



# New Mexico Recycling Coalition



Transforming the Economics  
of  
Recycling in New Mexico





New Mexico Recycling Coalition  
*Transforming the Economics of Recycling in New Mexico*

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The NMRC is a non-profit organization with 150 members representing private businesses, federal and state agencies, cities and counties, non-profit organizations, trade associations, Native American tribes, educational institutions, and individuals. It is the mission of the NMRC is to improve the quality of recycling in New Mexico.

For more information contact:

Nancy Judd  
New Mexico Recycling Coalition  
PO Box 16123  
Santa Fe, NM 87592  
Ph: (505) 983 4470  
Fax: (505) 955 0422  
[info@nmrecycle.org](mailto:info@nmrecycle.org)



Report prepared and produced by:

Libby Chaplin  
Environmental Health Associates Inc.  
PO Box 31597  
Santa Fe, NM 87594-1597  
Ph: (505) 660 1230  
Ph: (505) 988 1694  
[lchaplin@eha-inc.com](mailto:lchaplin@eha-inc.com)



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# 1. Transforming the Economics of Recycling in New Mexico

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Recent studies indicate that the recycling sector is a major contributor to the US economy having generated 1.1 million direct and 1.4 million indirect jobs, 236 billion dollars in annual revenues and accounting for 2.7% to the Gross Domestic Product (GDP)<sup>1</sup>. (Note: endnotes can be found at the end of this document).

The New Mexico Recycling Coalition (NMRC) believes that much can be done to transform the economics of recycling in New Mexico and is committed to ensuring action is taken to capitalize on these opportunities to the benefit of the state.

The NMRC has undertaken internal strategic planning and enlisted the support of the recycling sector at a recent workshop “*Transforming the Economics of Recycling in New Mexico*” (see Appendix 1 Workshop Invitation). The workshop received considerable support including significant industry sponsorship and participation of 74 delegates on the day (see Appendix 2 Workshop Delegates).

The aim of the workshop was to clarify objectives and identify priority instruments that could be used to achieve those objectives (see Appendix 3 Workshop Agenda). Feedback provided by workshop delegates was extremely positive and is summarized in Appendix 4.

This report outlines the results of both NMRC strategic planning and the outcomes of the workshop. It also includes a recommendation that the Governor establishes and supports a task force to investigate possible instruments and make a recommendation to the legislature.

## 1.1 How does New Mexico Rate?

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The New Mexico Environment Department reported that 290,427 tons of municipal solid waste was diverted, constituting a diversion rate of 9.7% from the waste stream<sup>2</sup>. Given that the national recycling rate is 29.7%<sup>3</sup>, the potential for increased diversion and associated economic activity is significant.

## 1.2 What do we want to achieve?

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The NMRC and the delegates at the workshop believe that transforming the economics of recycling can support the achievement of the following objectives:

- ◆ facilitate market development for recycled materials;
- ◆ increase the amount of material being recycled in New Mexico;
- ◆ expand recycling opportunities available to New Mexicans;
- ◆ improve the quality and availability of infrastructure to collect and process recycled material;
- ◆ facilitate economic development opportunities in the recycling sector (and others) in New Mexico; and
- ◆ ensure that the State Government leads by example in implementing waste reduction and green purchasing.



### 1.3 Benefits of waste reduction and recycling

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Increasing waste reduction and recycling will deliver a range of benefits including, but not limited to:

- ◆ creating regional and metropolitan employment;
- ◆ preventing the loss of revenue to the states who have markets for recycled materials;
- ◆ reducing the expense to communities and the state for developing, operating, closing landfills;
- ◆ reducing greenhouse gases;
- ◆ reducing the difficulties in siting landfills;
- ◆ protecting water resources;
- ◆ reducing pollution;
- ◆ increasing the efficiency of resources used in this state; and
- ◆ facilitating a healthy local tax base.

### 1.4 Growing opportunities in New Mexico

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Much can be done to transform existing waste streams into revenue generating commodities by creating new markets that do not currently exist in New Mexico. There is a unique opportunity to leverage existing state-of-the-art research capabilities and human resources for the creation of low and high-tech jobs in these new markets.

The research and development capacity in New Mexico universities and scientific laboratories offer a compelling case for fostering innovation and technology transfer. The potential for advances in collection, processing, materials science, reclamation of basic and complex chemical constituents and manufacturing would establish New Mexico as a leader in recycling and resource recovery.

By forging strong partnerships between government agencies, communities and research institutions such as universities and scientific laboratories, there is real opportunity to:

- ◆ increase investment in the manufacturing sector;
- ◆ expand community-based industries such as family owned timber mills, and construction and demolition recovery operations, local manufacture of recycled products, soil remediation, water conservation and landscaping using recycled products to name a few;
- ◆ realize the true value of waste commodities;
- ◆ cultivate new employment options; and
- ◆ address both environmental and societal problems.

#### **State Government Leadership Case Study**

*A Recycled Roads Task Force was established in 2001 with representatives from NMRC and the NM Department of Transportation (NMDOT). The aim of the Task Force was to increase the use of recycled materials in highway projects, with a particular focus on mulch and compost, glass, tires and plastic. Together with NMDOT, the NMRC will be delivering seven classes in 2004 for NMDOT engineers and maintenance workers on using mulch and compost.*

*Numerous pilot projects have been conducted with particular success in the use of mulch and compost for a variety of applications such as erosion control. Approximately half a dozen different pilot projects are taking place in a range of the climate zones throughout the state with positive results. These pilot projects are playing an important role in establishing specifications to encourage the purchase of recycled materials and products.*



## 1.5 How do we think it can be done?

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Increased funding and support to achieve the objectives identified in Section 1.2 could be generated using a range of instruments. E. Gifford Stack, President of the NMRC, presented an overview of the various instruments that could be used to generate income. Delegates reviewed these instruments, identified opportunities and barriers associated with each, and prioritized them according to the ease and the likelihood of successful implementation. The result of this process was the following six priority instruments:

1. incremental increase in gross receipts tax for recycling;
2. tax incentives for materials processors and recycled product manufacturers;
3. pay as you throw;
4. tax exemptions for recycled products;
5. tipping fees; and
6. plastic bag tax.

