

# Funding Waste Diversion and On-Farm Composting via a Disposal Surcharge: Model State Legislation

## SUMMARY

The goal of this model bill is to address the need for state investment into waste reduction and diversion programs and infrastructure by establishing major grant funding based on a nominal surcharge on waste disposal. A per-ton surcharge on waste disposed is a funding mechanism with a proven track record of raising funds to reduce and recycle waste.

This document is intended as a template for a bill that any state can adapt and introduce, particularly states without a robust investment mechanism for environmental or waste diversion programs. This model bill encompasses the basics, from funds to cover administrative costs to detailed guidelines on how to set up the grant programs. This model bill may also be adapted for local policy.

Alameda County and Santa Clara County in California have models for surcharge-to-waste-diversion structures that can be referenced as local policy examples.

This bill template was created from a bill that the Institute for Local Self-Reliance originally drafted for Maryland's 2022 legislative session ([Maryland HB 1070](#)), based on similar programs in [8 other states](#) (Indiana, Iowa, Minnesota, New Jersey, North Carolina, Ohio, Pennsylvania, and Wisconsin). Here's a link to ILSR's article, video, and factsheet on HB1070. View [this webinar recording](#) to hear directly from state agency staff.

To use the template, fill in the appropriate labels, bodies, and names for your state in the [insert...] sections. Specific items in this bill may also be adjusted according to state-specific context and other desired variations, including:

- ▶ A different rate for the per-ton surcharge,
- ▶ Adjusted proportions of the grant funds allocated among local governments, competitive waste diversion grants, and on-farm composting grants,
- ▶ A tiered surcharge structure based on government entities meeting certain recycling or waste diversion targets,
- ▶ Adjusted percentage of the surcharge revenue set aside for administrative costs based on the State's estimated disposal surcharge revenue and estimated administrative costs,
- ▶ Start dates for the surcharge and the grant programs can delay the start of the grant programs until after the surcharge has been implemented in order to cover administrative costs of setting up the grant programs.

As an example, our factsheet for the bill introduced in Maryland in 2022 cites some state-specific context for Maryland (see this link <https://ilsr.org/maryland-hb1070/>).

## Context/Whereas

\*note: This section can be strengthened by adding in state-specific context on the state of waste diversion, composting, and the need for funding for projects and infrastructure.

Whereas, enforcing a “Polluter Pays” principle via a surcharge on materials disposed is an effective way to encourage waste diversion and raise funds to support development and expansion of waste diversion programs and infrastructure.

Whereas, several other states have instituted disposal surcharges to fund waste diversion and litter abatement. These include New Jersey, Pennsylvania, Indiana, Iowa, Minnesota, North Carolina, Ohio and Wisconsin.<sup>1</sup> Of these, Pennsylvania, Minnesota, and Wisconsin also fund other environmental programs from disposal surcharges.

Whereas, healthy agricultural soils sequester carbon and play a vital role in protecting our waterways and the climate, and ensuring crop yields and farm profitability.

Whereas, compost added to soil increases soil organic matter, in turn improving soil’s ability to sequester carbon, and reduces the need for synthetic nitrogen fertilizer, which can lead to reduced emissions associated with the production and use of nitrogen fertilizer.<sup>2</sup>

Whereas, composting reduces greenhouse gas emissions, builds healthy soils, manages water runoff and quality, and builds local economies.

### Why On-Farm Composting?

Farmers have a unique and important role in making and using compost but they need help in site layout and design and in securing equipment. A dedicated fund to support on-farm composting and compost use is critical to developing a diverse, decentralized, and healthy compost infrastructure.

Note: only 19 states have State Comptrollers. Insert the appropriate entity responsible for managing the statewide accounting system (e.g. Secretary of State or State Treasurer). More on “Comptrollers” here: <https://www.masterclass.com/articles/what-is-a-state-comptroller>.

## Waste Diversion and On-Farm Composting Bill

An Act Concerning Solid Waste Disposal and Diversion and **On-Farm Composting and Compost Use**

FOR the purpose of

- ▶ Establishing the Environmental Stewardship Fund as a special, nonlapsing fund; requiring interest earnings of the Environmental Stewardship Fund to be credited to the Fund;
- ▶ Establishing the On-Farm Composting and Compost Use Grant Fund as a special, nonlapsing fund; requiring interest earnings of the On-Farm Composting and Compost Use Grant Fund to be credited to the Fund;
- ▶ Establishing the Waste Diversion Grant Fund as a special, nonlapsing fund; requiring interest earnings of the Waste Diversion Grant Fund to be credited to the Fund;
- ▶ Establishing a solid waste disposal surcharge to be paid, on a quarterly basis beginning on a certain date, to the [insert name of entity responsible for managing statewide accounts (such as Comptroller)] by owners or operators of refuse disposal facilities in the State;
- ▶ Requiring the [insert name of entity responsible for managing statewide accounts], on an annual basis, to transfer solid waste disposal surcharge revenue to the Environmental Stewardship Fund, the On-Farm Composting and Compost Use Grant Fund, and the Waste Diversion Grant Fund; and specifying that solid waste disposal surcharge revenue in and originating from the Environmental Stewardship Fund may not revert to the General Fund.

