

Polluter Pays: New York Taxpayers Save When Companies Pay to Deal With Packaging Waste

April 26, 2024

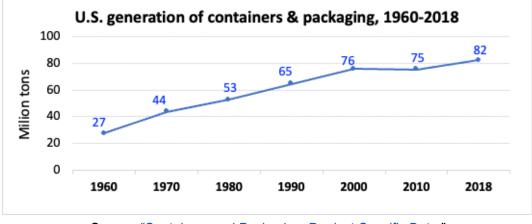
The New York Packaging Reduction and Recycling Infrastructure Act, or PRRIA (<u>A5322-B</u> Glick / <u>S4246-B</u> Harckham), is good for the environment, and it will save New Yorkers tax dollars.

Local Governments Supporting the New York Packaging Reduction and Recycling Infrastructure Act				
Counties	Cities	Towns		Mayors & Councilmembers
Albany	Beacon	Amherst	Larchmont	Brookhaven councilmember
Cortland	City of New York	Austerlitz	Patchogue	Farmingdale mayor
Monroe	Hudson	Bedford	Poughkeepsie	Northport mayor
Suffolk	New Rochelle	Chatham	Southampton	Tonawanda councilmember
Sullivan	Rochester	Copake	Tarrytown	
Tompkins		Hastings-on-Hudson	Saugerties	
Ulster		Hillsdale	Woodstock	
Westchester		Hudson		
				Current as of April 26, 2024

Local governments in New York support this legislation

Packaging waste is growing: For decades, consumer goods companies have been flooding our communities with ever-increasing amounts of single-use plastic and other packaging waste. You witness this every time you enter a supermarket or buy something online.

As the graph below shows, the amount of packaging waste generated in the United States has been increasing dramatically for decades. This growth has placed an enormous burden on local governments and taxpayers. In 2018 (the most recent data year available), Americans generated 82 million tons of packaging waste.



Source: "<u>Containers and Packaging: Product-Specific Data</u>." U.S. Environmental Protection Agency webpage, accessed 4/5/24. Using a simple population-allocation method, that would translate to roughly **5 million tons of packaging waste generated in New York state**.

Taxpayers have footed the bill for managing this flood of packaging waste, whether it's recycled, landfilled, or incinerated. As the quantities of packaging waste have grown, consumer goods companies have not paid a cent to recycle, reuse, *or* dispose of them (with the exception of bottlers and distributors in the 10 U.S. states with beverage container deposit laws). Those financial burdens have been borne exclusively by local taxpayers and by private customers of waste hauling and recycling services. The companies that sell the packaged products have had no incentive to change the status quo.

The Glick/Harckham bill would shift that financial burden from taxpayers to packaging *producers*. Below are six ways that taxpayers will benefit from this bill when it becomes law.

- 1) Reduced packaging waste will reduce the overall cost of waste management: Local governments currently spend a lot to collect discarded packaging by diesel trucks, as well as to either process and market it for recycling or to dispose of it at incinerators and landfills.
- New revenue for local governments will shift the cost to manage packaging waste from taxpayers to packaging companies: New packaging fees would be used to fund local governments across the state for their costs to manage packaging waste.

For example: In 2022, New York City alone spent \$448 million to export waste out of the city. Given packaging made up one-third of the waste, taxpayers **spent \$150 million** just to manage packaging waste that year.. In written testimony to the environmental conservation committees in October 2023, the New York City Department of Sanitation said that the department expects producer reimbursements to defray that \$150 million, and added, "We strongly support this bill as it frees up significant city taxpayer money to pursue other important projects and services. The [Packaging Reduction and Recycling Infrastructure Act] is an important tool in creating an equitable and sustainable waste management system."

- 3) Savings for private customers (residential and commercial) of waste hauling and recycling services: The bill also enables private waste haulers to be reimbursed for the packaging proportion of their collection and disposal costs, saving money their customers.
- 4) Savings to local and state taxpayers from reducing pollution: Packaging waste is a major source of pollution on streets, roadways, and beaches and in parks and neighborhoods. Every year, local governments use taxpayer dollars to clean up this trash. Taxpayers are also footing the bill for pollution cleanup at the state level. The New York State Department of Transportation reports that in April 2022, 1,650 NYSDOT employees collected more than 11,000 bags of trash in a one-day "trash blitz" across the state. Paying these employees for the one-day blitz is just a sliver of the total financial burden of pollution. According to NYSDOT:

"Highway debris and litter pose safety, aesthetic, and health concerns for all who live, work, and travel in New York State. NYSDOT faces increasingly more difficult and expensive challenges to keep up with litter removal. Garbage strewn roadways are not only an unattractive nuisance, they present dangers as well. Litter, particularly plastic bags, can clog drains and cause roadway flooding or chemicals to seep into water supplies with highway storm run-off. Trash can also catch fire or block motorists' view if caught in the wind. Any discarded containers can become potential breeding grounds for mosquitoes that spread harmful diseases."¹

- 5) **State taxpayers will not be on the hook for administering the program:** The bill requires that packaging producer fees be used to reimburse state agencies for *their total costs of administering and enforcing the requirements of the law.*
- 6) **New funding for waste reduction:** We know that recycling alone will not solve the plastic pollution problem. That is why the bill requires that:
 - A 50% waste reduction target must be met by companies within 12 years.
 - The new funding would fund waste-reduction activities, including (but not limited to) reuse and refill. These activities might include making grants to school districts for buying dishwasher equipment, reusable dishware, and utensils to replace disposable ones, providing funding for wineries to establish a commercial bottle-washing operation, or helping entrepreneurs establish companies whose products are designed for reuse.

In sum, the Packaging Reduction and Recycling Infrastructure Act provides important relief for New York taxpayers who currently bear the entire financial burden of managing packaging waste. The new program will require the polluters themselves to shoulder these costs. After passage, producers will be responsible for:

- Attaining waste reduction and recycling targets that reduce the cost of waste management;
- **Grantmaking to encourage reuse** among public institutions, businesses, and entrepreneurs;
- **Reimbursing municipalities for their operational costs** in managing packaging waste through recycling and disposal; and
- **Reimbursing state agencies for their costs** in administering and enforcing requirements of the law.

For more information, contact: Judith Enck, President, Beyond Plastics and former EPA Regional Administrator. <u>JudithEnck@Bennington.edu</u>

¹ "<u>State Department of Transportation Announces Successful Statewide 'Trash Blitz'</u>." News release, New York State Department of Transportation, June 1, 2022.