Each of the priority instruments will be discussed in more detail in Section 2 of this report.

## 1.6 What could the instruments be used for?

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NMRC believes that the key to transforming recycling is the creation of a climate in which communities, industry and government consider recycling to be beneficial and a priority. Many state agencies in the United States and other countries such as Canada, Australia, Ireland, UK and Germany use similar instruments to fund activities to support recycling and waste reduction activities.

Libby Chaplin, Environmental Health Associates, made a presentation to the workshop outlining her experience of the types of activities that have been financed by economic instruments. These activities have been demonstrated to play a key role in increasing recycling, facilitating market and economic development opportunities. Examples of such activities include:

- ◆ feasibility of specific regional recycling opportunities;
- ◆ field trials to test recycled products and materials;
- ◆ laboratory testing of recycled products;
- ◆ training in business planning, marketing and development product specifications;
- ◆ resource recovery programs in the waste and recycling sectors;
- ◆ buy recycled programs in state and local government
- ◆ industry waste reduction and recycling programs;
- ◆ recycling infrastructure and equipment;
- ◆ litter prevention and public place recycling;
- ◆ County and local government buy recycled programs;
- ◆ education in schools and the community;
- ◆ employment of state recycling coordinators;
- ◆ best practice curbside collection systems; and
- ◆ additional activities presented in Section 2.



## 1.7 Actions arising

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It was agreed at the workshop that this report be prepared and provided to the following agents for implementation.

- ◆ workshop delegates;
- ◆ The New Mexico Recycling Coalition Board of Directors and the National Recycling Coalition;
- ◆ Secretary of the New Mexico Environment Department;
- ◆ The Solid Waste Association North America;
- ◆ State legislators;
- ◆ Municipalities and the Association of Counties;
- ◆ Environmental advocacy groups; and
- ◆ Media report on the resurgence in the recycling sector.

It was also agreed that Workshop Participants be encouraged to send a copy of the report to local representatives asking for them to encourage Governor Richardson to take action.

## 1.8 Recommendation

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NMRC recommends that the Legislature establish a memorial to create and support a coalition to oversee the development of a “*Strategic Plan for Transforming the Economics of Recycling in New Mexico*”.

It is proposed that NMRC in partnership with New Mexico Environment Department provide executive support to the coalition that will include partners such as the Department of Economics Development, the Department of Transport, the Department of Energy Minerals and Natural Resources, industry partners, federal facilities, and local government.

It is proposed that the coalition will facilitate the development of a “*Strategic Plan for Transforming the Economics of Recycling in New Mexico*”, that will include:

1. a review of possible funding instruments to assess and make recommendations in relation to:
  - ◆ the potential for revenue generation;
  - ◆ providing employment opportunities for New Mexico workers, particularly in rural areas;
  - ◆ impact on waste reduction and protection of natural resources and water;
  - ◆ equity; and
  - ◆ ease of implementation.
2. identify and make recommendations in relation to a suitable agency to administer and implement the instrument, including:
  - ◆ review of the role, mission and objectives;
  - ◆ possible activities (such as those included in Section 1.6);
  - ◆ priority commodities for the agency to focus on in the first year;
  - ◆ potential conflicts of interest; and
  - ◆ performance targets and expected outcomes for the agency tasked with implementing the instrument.





## 2. The instruments in detail

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Delegates reviewed a broad range of instruments and identified six priority instruments that were worthy of more detailed exploration. It is recognized that other instruments exist that could also be used such as full cost accounting, container deposit legislation, waste collection tax and permit application-operator fees to name a few.

The information contained in the following sections has been drawn from numerous sources as indicated. Those statements not referenced have been taken from the workshop notes. Each section provides the following subsections for each instrument:

- ◆ definition;
- ◆ precedent;
- ◆ opportunities;
- ◆ barriers;
- ◆ lead agents; and
- ◆ key stakeholders.

### 2.1 *Incremental increase in gross receipts tax for recycling*

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#### *Definition*

Revenue raised from an incremental increase in the gross receipts tax.

#### *Precedent*

- ◆ New Mexico Gross Receipts and Compensating Act - revenues raised for the acquisition, construction, operation and maintenance of solid waste facilities, wastewater facilities, sewers systems and related facilities. Examples include:
  - ◆ Las Cruces Environmental Services Gross Receipts Tax<sup>4</sup>;
  - ◆ Bernalillo County Environmental Services Gross Receipts Tax; and
  - ◆ City of Alamogordo dedicates 1/16 of its Gross Receipts Tax.

