



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

SENATE BILL NO. 497

PRINTERS NO. 876

PRIME SPONSOR: Vogel

### COST / (SAVINGS)

FUND	FY 2017/18	FY 2018/19
General Fund; Recycling Fund; Environmental Stewardship Fund	See Fiscal Impact	See Fiscal Impact

**SUMMARY:** Senate Bill 497, Printer's Number 876, amends the Solid Waste Management Act to revise the definition of "residual waste" and add a definition for "current generation blast furnace, iron and steel slag."

**ANALYSIS:** This legislation amends the Solid Waste Management Act (Act 97 of 1980) to revise the term "residual waste" and the types of waste streams that will be included. This is based upon the addition of a new definition for "current generation blast furnace, iron and steel slag" that includes existing and future iron and steel slag that has been generated at an operating steel mill and has not been produced prior to January 1, 2007 and has not been commingled with residual or hazardous waste.

"Current generation blast furnace, iron and steel slag" shall not be considered a residual waste if:

- it is used onsite as a waste processing liming agent in acid neutralization or onsite in the place of aggregate; or sold and distributed for use and further processing into another commodity; and
- managed as an item of commercial value in accordance with industry practices to ensure commercial value.

The bill includes additional language stating that, "nothing in this act shall be construed to affect the duty or power of the Department of Environmental Protection over a natural resource or residual waste in this Commonwealth."

This shall take effect in 60 days upon enactment.

**FISCAL IMPACT:** Enactment of this bill will have no adverse fiscal impact on Commonwealth funds as the Department of Environmental Protection (DEP) does not receive permit-related fees related to residual waste. However, the Commonwealth does receive revenues from landfill tipping fees applied to various waste streams including residual waste, which are deposited into the Recycling Fund and Environmental Stewardship Fund.

As provided by the department in its 2014 Residual Waste Biennial Report, a total of 202,667 tons of slag was generated and 63,742 tons disposed of in landfills. Based on requisite disposal fees of \$2 per ton in Act 101 of 1988 and \$4.25 per ton in Act 90 of 2002, this resulted in \$127,484 deposited into the Recycling Fund and \$270,903 deposited into the Environmental Stewardship Fund.

It should also be noted that annual residual waste revenues account for less than one percent of the funds received by the Recycling and Environmental Stewardship Funds. For example, the Recycling Fund receives approximately \$38 million and the Environmental Stewardship Fund receives approximately \$68 million in annual fee revenues.

However, while the legislation provides an exemption for some slag being defined as residual waste, it is possible that annual revenues will not be impacted. It is not known how much, if any, slag would be generated, prepared and marketed as a commercial product to meet the definition and be exempt as a residual waste.

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**DATE:** January 23, 2018

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*