs offer increasing incentives for cost avoidance.
6. Legislation is encouraging greater material recovery.
7. More funding is now available in disposal tax revenues and grants.



Ratios are Shifting...

1980s:

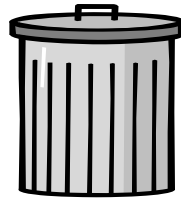


Garbage: 100%



Recycling 0%

1990s:

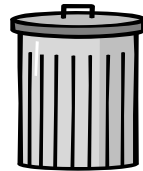


Garbage: 80%



Recycling 20%

2000s:



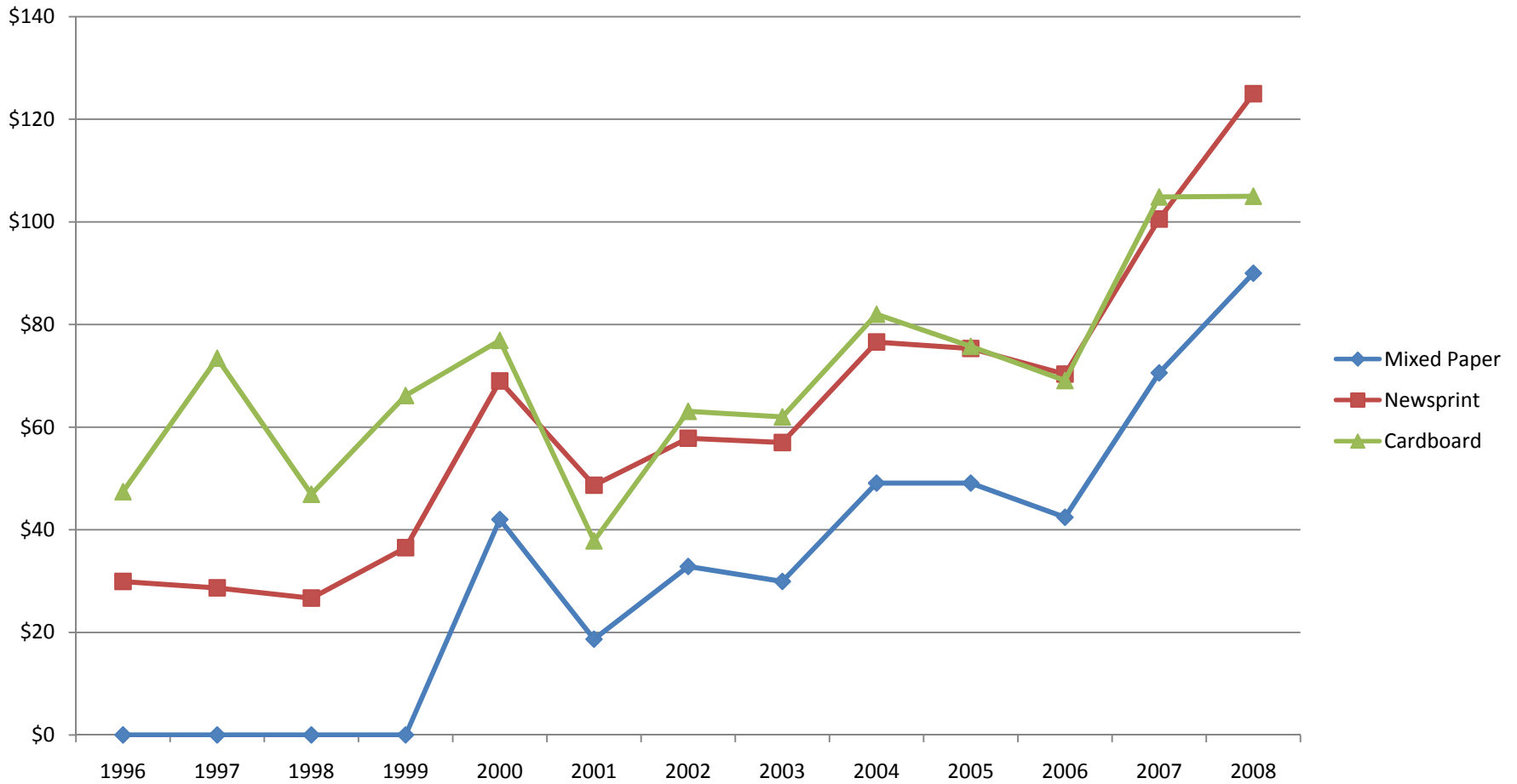
Garbage: 60%



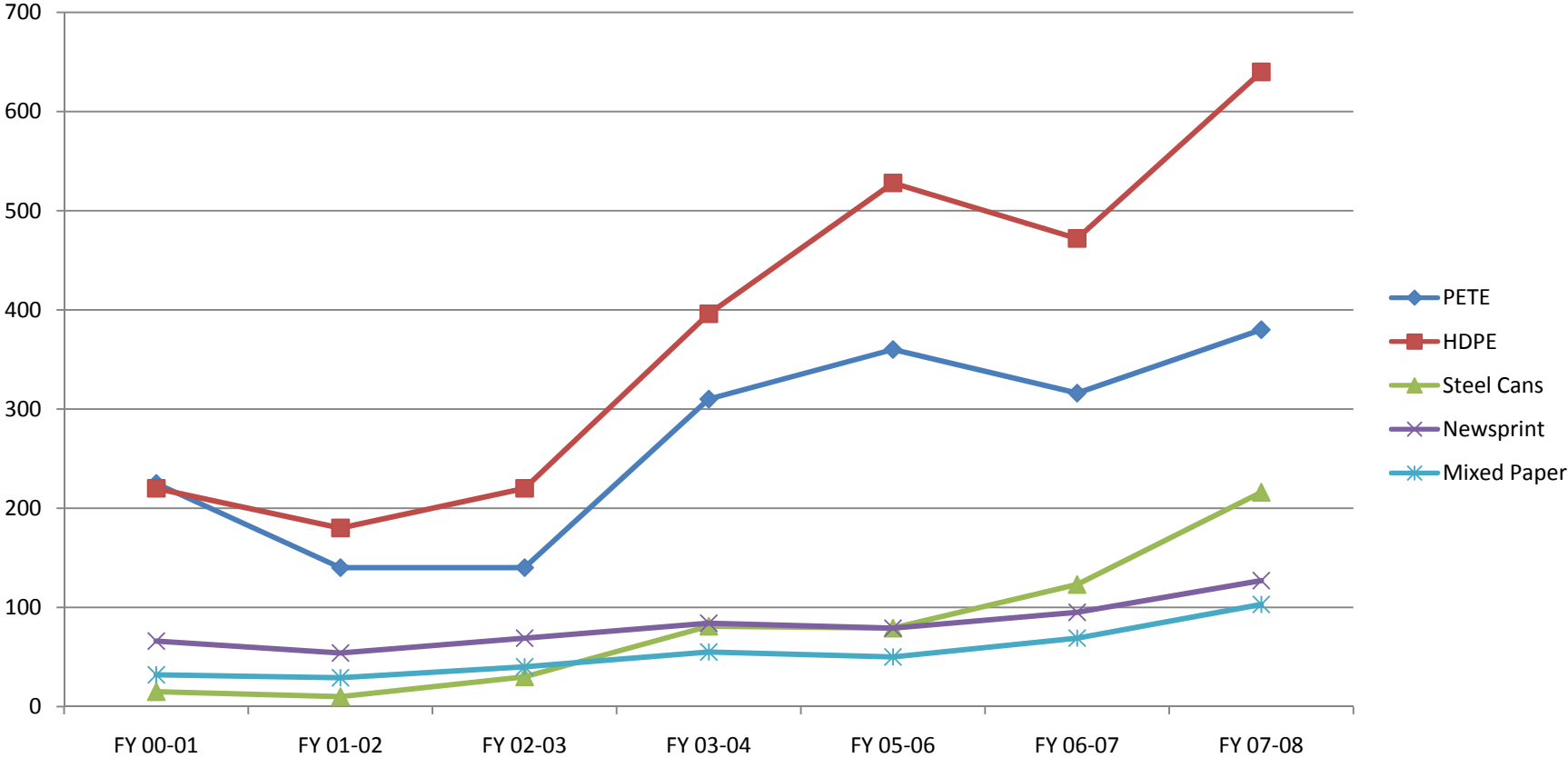
Recycling 40%



Official Board Market (Yellow Sheet) Mill Pricing for Mixed Paper, Newsprint, and Corrugated.