#### *Opportunities*

- ◆ Grants to local government and quasi- government (solid waste authorities) for:
  - ◆ Capital needs for recycling/waste reduction;
  - ◆ Collection & processing equipment; and
  - ◆ Staffing recycling coordinator positions;
- ◆ Increase political acceptability by focusing on existing mechanism
- ◆ Place responsibility on local county or city to respond to local conditions, needs
- ◆ Equitable
- ◆ Population in cities and counties
- ◆ Accountability of money raised
- ◆ Private recyclers could advise on how to spend money
- ◆ Easy to add to existing Gross Receipts Tax
- ◆ Must show people what they will get for taxes paid
- ◆ Another option is to lobby to get a % of existing EGRT for recycling



### Barriers

- ◆ Needs state legislative approval for empowering localities to use
- ◆ Might be perceived as another special tax
- ◆ May mean increase in gross receipts tax because otherwise funds are being withdrawn from one activity and dedicated to recycling
- ◆ Localities have the choice of using the mechanism; no guarantee of this happening
- ◆ May not be applicable to tribes/pueblos
- ◆ Some businesses and governments don't want to pay ANY tax, especially regressive ones. (Albuquerque City Council was reluctant to institute EGR tax.)
- ◆ Can't be used for private sector
- ◆ Not directly related to market development; more connected to collection and processing
- ◆ Passing the Legislature and getting Governor's signature

<i>Lead Agent</i>	<i>Key Stakeholders</i>
<ul style="list-style-type: none"><li>◆ New Mexico Environment Department</li><li>◆ New Mexico Recycling Coalition</li></ul>	<ul style="list-style-type: none"><li>◆ Recyclers</li><li>◆ NMRC</li><li>◆ Local recycling coordinators</li><li>◆ local politicians</li><li>◆ Solid Waste Association of North America</li><li>◆ Environmental advocacy groups (e.g. Sierra Club)</li><li>◆ New Mexico Environment Department</li></ul>



## 2.2 Tax incentives for materials processors

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### Definition

This option includes the provision of tax incentives based on the amount of material recycled per annum or a set tax exemption provided on the purchase of equipment or land.

### Precedent

- ◆ Arkansas has a thirty percent tax credit on income/corporate taxes for purchase of equipment making products with at least 10% recycled content<sup>5</sup>
- ◆ Colorado: Up to 20% tax credit for purchase of certain equipment to make products using post-consumer recycled materials. Special credits for plastic recycling<sup>6</sup>
- ◆ Florida has a sales tax exemption on recycling machinery. Tax incentives to encourage affordable transportation of recycled goods from collection points to sites for processing and disposal<sup>7</sup>
- ◆ Iowa has a sales tax exemptions for recycling equipment<sup>8</sup>
- ◆ Kentucky has property and income tax credits to encourage recycling industries<sup>9</sup>

### Opportunities

- ◆ Has the potential to draw industry here from elsewhere
- ◆ Increase/expand Economic Development monies to support 'high tech' and 'low tech' recycling
- ◆ Utilize technologies in wide use from other states
- ◆ Partner with other states to develop industry within NM. Expand incentives for R&D thru universities and national laboratories. For better material processing
- ◆ Eliminate New Mexico Gross Receipts Tax (NMGRT) on material processors and end user
- ◆ Eliminate NMGRT on the purchase of equipment that is required to process recyclables
- ◆ Eliminate or reduce property tax for location of recyclables processing
- ◆ Issue Industrial Revenue Bonds issued either at a state or a local level to assist with the purchase of equipment
- ◆ Invest in a Permanent Fund to assist recycling facilities
- ◆ Eliminate or reduce tax on fuel required to transport goods
- ◆ Support existing and future pilot-scale tests (e.g., mulch project with NMDOT)
- ◆ Eliminate or reduce tax on utility costs at recycling facilities (water, sewer, electricity, gas)
- ◆ All of the above items stimulate economic investment and development

### Barriers

- ◆ Local political 'red tape' – Aversion and "road blocks" such as those put up for TEWA Technologies
- ◆ Lack of vision at all levels [in the box thinking]
- ◆ 'Good ole boy' business systems not open to change
- ◆ Incentives for un-renewable resources – cost less, etc.
- ◆ Eliminating or reducing NMGRT or other taxes looks like a subsidy
- ◆ Tax breaks will compete with other "special interests"
- ◆ Do we really know how much the tax breaks will cost? (Full cost-accounting can define this impact)
- ◆ Industry resistance to using recycled products
- ◆ Legislative bureaucracy in passing new tax legislation
- ◆ Municipalities would not appear to benefit from tax breaks because they don't pay taxes
- ◆ The amount of recyclables processed may be perceived to be too small to warrant a tax break
- ◆ What would be the minimum amount of recycled material processed for a facility to be eligible for tax breaks?



### Solutions

- ◆ Lobbying/education of political and private sector.
- ◆ Create demand for NM generated recyclable products – in governmental and private sector.
- ◆ Cluster recycle industry – i.e. steel mill and cement industry; McKinley in Pruitt etc.
- ◆ Find niche markets
- ◆ Coordinate community involvement (start grass-root effort. Freight is an existing barrier that would diminish if industry were here
- ◆ Keep existing recycling processors in business
- ◆ Maintain and increase economic development. Provide an incentive to process glass

<i>Lead Agent</i>	<i>Key Stakeholders</i>
<ul style="list-style-type: none"><li>◆ New Mexico Recycling Coalition</li><li>◆ Department of Economic Development</li><li>◆ New Mexico Environment Department</li><li>◆ Department of Transportation</li><li>◆ Industry – NAPCOR, Pulp and Paper, Industry Trade Association.</li></ul>	<ul style="list-style-type: none"><li>◆ Recycle collection agencies</li><li>◆ Haulers</li><li>◆ Residential and business collection local economies</li></ul>



