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S.B. 147
136th General Assembly

Fiscal Note & Local Impact Statement

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Version: As Reported by House Community Revitalization

Primary Sponsor: Sen. Reineke

Local Impact Statement Procedure Required: No

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Highlights

- The solid waste management district or health district serving Seneca County could see an increase in revenue of up to \$926,000 in the first year after the bill's effective date, up to \$1.9 million in the second year, and up to \$2.6 million in each subsequent year from additional permissive construction and demolition debris (C&DD) fees.
- The Ohio Environmental Protection Agency could see an increase of up to \$309,000 in the first year after the bill's effective date, up to \$617,000 in the second year, and up to \$882,000 in each subsequent year with 50% deposited to the Environmental Protection Fund (Fund 5BC0) and 50% deposited to the Waste Management Fund (Fund 4K30) 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 if those fees are increased by the county or joint solid waste management district.

Detailed Analysis

The bill permits additional locally collected construction and demolition debris (C&DD) fees and establishes a process for counties to unilaterally withdraw from a joint solid waste district.

County withdrawal from an SWMD

The bill creates a process for a county to unilaterally withdraw from a joint solid waste management district (SWMD) without the approval of the other counties comprising the joint district as required under current law.

Under the bill, to withdraw from a joint SWMD:

1. A county must adopt a resolution declaring that the county will unilaterally withdraw from the joint SWMD and provide notice to the joint SWMD's board of directors who are then required to deliver written notice of the proposed withdrawal to the boards of county commissioners of the other counties forming the joint SWMD and to the Ohio Environmental Protection Agency (Ohio EPA) Director;
2. Within 45 days of notification, the members of the joint SWMD are required to enter into a memorandum of understanding (MOU) for the operation of the district for a two-year period at the end of which, the withdrawing county will no longer be a member;
3. If members do not agree on an MOU, the withdrawing county is required to request a hearing in the court of common pleas of an adjacent county to decide the terms on the MOU on behalf of the counties in the joint SWMD. The court is required to issue an order detailing the terms of the MOU within 90 days.

The MOU may be extended beyond the two-year period, otherwise at the expiration of the MOU, the withdrawing county is severed from the joint SWMD. The bill requires a joint SWMD's board of directors to take all actions necessary to divide the SWMD's funds on hand, credits, and real and personal property on any equitable basis between the SWMD and the withdrawing county, effective upon the expiration date of the MOU. The bill allows counties that are party to an MOU, or a court acting on their behalf, to allocate funding for the solid waste management planning process for each newly formed SWMD resulting from the withdrawal.

In cases where the joint SWMD is managed by a board of trustees of a regional solid waste management authority that is operating under an agreement which governs the withdrawal of a county from the joint district, the county is required to withdraw from the SWMD pursuant to that agreement. If the agreement does not govern the withdrawal, the county may pursue withdrawal as described above, but is first required to adopt a proposal to withdraw, deliver notice to the legislative authority of each municipal corporation and township under the jurisdiction of the SWMD, and obtain approval for the withdrawal from (1) the municipal corporation with the largest population in each member county, and (2) a combination of municipal corporations and townships comprising at least 60% of the total SWMD population.

The bill prohibits the Ohio EPA 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. The potential fiscal effects on any court of common pleas to oversee the initial MOU process or MOU extension for a joint MOU is likely minimal relative to the overall operation of the court and can be assumed with currently appropriated staff and resources.

Construction and demolition debris

The bill permits an 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 located within a county with a population between 53,000 and 58,000 based on where the waste is generated in the same

manner that applies to fees levied upon the disposal of solid waste.¹ Fee revenue is phased in over three years and split between Ohio EPA (25%) and either the SWMD or the applicable board of health (75%).²

- In the first year following enactment of the bill:
 - For waste generated within the county/district or out of state: not less than 35¢ per ton and not more than 70¢ per ton;
 - For waste generated outside the county/district (but in state): not less than 70¢ per ton and not more than \$1.40 per ton.
- In the second year following enactment of the bill:
 - For waste generated within the county/district or out of state: not less than 70¢ per ton and not more than \$1.40 per ton;
 - For waste generated outside the county/district (but in state): not less than \$1.40 per ton and not more than \$2.80 per ton.
- In the third year following enactment of the bill and each subsequent year:
 - For waste generated within the county/district or out of state: not less than \$1 per ton and not more than \$2 per ton;
 - For waste generated outside the county/district (but in state): not less than \$2 per ton and not more than \$4 per ton.

Based on the 2020 Decennial Census, the only county in Ohio which meets the bill's population requirement is Seneca County. Table one below shows the amount of C&DD disposed in Seneca County in 2024 by source. Based on the amount of C&DD disposed in 2024, up to \$1.2 million could be collected in fee revenue in the first year following the effective date of the bill, up to \$2.5 million in year two, and up to \$3.5 million in subsequent years.

Table 1. C&DD Disposed in Seneca County by Type, 2024	
Source of C&DD	Tons
Out of State:	1,752,677
In State:	10,226
In District	9,626
Out of District	600
Total	1,762,943

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 The bill allows the SWMD to either forward 75% of the fees to the board of health of the health district in which the applicable C&DD facility is located or to keep them for the SWMD's purposes.

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.³

Fee revenue earned by Ohio EPA is required to be deposited in the following manner:

- 50% deposited in the Environmental Protection Fund (Fund 5BC0), and
- 50% deposited in the Waste Management Fund (Fund 4K30).

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.

Solid waste fees – county or joint solid waste management district

Of the 75% portion of the fee collected by the SWMD, the bill permits the SWMD to either forward the fees to the board of health (BOH) of the health district in which the applicable C&DD facility is located or to keep them for the SWMD's purposes. The bill authorizes a solid waste management district to use locally collected disposal fees to provide financial assistance to counties, BOH, 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.

Table 2. Potential Future C&DD Fee Revenue, Seneca County

Type of waste	Year 1	Year 2	Year 3
In County and Out of State (based on 1,762,304 tons)	<i>[35¢ to 70¢ per ton]</i>	<i>[70¢ to \$1.40 per ton]</i>	<i>[\$1.40 to \$2.80 per ton]</i>
	\$616,806 to \$1,233,612	\$1,233,612 to \$2,467,224	\$1,762,303 to \$3,524,606
Outside County, but In State (based on 600 tons)	<i>[70¢ to \$1.40 per ton]</i>	<i>[\$1.40 to \$2.80 per ton]</i>	<i>[\$2.00 to \$4.00 per ton]</i>
	\$420 to \$840	\$840 to \$1,680	\$1,200 to \$2,400
Total	\$617,226 to \$1,234,452	\$1,234,452 to \$2,468,904	\$1,763,503 to \$3,527,006
Revenue Split			
EPA (25%)*	\$154,307 to \$308,613	\$308,613 to \$617,226	\$440,876 to \$881,752
SWMD or BOH (75%)	\$462,920 to \$925,839	\$925,839 to \$1,851,678	\$1,322,627 to \$2,645,255

*50% of these amounts to be deposited into the Environmental Protection Fund (Fund 5BC0), and 50% deposited in the Waste Management Fund (Fund 4K30)

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³ Under continuing law, local boards of health retain 27¢ per cubic yard or 54¢ per ton of the fees associated with the transfer or disposal of C&DD.