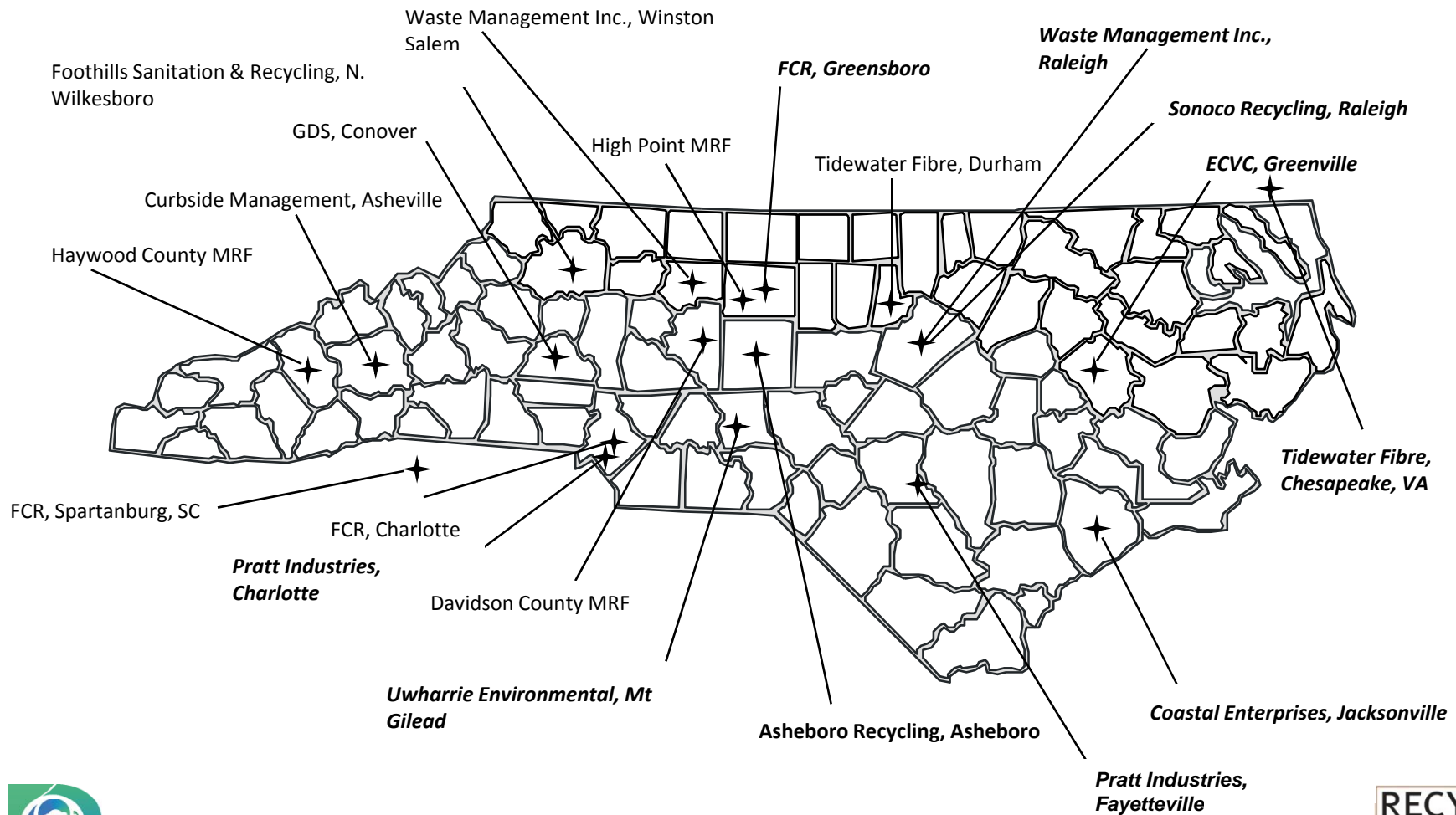


Per Ton Prices Received by NC MRFs for Select Residential Commodities

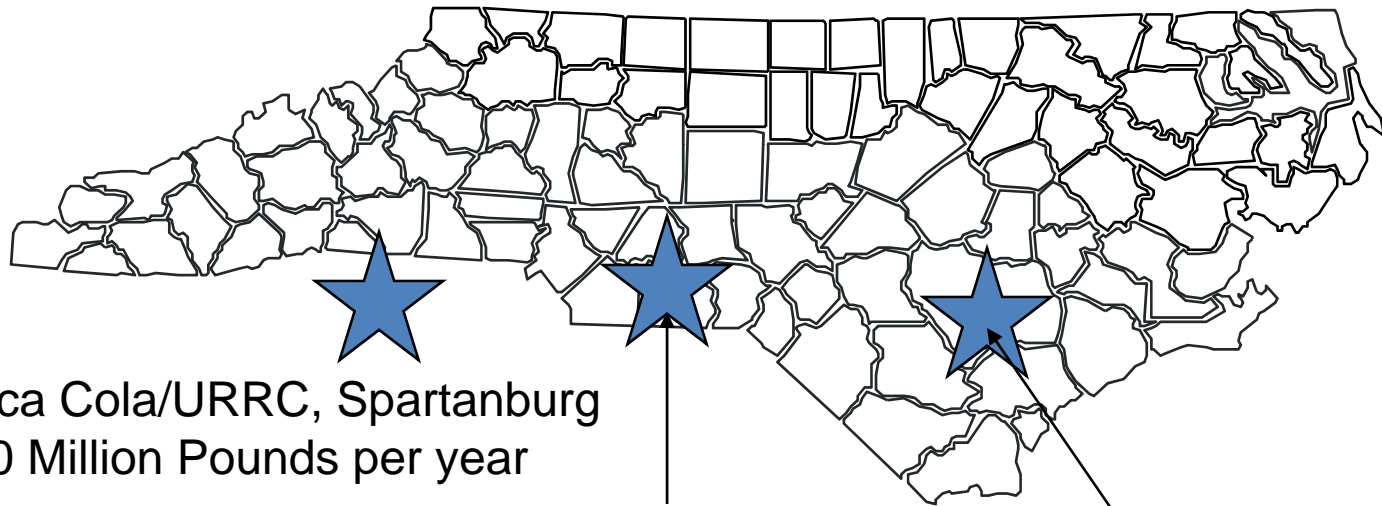


MRFs Serving North Carolina

(single stream facilities **bolded**)



Nearby PETE End-Use Demand 564 Million Lbs/Year (282,000 Tons)