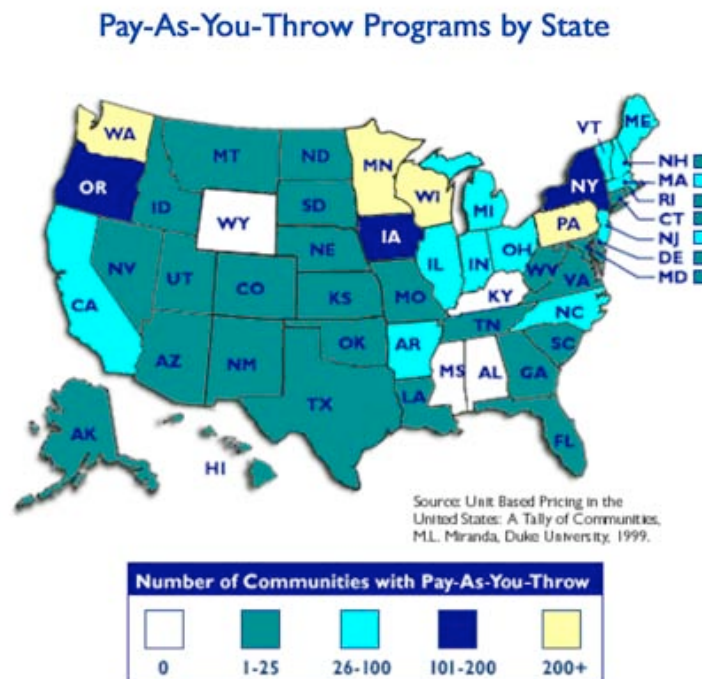
## 2.3 Pay as you throw

### Definition

The US EPA describes pay as you throw as “residents are charged for the collection of municipal solid waste—ordinary household trash—based on the amount they throw away”<sup>10</sup>.

### Precedent

- ◆ The figure below indicates that pay as you throw is a commonly used mechanism for reducing waste and funding local waste reduction programs.



### Opportunities

- ◆ “Creates a direct economic incentive to recycle more and to generate less waste” (US EPA)
- ◆ “Well-designed programs generate the revenues communities need to cover their solid waste costs, including the costs of such complementary programs as recycling and composting. Residents benefit, too, because they have the opportunity to take control of their trash bills” (US EPA).
- ◆ Encourages recycling
- ◆ Encourages material separation necessary for effective recycling
- ◆ Preserves landfill capacity
- ◆ Encourages source reduction
- ◆ May provide better waste data
- ◆ Better for larger communities
- ◆ Fair system
- ◆ Only way to do it in New Mexico
- ◆ Encourages right attitude



### Barriers

- ◆ Requires implementation at the municipal level leading to numerous agencies to coordinate and implement the program
- ◆ Political will
- ◆ Lack of understanding about what it is and what it aims to do
- ◆ Lack of curbside collection in some areas
- ◆ Rural locations may find it difficult to operate the system
- ◆ Cost of disposal is cheap
- ◆ Illegal dumping
- ◆ Fixed income families/poor families affected disproportionately
- ◆ May need more staff to manage
- ◆ Rural areas have no tipping fees; pay as you throw would be hard to sell
- ◆ Cultural, folks haven't done it yet
- ◆ Headache for community to administer
- ◆ Bureaucratic
- ◆ Potential for increased illegal dumping in commercial dumpsters and open spaces
- ◆ Recycle outlets don't exist
- ◆ Cash infusion needed to buy containers, setup program

### Solutions:

- ◆ Keep system simple
- ◆ Massive education effort
- ◆ Full cost accounting
- ◆ Increase organics recycling
- ◆ Flat fee for recycle service would need to be charged
- ◆ Educate community, one at a time, others may follow
- ◆ ID recycle opportunities
- ◆ Pilot community prior to wide scale deployment
- ◆ Bernalillo, Santa Fe Rio Rancho...some small community where recycling is available
- ◆ Try a municipal pilot, then deploy to surrounding county
- ◆ Could use pilot programs in business to provide incentives for participation

<i>Lead Agent</i>	<i>Key Stakeholders</i>
<ul style="list-style-type: none"> <li>◆ City Councils</li> <li>◆ County Commissioners</li> <li>◆ LEPC's</li> <li>◆ Non-Governmental Organizations</li> <li>◆ Businesses</li> </ul>	<ul style="list-style-type: none"> <li>◆ Municipalities</li> <li>◆ NMED</li> <li>◆ US EPA</li> <li>◆ Households</li> <li>◆ Businesses</li> <li>◆ Schools</li> </ul>



## 2.4 Tax exemptions for recycled products

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### *Definition*

Provide a tax exemption for procurement of products with a set component of recycled content.

### *Precedent*

- ◆ Montana has a tax credit of 25% on purchase of equipment to process recyclable materials; up to 5% off income taxes for purchase of business-related products made with recycled materials<sup>11</sup>.
- ◆ Delaware has corporate tax credits for investments and for job creation for use of minimum of 25% secondary materials removed from in-state waste stream. Reductions in gross receipts tax also apply. Corporate tax credits also available for source reduction activities and for processors and collectors of recyclable materials<sup>12</sup>.
- ◆ Virginia: Manufacturing plants using recycled products are eligible for a 10% tax credit<sup>13</sup>.

