

AZ SWANA Legislative Update, April 20, 2018

Arizona Legislature/ADEQ

Legislature: The second regular session of the 53rd legislature opened on January 8, 2018. Many bills are still being sponsored and introduced for first read in the legislative chambers. As of February 5, 2018 (last day to introduce bills), there were 518 bills introduced in the Senate and 647 bills introduced in the House. Bills being tracked by SWANA:

- SB1075: Increases minimum automobile insurance requirements to \$25k for bodily injury of one person (up from \$15k), \$50k for bodily injury to 2 or more persons (up from \$30k), and \$25k for property damage (up from \$10k). Passed in Senate on 2/20/18 (19-11), in House Rules.
- SB1209: Removes requirement for the DPS to submit a report identifying scrap metal dealers. Passed Senate 2/8/18, House 3/15/18. Signed by Governor Ducey 3/20/18.
- SB1421: ADEQ Omnibus bill to eliminate redundant/duplicative requirements. Passed Senate and House and signed by Governor Ducey on April 11, 2018.
- SB1493: Allows ADEQ to adopt a Dredge and Fill Permit Program and outlines permissions, prohibitions and mitigation requirements relating to dredging and filling into navigable waters. Funds the program through the Water Quality Fee Fund. Passed Senate and House, signed by Governor Ducey on 4/12/18.
- SB1494: Requires ADEQ to establish an Underground Injection Control (UIC) Permit Program and outlines permissions, exemptions and prohibitions relating to underground injection. Funds the program through the Water Quality Fee Fund. Passed in Senate and House and signed by Governor Ducey on 4/10/18.
- HB2166: Requires the vehicle license tax for alternative fuel vehicles to be a percentage of the manufacturer's base retail price and eliminates the separate VLT classification in 2020. Passed in the House on 2/20/18, died in the Senate.
- HB2521: Instructs ADOT and local authorities to provide reasonable access to vehicles beyond one road mile of the national network on a route on highways within its jurisdiction if the vehicle meets federal width and length requirements and can safely travel the route. Requires a local authority's ordinance relating to oversized or overweight CMVs to be approved by the Over-dimensional Permit Council before it can become effective. Passed in both the House and Senate and signed by Governor Ducey on 4/17/18.

Volkswagen Settlement: Arizona will receive nearly \$57 million dollars over 10 years in settlement funds for projects that reduce nitrogen oxide (NOx) emissions in areas of the state significantly affected by diesel emissions. ADEQ/ADOA are developing a mitigation plan to the court-appointed settlement Trustee that will summarize how the state plans to use the mitigation funds. Eligible mitigation actions include replacing or repowering eligible large trucks, buses, freight switchers, ferries/tugs, medium trucks and other vehicles with new diesel or alternative fuel engines, or all-electric engines. Beneficiaries may also use up to 15 percent of their allocation of trust funds on acquiring, installing, operating and maintaining new light duty zero emission vehicle supply equipment.

- January 29, 2018 - Trustee approves Beneficiary status for all 50 states, DC, and Puerto Rico
- February 16, 2018 – ADOA provides notice to federal agencies of beneficiary status
- Spring 2018 - State to engage stakeholders and develop mitigation plan
- 30 days or more before submitting first funding request - Beneficiary submits mitigation plan

Federal

Infrastructure Bill

SWANA is lobbying Congress for an infrastructure bill investing in certain recycling programs, including

- Retrofitting of MRFs
- Expedited permitting for MRFs
- Increased use of recycled materials in infrastructure products
- Incentive grants for state/local governments
- Education and training to promote recycling

Status of MSWLF NSPS and EG rules

EPA's stay on the MSWLF NSPS/EG rule ended on 8/29/2017, and EPA has not taken any further formal action on the new rules. EPA notified states that they do not intend to enforce submittal of state methane plans as the rule is being reconsidered, a requirement for the EG standards to apply. ADEQ and Maricopa County are moving forward with adopting the federal rules.

Therefore the current status of the new rule:

- Existing landfills are subject to the existing NSPS in 40 CFR 61 (WWW)
- New landfills/expansions permitted and constructed after July 24, 2014 subject to new NSPS in 40 CFR 61 (XXX).

Chinese Scrap Metal Ban

The Chinese ban on import of certain waste and scrap materials went into effect on March 1, 2018. The contamination standard is now 0.5%. China went forward with the restrictions without addressing US requests to consider negotiating provisions a longer phase in period. China has been refusing to renew waste import licenses. The scope of the new impact is still undefined; a 95% drop in scrap paper exports to China in 01/18 (from 01/17), and double digit declines in plastic scrap.

The ban is anticipated to significantly impact municipal recycling programs in the near term, particularly paper and plastic. SWANA is recommending to state agencies:

1. Communicate with local governments, industry partners, generators, and other interested parties about the current disruption in recycling markets.
2. Educate all stakeholders about the importance of generating high quality material. China's ongoing efforts to limit the amount of contamination in material imports -- dating back to the 2013 "Green Fence" -- highlight the need for recyclers to produce high quality material.
3. Renew efforts to encourage waste reduction and the development of alternative domestic markets for recyclable materials. Both have the potential to reduce reliance on Chinese markets.
4. Review current and contemplated recycling goals and regulations in light of current market conditions.