Coca Cola/URRC, Spartanburg
130 Million Pounds per year

Mohawk Carpet, Dalton GA
250 Million Pounds per year

New Capacity
84 Million Lbs per year

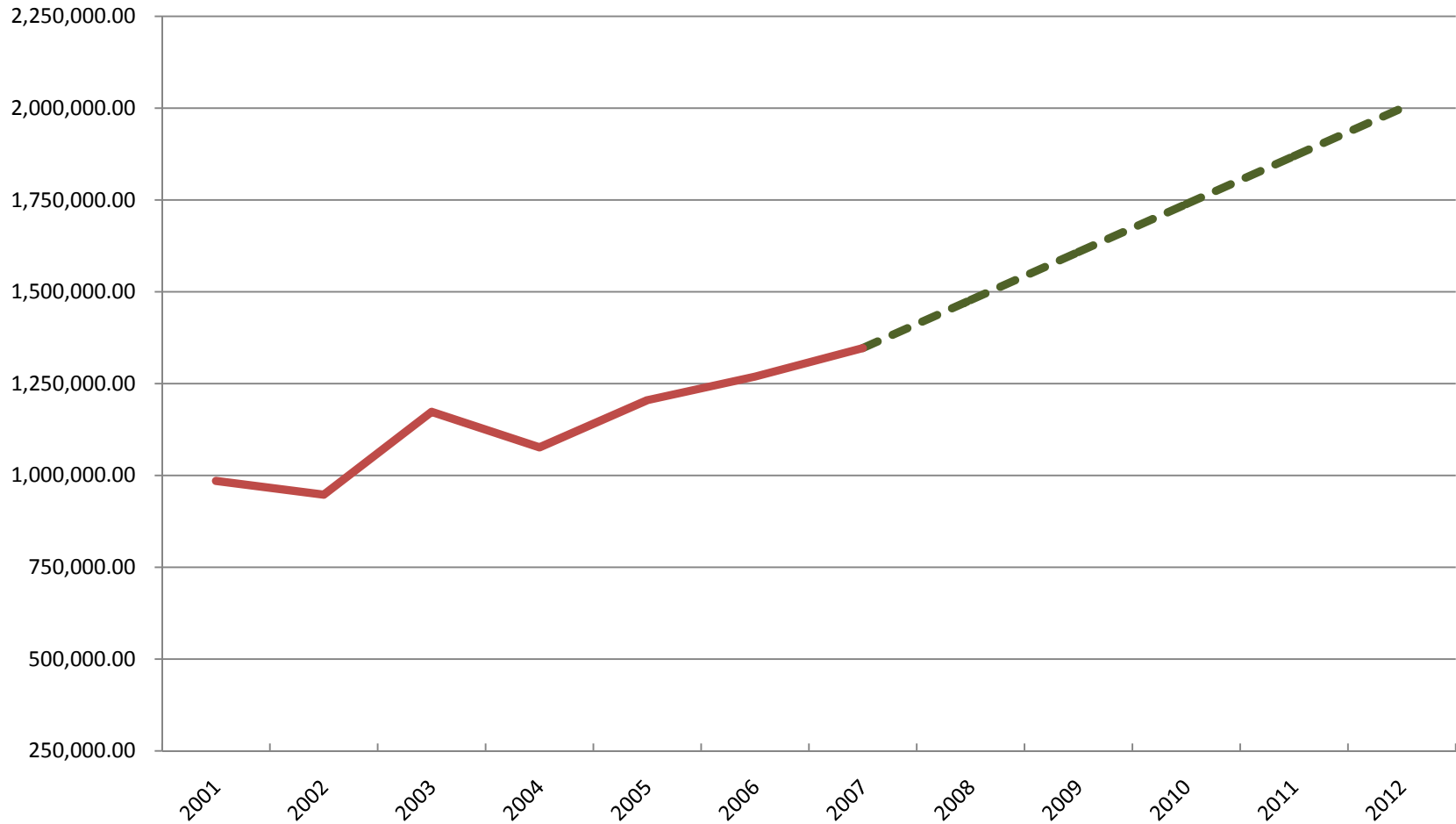
New Capacity
100 Million Lbs per year



NC Disposing of 70,000 Tons/Year of PETE – worth \$21 million in market value.