### *Opportunities*

- ◆ Large companies will change their products to meet local demand for recycled content
- ◆ Attract Recycling industry and stimulate existing recycling businesses
- ◆ Increased revenue for in-state manufacturers
- ◆ Increases demand for recycled products, which increases demand for recycled materials. Closes the loop!
- ◆ Increase market for recyclables
- ◆ Decrease natural resource consumption
- ◆ Consumer cost savings
- ◆ Encourage public to recycle and increase awareness regarding recycled products
- ◆ Increase tax base
- ◆ Increase market for businesses and manufacturers
- ◆ Tax break good for business
- ◆ Show tax savings on purchases to increase awareness
- ◆ Encourage diversion of a significant portion of waste stream

### *Barriers*

- ◆ Manufacturers may pull their products out of NM
- ◆ Small business disadvantage (high cost to change RC of their product line)
- ◆ How to determine tax for out of state products
- ◆ Implementation nightmare
- ◆ Controllability of revenue
- ◆ Not a revenue based solution
- ◆ Need more infrastructure to support recycling that may result from this
- ◆ Decreased demand for non-recycled products (stagnant inventory)
- ◆ Product acceptability – getting product into stores, will there be a market?
- ◆ Lost revenue from tax reduction, how to make up revenue
- ◆ How to quantify % of recycled content in product – who will regulate?
- ◆ Will manufacturers increase prices so there is no cost savings to consumer
- ◆ Government subsidies are not a sustainable solutions (quick fix)



- ◆ Product regulation
- ◆ Market differentiation
- ◆ Tracking
- ◆ Initial cost to set up, determine if it will be cost effective in long term
- ◆ Need to Define “recycled”
- ◆ May give perception of inferior product.
- ◆ May be environmental costs to making some recycled products.
- ◆ May be quality costs to making some recycled products.

### Solutions

- ◆ Awareness
- ◆ Tax exemption for manufacturer, not consumer to be most effective
- ◆ Manufacturer implementation to absorb costs that way communities won't lose revenue and product manufacturers receive benefit by increasing their own market due to higher demand
- ◆ Cooperative marketing to share costs by region
- ◆ State and county to set requirements
- ◆ Research and development to set criteria
- ◆ Community Chits (Punch card or credits) to replace dollars paid on trash bill
- ◆ Offer a partial tax exemption
- ◆ Multi-layered – consumer and manufacturer
- ◆ Tax money saved goes to special fund to increase community grants
- ◆ State match on deferral of tax and/or State legislation mandates
- ◆ Strict definitions of Recycled Products and their composition

<i>Lead Agent</i>	<i>Key Stakeholders</i>
<ul style="list-style-type: none"> <li>◆ Department of Economic Development</li> <li>◆ New Mexico Recycling Coalition</li> <li>◆ State Representatives</li> <li>◆ Solid Waste Bureau</li> </ul>	<ul style="list-style-type: none"> <li>◆ State agencies</li> <li>◆ Consumers</li> <li>◆ Recycled content product manufacturers</li> <li>◆ Fast food restaurants</li> <li>◆ Schools</li> <li>◆ Large corporations with high profile or mandate</li> <li>◆ Greater society</li> <li>◆ Taxpayer</li> <li>◆ Existing businesses</li> </ul>





## 2.5 Tipping fees

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### Definition

Tax or charge applied to materials that are taken to landfill for disposal. Such taxes are commonly used for the purposes of environment protection and fostering environmentally sustainable use of resources and best practice in waste management.

### Precedent

- ◆ Tipping fee charges are the most common waste disposal tax, amounting to 24% of funding sources nationwide in the USA generating an average revenue of \$4.4 million<sup>14</sup>
- ◆ The State of Illinois has a solid waste-tipping fee of 95 cents per cubic yard and \$2.00 per ton. This fee increase will raise approximately \$15.8 million per year with \$2.2 million coming from publicly owned facilities<sup>15</sup>
- ◆ The State of Wisconsin has a solid waste tipping fee of \$3 a ton. This fee is used to support local recycling and to discourage out-of-state waste haulers from dumping their garbage in Wisconsin landfills
- ◆ Iowa state average for tipping fee is \$32 per ton
- ◆ Victoria, Australia has \$4 per ton levy in metropolitan areas and a \$3 ton levy in regional areas
- ◆ NSW, Australia has \$17 per ton
- ◆ Germany has three levels (100, 200 or 300DM per tonne). (US\$51.71, US\$103.43 and US\$155.14)

### Opportunities

- ◆ Levies provide an incentive to minimise the generation of waste, sending a signal to industry that the Government supports efforts to develop alternatives to disposal to landfill.
- ◆ Can provide the state with figures for overall quantities of waste recycled and disposed to landfill
- ◆ Provides funding to support waste management infrastructure, industry waste reduction programs, education programs, regulatory controls and enforcement regimes.
- ◆ Create a funding source for:
  - ◆ Recycling and Waste Reduction (Reuse & Pollution Prevention)
  - ◆ Funds to be distributed among:
    - ◆ NMED – Recycling and waste reduction positions
    - ◆ Grants to local gov't and quasi-govt (solid waste authorities) for:
      - ◆ Capital needs for recycling/waste reduction, collection & processing equipment and staffing recycling coordinator positions
      - ◆ Encourage waste reduction... possibly
      - ◆ Might encourage waste reduction among industry/large generators.

### Barriers

- ◆ Not likely to encourage waste reduction among residents (\$0.25 - \$2 per ton equates to \$.03 - \$17 cents per month)
- ◆ Every landfill owner will oppose this.
- ◆ Makes the landfills the tax collectors, which they are likely to resist.
- ◆ Larger cities that own their own landfills will oppose on the grounds that they will be collecting the most money through the surcharge, and therefore are paying for everyone else's recycling programs (when they probably already have their own programs).
- ◆ Could be considered a hidden tax. Residents and businesses still pay for it, but probably only those that actually go across the scale acknowledge what that the fee is being paid for a specific purpose.



- ◆ Can't be used for private sector.
- ◆ Again, not focused on market development; more likely to support local collections and processing.
- ◆ These are usually passed on the state level, and so require passing the Legislature and getting Gov's Signature.