<sup>1</sup> See ILSR research on state surcharges: <https://ilsr.org/rule/waste-surcharges/>

<sup>2</sup> Source: Increasing Soil Health and Sequestering Carbon in Agricultural Soils: A Natural Climate Solution (pg. 25)

## Definitions

*\*note: these are sample definitions of terms specific to this bill. States may need to incorporate existing code definitions in their legislation.*

“Compost” means a stable organic product produced by a controlled aerobic decomposition process that can be used as a soil additive, fertilizer, growth media or other beneficial use.

“Composting” means the controlled aerobic biological decomposition of organic waste material resulting in compost.

“Composting facility” means buildings, grounds (such as a composting pad) and equipment dedicated to the manufacture of compost. Also includes stormwater control systems.

“Farm” means the site of a business or activity operated for the primary purpose of tilling, cropping, keeping, pasturing, or producing an agricultural product other than compost, including livestock, poultry, plants, trees, sod, food, feed, or fiber, by in-ground, out-of-ground, container, or other culture.

- (a) “Farm” does not include the site of a business or activity operated for the primary purpose of producing compost.

“Refuse Disposal System” includes:

- (1) An incinerator;
- (2) A solid waste transfer station;
- (3) A landfill system;
- (4) A landfill; and
- (5) Any other facility accepting mixed solid waste.

“Recycling” means any process in which recyclable materials are collected, separated, or processed and returned to the marketplace in the form of raw materials or products.

“Solid Waste” means any discarded material destined for landfill disposal, incineration, or other final disposal at a Refuse Disposal System.

- (a) Solid Waste does not include segregated or source-separated materials that are rescued, reused, recycled, or composted.

Note: If a transfer station handles source-separated materials destined for reuse, recycling, or composting, the surcharge would only apply to the portion of waste destined for disposal.

In the eight states with existing grant programs funded with disposal surcharges, the surcharge rates ranged from \$0.50 per ton to \$13 per ton. See <https://ilsr.org/disposal-surcharges-fund-composting/>.

For Maryland, we proposed \$5 per ton as a conservative fee in the middle of this range. Adjust the per-ton surcharge according to desired revenue or current average tipping fees.

This clause ensures that the surcharge rate keeps up with any inflation and changes in purchasing power of the dollar. For Maryland, we used the Consumer Price Index for the Mid-Atlantic Division.

In order to ensure a steady annual revenue as waste disposal tonnages drop over time (ideally), increase the fee or institute a formal pathway to increase the fee as time passes. The decrease in tonnage disposed will result from successful waste reduction and diversion. Many other State agencies that are implementing this type of surcharge mechanism expressed the need to include an increase in the fee every few years or at least a formal mechanism to evaluate the surcharge.

Alternate language may be: “Evaluate the solid waste disposal surcharge to determine whether adjustments to the surcharge are necessary.”

## Solid Waste Disposal Surcharge

- (A) There is a solid waste disposal surcharge to be paid by each owner or operator of a refuse disposal facility in the state.
- (B) (1) The solid waste disposal surcharge is [insert \$ surcharge rate] per ton of solid waste processed by a refuse disposal system.
- (2) On or before [insert date 5 years after surcharge start date], and every 5 years thereafter, the [insert entity administering the surcharge] shall:
- (i) Adjust the solid waste disposal surcharge to reflect changes in the Consumer Price Index for the [insert region in which the state is located]; and
  - (ii) Increase the surcharge by 20%.
- (C) The surcharge may only be assessed once on given solid waste destined for final disposal. For example, if the surcharge has been assessed on an owner or operator of a transfer station that first processes given solid waste, the surcharge may not be assessed on an owner or operator of a refuse disposal system that receives the given solid waste for final disposal.

Note: only 19 states have State Comptrollers. Insert the appropriate entity responsible for managing the statewide accounting system (e.g. Secretary of State or State Treasurer). More on “Comptrollers” here: <https://www.masterclass.com/articles/what-is-a-state-comptroller>.

“Return” here means a financial statement or report that accompanies each surcharge payment by the owner or operator of the refuse disposal system to the State.

Having a designated fund that collects revenue from the surcharge ensures commitment of funds to composting/ recycling efforts. Protecting and responsibly managing the revenue is imperative in order to avoid unnecessary fund diversion. Responsible management should ensure that funding is targeted at appropriate environmental and sustainability efforts, from compost and recycling infrastructure, to education efforts, to community composting projects.

Such as Comptroller. See note above for more detail on Comptroller roles.

In the bill we wrote for Maryland, we included a 10% cap for administrative costs, which turned out to be an extremely generous figure. Pennsylvania’s administrative costs total only 3% of their surcharge revenue (which averages over \$100 million annually). Here, we recommend 5% as a reasonable middle ground. This figure may be amended to fit the local state context and estimated surcharge revenue.

These percentages may be adjusted based on where more or less funding is needed.