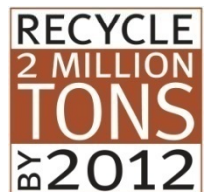


Reaching 2 Million by 2012



Upcoming Disposal Bans

- Pallets – Oct 1, 2009
 - Pallets generated as C&D may go into CDLFs
- Rigid Plastic Bottles – October 1, 2009
 - Specifically excludes motor oil bottles
- Used Motor Oil Filters – Oct 1, 2009
- Televisions – Jan 1, 2011
- Computer Equipment – Jan 1, 2012



Examples of Program Additions

- More drop-off centers
- Expand residential materials (e.g. mixed paper)
- School recycling
- Government operations recycling
- Enhanced metal recycling
- Oil filters
- Pallet drop-off collection
- Electronics collection
- New commodities: wallboard, carpet, textiles, etc.
- Swap shops
- HHW events or centers
- New education and promotion efforts



Electronics

- Disposal tax proceeds may cover all or most of a collection event.
- Permanent drop-off centers also feasible – combine your dollars with a grant request.
- New state contract will include payment for some materials.
- Cost of TV recycling can be covered through pay-to-recycle approach.



Easy Program Addition: Oil Filters

- 126 local governments collect oil but only 32 collect filters.
- All oil recycling vendors can recycle filters.
- A low cost way to provide additional services to the public.
- Plenty of good examples of public collection programs – call DPPEA for peer contacts.
- Make sure your local fleets are in compliance, including local government, schools, etc.



Calculating Your Community's Disposal Tax Proceeds

- Two distributions expected in FY 08-09:
- Municipal and Counties to receive 37.5% of total disposal tax revenues, after Dept of Revenue cut (\$225,000) and payouts to landfill developers.
- 37.5% split evenly between municipalities and counties.
- Revenues to specific municipalities and counties based on per capita share



Revenue Estimates

- Estimated Revenue for Municipalities:
 - For FY 08-09, approximately \$.38 per capita
 - For FY 09-10, approximately \$.89 per capita
- Estimated Revenue for Counties:
 - For FY 08-09, approximately \$.46 per capita
 - For FY 09-10, approximately \$1.07 per capita
- Final figures depend on how much waste is actually disposed and settlements with landfill developers.
- Consider regionalizing funds to leverage program improvements





Office of State Budget and Management

Balancing Needs - Improving Government

- HOME**
- BUDGET
- MANAGEMENT
- FACTS AND FIGURES
- ECONOMIC ANALYSIS
- OSBM LIBRARY
- ABOUT OSBM

Highlights for Citizens

- + Budget Information
- + Socioeconomic Data
- Grants - CRIS
- News
- Events



- Socioeconomic Data >>>
- Budget and Management Data >>>
- Performance Data >>>
- Data Websites by Topic
- Other Statistical Resources
- About Facts and Figures

- Population Estimates and Projections >>>
- LIIC (Log into IIC)
- Census and Survey Data
- Census Lookup
- State Comparisons
- Statistical Publications
- State Demography
- State Data Center >>>
- Data Websites by Topic

- State Highlights
- County Estimates
- Municipal Estimates
- Census 2000 - Demograph
- County Projections
- Directory
- is
- Demography
- Data Center

Resources for State Agencies

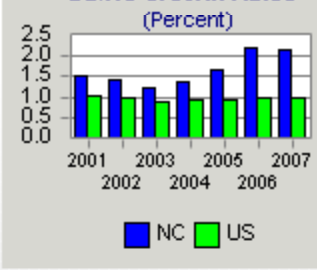
- Budget Publications
- Memorandums
- Forms
- + Budget Systems
- Budget Schedule
- Services for State Agencies
- Management Services
- Regulatory Analysis
- + Results-Based Budgeting
- Internal Audits
- Disaster Recovery
- Data Websites by Topic
- News
- Events