### Solutions

- ◆ Strong local and grass roots support

<i>Lead Agent</i>	<i>Key Stakeholders</i>
<ul style="list-style-type: none"><li>◆ New Mexico Environment Department</li><li>◆ New Mexico Recycling Coalition</li></ul>	<ul style="list-style-type: none"><li>◆ Landfill owners</li><li>◆ Municipal League</li><li>◆ Assoc. of Counties</li><li>◆ Local recycling coordinators</li><li>◆ local politicians</li><li>◆ Solid Waste Association of North America</li><li>◆ Environmental Advocacy Groups (e.g. Sierra Club)</li><li>◆ Tourism dept</li></ul>



## 2.6 Plastic bag tax

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### *Definition*

A tax on plastic bags provided at retail outlets

### *Precedent*

- ◆ “Shoppers in the Republic of Ireland are taxed on their use of plastic bags” (<http://news.bbc.co.uk/2/hi/europe/1853305.stm>)

### *Opportunities*

- ◆ Reduces the use of plastic bags and associated litter problems
- ◆ The cash raised could go towards initiatives aimed at protecting and remediation New Mexico’s natural resources
- ◆ Eliminate health issues in the plastics recycling
- ◆ Reduce demand of natural resources (PET plastic)
- ◆ Slogan: Ban the bag!
- ◆ Divert organic refuse into paper bag manufacturing
- ◆ Incentive for retailer should be incorporated
- ◆ Rate and taxpayers don’t have to pay for pick up
- ◆ Tourism
- ◆ Generate revenue
- ◆ Reduce litter (?)
- ◆ Savings to retailer
- ◆ Educational
- ◆ Plastic bags are problematic for landfill operators
- ◆ Force the public to use reusable/their own bag
- ◆ Remove plastic bag contamination from the waste stream

### *Barriers*

- ◆ Retailers carry the burden of implementation
- ◆ Difficult to administer and enforce
- ◆ No incentive for retailer
- ◆ Education program would be large
- ◆ Retailer opposition (Security issue)
- ◆ Perceived as random
- ◆ Public won’t buy-in
- ◆ Won’t be effective – Poor bang for the buck
- ◆ Potential for strife in stores
- ◆ May not be applied equally state-wide
- ◆ In this culture, people are just not ready to change their behavior by bringing their own bags to the store.
- ◆ How much do you charge? At a nickel a bag, people will gripe, but will continue to use the plastic bags. To completely discourage plastic bag use, the tax would need to be 50 cents or a dollar, and such a tax would never pass the legislature
- ◆ Administration of the tax would cause an undue burden on retailers



### *Solution*

- ◆ Include \$\$ for retailer administering
- ◆ Educate public about reusing bags
- ◆ Must have plastic and paper option – pay for plastic
- ◆ True biodegradable plastic bags
- ◆ Make them annoyingly small and then charge for them (also recyclable plastic)

<i>Lead Agent</i>	<i>Key Stakeholders</i>
<ul style="list-style-type: none"><li>◆ New Mexico Environment Department</li><li>◆ Solid Waste Bureau</li><li>◆ Legislatures</li></ul>	<ul style="list-style-type: none"><li>◆ Bag manufactures/retailers</li><li>◆ Public Works Department</li><li>◆ Landfill operations</li><li>◆ Plastic bag manufacturers</li><li>◆ Retailers</li><li>◆ Plastics Industry</li></ul>



## Appendix 1. Workshop Invitation

# TRANSFORMING THE ECONOMICS OF RECYCLING IN NEW MEXICO

MONDAY, JULY 28TH, 2003, 10 AM—5 PM

UNM SCIENCE AND TECHNOLOGY PARK, ALBUQUERQUE

### *You're Invited!*

The New Mexico Recycling Coalition and New Mexico Environment Department Solid Waste Bureau invite you to attend this new and important planning workshop. We need everyone's participation. Your input can help shape the future of recycling in New Mexico!

Transforming the Economics of Recycling in New Mexico is a one-day workshop that will bring together ALL sectors of the recycling and solid waste industry in an effort to explore innovative mechanisms to increase recycling in the state, especially legislative and economic instruments that would bring more funding into the equation. As part of this process, we'll examine market development challenges.

Invitees include individuals representing state, county and local governments, landfills, collection enterprises, non-profit organizations, educational institutions, composting facilities, Native American tribes and related businesses and industries.

We aim to develop a comprehensive plan that will achieve expanded recycling objectives and meet the needs of industry and communities. The Draft Agenda: Review the status of recycling in New Mexico; Summarize the tools other states use to achieve impressive recycling rates; Envision the state of recycling in New Mexico in 2010; Brainstorm and prioritize tools that could be introduced in New Mexico; Analyze the strengths, weaknesses, opportunities, and threats associated with potential actions; Develop a Plan of Action.

### Registration Form

*Please Register Prior to Attending So We May Plan for Lunch & Materials*

Name: \_\_\_\_\_

Organization: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ E-mail: \_\_\_\_\_

Vegetarian Meal Required? \_\_\_\_\_

***There is no charge for participation. Lunch & refreshments will be served.***

**Fax To: 505-466-6266 Mail To: NM Recycling Coalition, PO Box 16123, Santa Fe, NM 87592 E-mail To: english@nmrecycle.org Call: 505-466-2456**



## Directions and Information

UNM Science & Technology Park North Rotunda, 801 University Blvd SE, Albuquerque

**Directions:** Exit I-25 at Avenida de Cesar Chavez. Head East towards mountains. Left on Bradbury Dr. SE. Left into Free Parking Structure, 801 Bradbury Dr. Walk over to UNM Park North Rotunda via Walkway.