Recent Releases

- NC Financial and Population Quarterly Report, July 2008**
- 2009-2011 Budget Instructions**
- North Carolina State Government Fee Report**

Events and Training

- 9/10/2008**
NC Council of Internal Audit Meeting, September 10, 2008 Meeting Agenda
- 6/18/2008**
Annual State Data Center Meeting, June 18, 2008
- 10/15/2008**
Register for the Annual State Budget Conference, Wed., Oct. 15, 2008, McKimmon Center, Raleigh



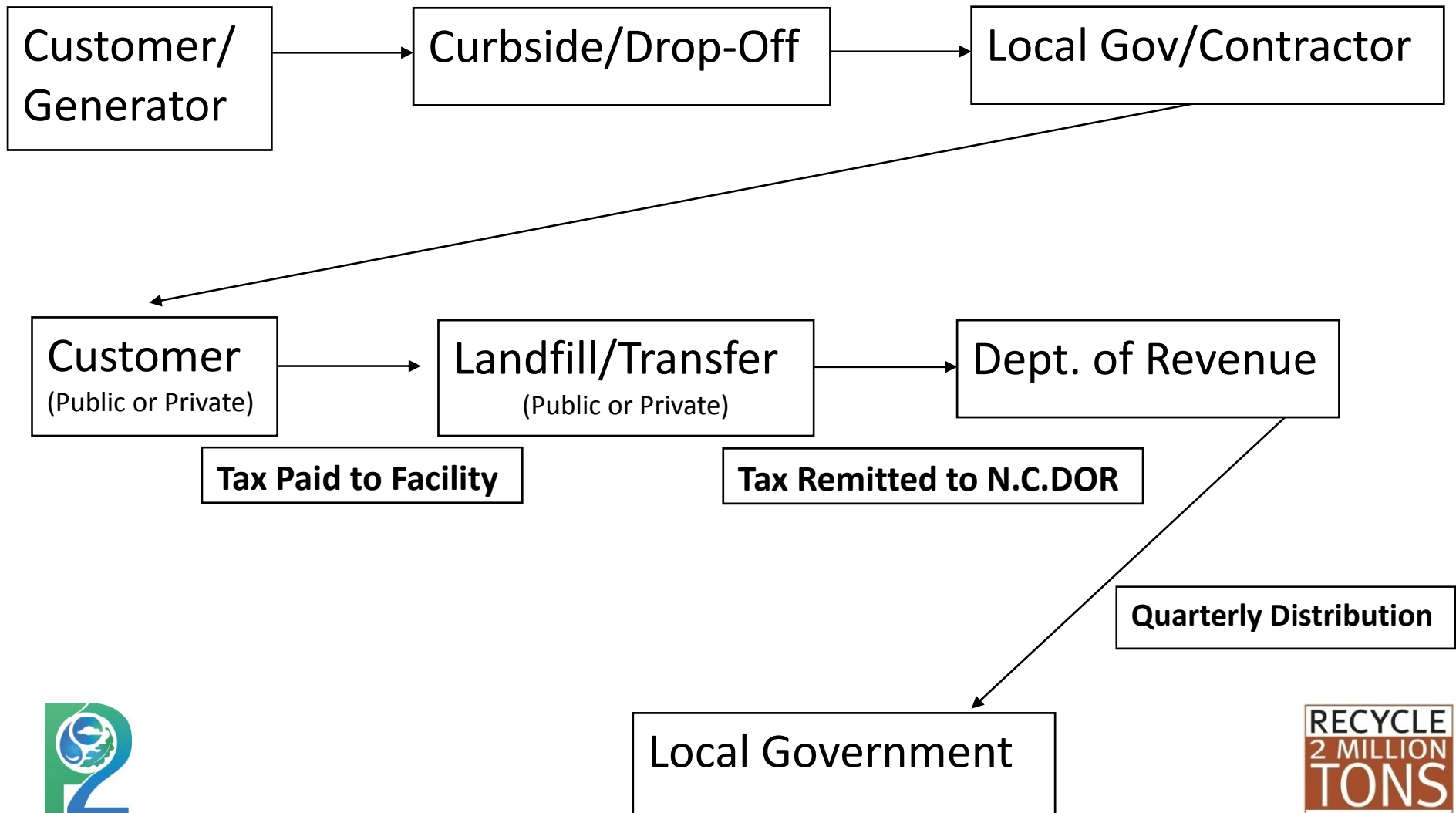
NC Population Clock

9,283,175

US/NC Hispanic Pop (Pct of Total)

16

Typical Scenario



Why Invest in Diversion

- Most Program Costs are Fixed Costs
 - Primarily collection costs
 - Very little change with increased diversion
 - Changes will likely balance out
 - Higher the volume the lower the cost per ton
- Avoided cost is powerful
 - Much greater upside potential than from using proceeds to pay for tax
 - 1:1 versus 18:1



Municipal Example

- Disposed: 15,588
- Recycled: 2,618
- Total Managed: 18,206
- Households Served: 17,590
- Population: 49,343

- Tax Paid: \$31,176.00
- Revenues (\$0.90): \$44,408.70



Municipal Example

- Scenario 1
 - Disposal: \$561,168.00
 - Taxes: \$ 31,176.00
 - Revenue:\$ (44,408.70)

- Scenario 2 - \$10K used for education and bins
 - 15% increase in recovery (392.70 additional tons)
 - Disposal: \$547,030.80
 - Taxes: \$ 30,390.60
 - Revenue:\$ (34,408.70)



• Net Cost: \$547,935.30

- Net Cost: \$543,012.70



County Example

- Population: 55,667
 - Unincorporated: 35,327
- Disposal: 8,587.00
- Recycling: 507.22
- Households: 18,000
- Tax Paid: \$17,174.00
- Reimbursement (\$0.90): \$31,794.30
- Difference: \$14,620.30
- Transfer to regional landfill



Key Focus Areas