**On-site Contact:** Beverly Geer 272-7313

### Local Hotels:

#### Closest:

Comfort Inn, 2300 Yale SE,  
PHONE

AmeriSuites Midtown, 2500  
Menaul Blvd NE, 881-0544

#### Other Suggestions:

Hampton Inn, 2231 Yale SE,  
866-568-7029

La Quinta, 2116 Yale SE, PHONE

Candlewood Suites, 3025  
Menaul Blvd NE, 888-3424

Clubhouse Inn & Suites, 1315  
Menaul NE, 888-3424

Fairfield Inn by Marriott Univer-  
sity, 1760 Menaul NE, 889-4000

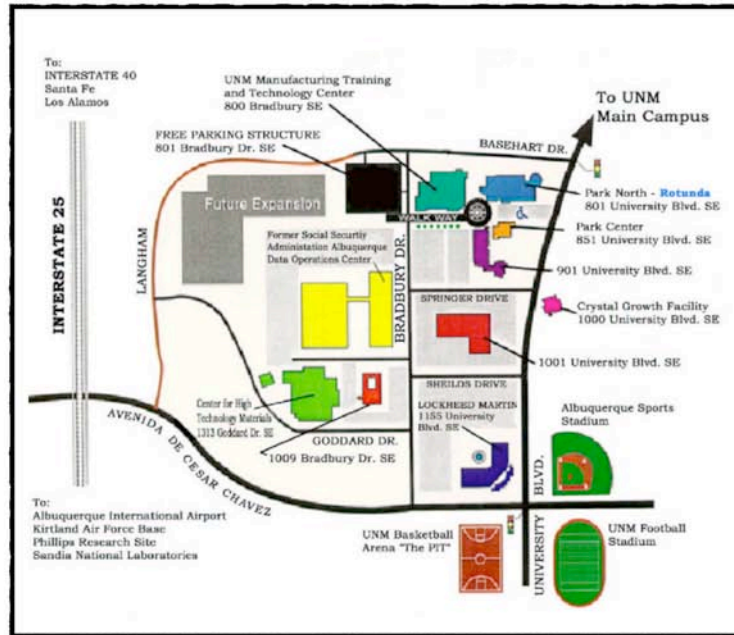
Holiday Inn Mountain View,  
2020 Menaul NE, 884-2511

LeBaron Studio Suites, 2120  
Menaul NE, 884-0250

Red Roof Inn Airport, 1635 Can-  
delaria NE, 344-5311

Rodeway Inn, 2108 Menaul NE,  
884-2480

University Lodge, 3711 Central  
Ave NE, 266-7663



This workshop is brought to you by the New Mexico Recycling Coalition and the New Mexico Environment Department: Solid Waste Bureau.



### Thank You to Our Sponsors:



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## Appendix 2. Workshop delegates

NAME	ORGANIZATION
Adrienne S Warner	
Andrew E. Drom	Duratek
Annabell Gallegos	City of Albuquerque Solid Waste Mgt Dept
Anthony G. Garcia	Down 2 Earth Recycling
Badria Hindi	Titan Technologies
Belinda Wong-Swanson	Innov8 LLC
Ben Maddox	Bridges Project for Education
Benedict Velasquez	Pueblo of San Felipe Tribal Utility - Solid Waste Division
Berna Montoya	City of Socorro
Bill Sublette	Pride Industries NM
Camille Bustamante	Eberline Services
Cathy Tyson-Foster	Operational Consultants
Chris Campbell	WERC
Craig Steinhoff	Recycling Services Santa Fe
Dean Jojola	UNM - Safety, Health & Environmental Affairs
Donald Quintana	Jicarilla Nation Environmental Office
Douglas Goldsmith	WCA Transit Waste
Douglas W. Vetter	Sandia National Labs
Dyane Sonier	Keep Rio Rancho Beautiful
E. Gifford Stack	NMED: Solid Waste Bureau
Erdine Talamante	Jicarilla Nation Environmental Office
Frank Sanchez	Durango McKinley Paper Company
Gary Clauss	Town of Silver City Councilor
Greg Baker	NMED
James Bly	J&M Enterprises
Janelle A Sandoval	Pueblo of San Felipe Tribal Utility - Solid Waste Division
Jay Morrow	Bernalillo County
Jeff Adams	Western Organics Inc.
Jerry Kamieniecki	Gordon Environmental, Inc.
Jimmy Martinez	Mora County Commission
Joe Lewandowski	Operational Consultants
John Montoya	City of Socorro
Justin Stockdale	County of Santa Fe
Kathy Trujillo	Colfax County Commission
Kim McKibben	Bernalillo County
Kris Callori	Environmental Dynamics Inc.