- Increase Participation
 - Using Education and Outreach
 - Incentives
- Convenience
 - Increase commingling at Drop-off Sites
 - Increased Volume Should Outweigh Decreased Revenues
 - Potential Savings in Hauling and Containers
 - Automatically provide recycling containers for new customers



Key Focus Areas

- Increase Material Mix
 - Collect a broader range of materials
 - Mixed paper, all bottles #1-#7, etc.
 - Avoided cost should outweigh any increased contract costs
- Modernize Collection System
 - Move from bins to carts
 - Potential large volume increase (50% or better)
 - Longer-term savings in collection efficiency



DPPEA Grant Rounds

- DPPEA will hold at least two rounds for local government.
 - CWRAR Grant Round
 - Recycling Carts Grant Round
- Available funding will increase.
 - Currently \$300,000 to \$500,000 per year.
 - Will increase to \$1 million to \$2 million over the next two years.
- Manufactured Homes Bill may impact amount available.



Community Waste Reduction and Recycling Grants

- Important Dates:
 - RFP – November 2008
 - Proposals Due – February 2009
 - Contracts Start – July 1, 2009
- Cash Match – 20%
 - Tip Fee Revenues may be used
- Max Award – TBD but will increase from \$25,000



Recycling Carts Grant Round

- Must be used to purchase roll out carts for recycling.
- Important Dates:
 - RFP – Spring 2009
 - Proposals Due – Open/Ongoing
 - Contract Start Date – Within 90 days of receiving proposal
- Cash Match – 20%
- Max Award - \$100,000



Recycling Networking Meetings

- Morning Networking Meetings and Optional Afternoon Tours.
- Nov 17 – Wilmington
- Dec 3 – Statesville
- Dec 4 – Waynesville
- Dec 9 – Reidsville
- Dec 11 – Wilson
- Dec 16 – Fayetteville