NAME	ORGANIZATION
Laurie Williams	LANL
Leonard Carrillo	City of Belen Solid Waste Dept
Libby Chaplin	Environmental Health Associates
Linda McCormick	UNM - Safety, Health & Environmental Affairs
Lorraine Wardell	Town of Mountainair Mayor
Luther G. Clayton	City of Albuquerque Solid Waste Mgt Dept
Marcella Fernandez	Colfax County Commission
Marlene Feuer	Waste Management of NM
Margo Maher	Rinchem
Martha Reyes	Durango McKinley Paper Company
Melissa Larson	Wholly Rags
Michelle T. Garr	Intel Corp.
Miguel De La Cruz	City of Lovington
Monica Witt	LANL
Morgan Hill	Pride Industries NM
Nancy Judd	NMRC
Natalie Howard	City of Albuquerque Solid Waste Mgt Dept
Pat Gallagher	LANL
Phillip Garcia (Chris)	Down 2 Earth Recycling
Phillip Westen	Los Alamos County
Raymond Sisneros	Los Alamos County
Rhiannon A. Garcia	Pueblo of San Felipe Tribal Utility - Solid Waste Division
Richard Baldonado	City of Belen Community Service Dir
Richard Hertzberg	Zia Engineering & Environmental Consultants
Ruben Alvarado	Down 2 Earth Recycling
Sherry Gwyn	Keep Rio Rancho Beautiful
Sherry Petago	Jicarilla Nation Environmental Office
Susan Flores	Keep Alamogordo Beautiful
Tanya Martinez	San Ildefonso Pueblo
Terence Garcia	San Ildefonso Pueblo
Terry Moffitt	Soil Foods Inc.
Toni Duggan	NMED - Solid Waste Bureau
Valerie Turnbow	Keep NM Beautiful
Vanessa Dominquez	NMSHTD, D6
Will Hoffman	City of Albuquerque Solid Waste Mgt Dept
William DeGrande	City of Santa Fe
Yvonne Scott	Environmental Enhancers





## Appendix 3. Workshop Agenda

TIMING	ACTIVITY	SPEAKERS/FACILITATORS
10:00 – 10:25	Welcome	Nancy Judd, NMRC Executive Director Ron Curry, NMED Secretary
10:25 – 10:35	Objectives and expected outcomes	Libby Chaplin, NMRC Policy Committee
10:35 – 11:05	Presentation on current status of recycling in NM and overview of instruments	E. Gifford Stack, NMRC President
11:05 – 12:00	Activity 1. Identification of NM Recycling objectives and barriers to increasing recycling	Libby Chaplin, NMRC Policy Committee
12:00 – 1:00	LUNCH	
1:00 – 1:30	Activity 1b report back	Facilitator: Libby Chaplin, NMRC Policy Committee & EHA
1:30 – 2:00	Identification and prioritization of economic instruments that could increase recycling	Small Group Facilitators:
2:00 – 3:00	Activity 2. Reality check for each instrument	<ul style="list-style-type: none"> <li>◆ E. Gifford Stack, NMRC President and NMED</li> <li>◆ Cathy Tyson-Foster, Operational Consultants</li> <li>◆ Ruth-Ann Grueling, NMED</li> <li>◆ Laurie Williams, LANL</li> <li>◆ Camille Bustamante, Eberline Services</li> <li>◆ Kris Callori, Environmental Dynamics</li> <li>◆ Richard Hertzberg, Zia Engineering and Environmental Consultants</li> <li>◆ Jerry Kamieniecki, Solid Waste Association of North America</li> <li>◆ Morgan Hill, Pride Industries</li> <li>◆ Joseph Ellis, Operational Consultants</li> <li>◆ Pat Gallagher, LANL</li> <li>◆ Todd Thompson, Soilutions</li> </ul>
3:00 – 3:15	COFFEE BREAK	
3:15 – 4:20	Activity 3. Reality check for each instrument	Libby Chaplin, NMRC Policy Committee
4:20 – 4:55	Next Steps	
4: 55 – 5:00	Concluding remarks	E. Gifford Stack, NMRC President





## Endnotes

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- <sup>1</sup> R. W. Beck, Inc. for The National Recycling Coalition (2001) "**U.S. Recycling Economic Information Study**" <http://www.nrc-recycle.org>
- <sup>2</sup> New Mexico Environment Department (2000) "**2000 Annual Report Solid Waste in New Mexico**"
- <sup>3</sup> Environmental Protection Agency (2001) "**Municipal Solid Waste in the United States: 2001 Final Report**"
- <sup>4</sup> Las Cruces **Council Bill No. 02-047; Ordinance No. 1927**
- <sup>5</sup> "**Tax Incentives for Recycling**" <http://www.cftech.com/BrainBank/MANUFACTURING/TaxIncenRecycl.html>
- <sup>6</sup> "**Tax Incentives for Recycling**" <http://www.cftech.com/BrainBank/MANUFACTURING/TaxIncenRecycl.html>
- <sup>7</sup> "**Tax Incentives for Recycling**" <http://www.cftech.com/BrainBank/MANUFACTURING/TaxIncenRecycl.html>
- <sup>8</sup> "**Tax Incentives for Recycling**" <http://www.cftech.com/BrainBank/MANUFACTURING/TaxIncenRecycl.html>
- <sup>9</sup> "**Tax Incentives for Recycling**" <http://www.cftech.com/BrainBank/MANUFACTURING/TaxIncenRecycl.html>
- <sup>10</sup> [http://www.epa.gov/epaoswer/non-hw/payt/intro.htm\\_](http://www.epa.gov/epaoswer/non-hw/payt/intro.htm_)
- <sup>11</sup> "**Tax Incentives for Recycling**" <http://www.cftech.com/BrainBank/MANUFACTURING/TaxIncenRecycl.html>
- <sup>12</sup> "**Tax Incentives for Recycling**" <http://www.cftech.com/BrainBank/MANUFACTURING/TaxIncenRecycl.html>
- <sup>13</sup> "**Tax Incentives for Recycling**" <http://www.cftech.com/BrainBank/MANUFACTURING/TaxIncenRecycl.html>
- <sup>14</sup> Hunt, J., Howes, J., Hunt G. (1996) "**Funding Options for State Solid Waste Programs**"
- <sup>15</sup> <http://www.legis.state.wi.us/assembly/asm77/news/Achievements.htm>