- (D) (1) The [insert name of entity responsible for managing statewide accounts (such as Comptroller)] shall collect the solid waste disposal surcharge assessed under this section and deposit the revenue into the Environmental Stewardship Fund.
- (i) Beginning [insert start date], on a quarterly basis, an owner or operator of a refuse disposal system shall complete and submit, under oath, a return and pay the solid waste disposal surcharge.
- (ii) The return shall include information on the number of tons of solid waste accepted for disposal, transfer, or collection, as appropriate, during the reporting period.

## Environmental Stewardship Fund

- (A) There is an Environmental Stewardship Fund.
- (B) The purpose of the Fund is to provide funding to the [insert entity administering Waste Diversion Grants] and the [insert entity administering the On-Farm Composting Grants] to award grants to assist with the costs of developing, implementing, or expanding equipment, infrastructure, and education relating to:
- (1) Reducing the amount of solid waste generated in the state;
  - (2) Reusing, repairing, recycling, and composting;
  - (3) Surplus food rescue;
  - (4) On-farm composting and compost use; and
  - (5) Minimizing illegal dumping.
- (C) The [insert name of entity responsible for managing statewide accounts] shall administer the fund.
- (D) (1) The Fund is a special, nonlapsing Fund.
- (2) The State Treasurer shall hold the Fund separately, and the [insert name of entity responsible for managing statewide accounts] shall account for the Fund.
- (E) The Fund consists of:
- (1) The solid waste disposal surcharge revenue deposited into the Fund;
  - (2) Money appropriated in the state budget to the Fund;
  - (3) Interest earnings; and
  - (4) Any other money from any other source accepted for the benefit of the Fund.
- (F) (1) The Fund may be used only to:
- (i) Provide the funding necessary to award grants under both the Waste Diversion Grant Programs and the On-Farm Composting and Compost Use Grant Programs
  - (ii) Cover the reasonable administrative costs of the Fund and the Grant Programs
- (2) Up to 5% of the estimated annual solid waste surcharge revenue may be used to cover reasonable administrative costs.
- (3) On an annual basis, after covering reasonable administrative costs, the [insert name of entity responsible for managing statewide accounts] shall transfer:
- (i) 25% of the money in the fund to the On-Farm Composting And Compost Use Grant Fund; and
  - (ii) 75% of the money in the fund to the Waste Diversion Grant Fund.
- (G) (1) The State Treasurer shall invest the money of the Fund in the same manner as other state money may be invested. (2) Interest earnings of the Fund shall be credited to the Fund.

Farmers have a unique and important role in making and using compost but they need help in site layout and design and in securing equipment. A dedicated fund to support on-farm composting and compost use is critical to developing a diverse, decentralized, and healthy compost infrastructure.

## On-Farm Composting And Compost Use Grant Fund

- (A) There is an On-Farm Composting And Compost Use Grant Fund.
- (B) The purpose of the Fund is to award grants to eligible entities to assist with the costs of developing and implementing on-farm composting and compost use projects.
- (C) The Secretary, in consultation with the Secretary of the [insert State environmental agency], shall administer the Fund.
- (D)
  - (1) The Fund is a special, nonlapsing Fund.
  - (2) The State Treasurer shall hold the Fund separately, and the [insert name of entity responsible for managing statewide accounts] shall account for the Fund.
- (E) The Fund consists of:
  - (1) The solid waste disposal surcharge revenue transferred to the Fund;
  - (2) Money appropriated in the state budget to the Fund;
  - (3) Interest earnings; and
  - (4) Any other money from any other source accepted for the benefit of the Fund.
- (F) The Fund may be used only to award grants to eligible entities to assist with the costs of developing and implementing on-farm composting and compost use projects, including the costs of:
  - (1) Purchasing compost and equipment for on-farm compost application;
  - (2) Equipment and infrastructure in support of on-farm composting;
  - (3) Composting materials generated on-site or off-site, including animal manure generated on-site and food scraps generated off-site;
  - (4) Compost management training under a program offered by the [insert state extension organization], the U.S. Composting Council, or other appropriate entity;
  - (5)
    - (i) Compost testing equipment; or
    - (ii) Submitting compost samples for testing to a laboratory with appropriate expertise;
  - (6) Quantifying the benefits of compost application to soil health and carbon sequestration;
  - (7) Studying impacts of compost application on on-farm nutrient and water quality management to inform relevant regulations;
  - (8) Researching and developing new compost treatments or products that will benefit or inform on-farm compost use;
  - (9) Consulting with a nutrient management specialist or other consultant; and
  - (10) Registering compost for sale within the state and/or with the U.S. Composting Council's Seal of Testing Assurance Program.
- (G) Interest earnings of the Fund shall be credited to the Fund.
- (H) An Eligible Entity may apply for a grant from the Fund.
  - (1) "Eligible Entity" means:
    - (i) A unit of State or local government;
    - (ii) A soil conservation district;
    - (iii) A local education agency;
    - (iv) An institution of higher education;
    - (v) A nonprofit organization;
    - (vi) A farmer, including an urban farmer or a rancher; or
    - (vii) A consortium of any of the entities identified in items (1) through (6) of this subsection.

Including procedures to make grant applications more accessible to projects with fewer resources or of smaller size facilitates accessibility for a wider variety of projects to receive grant funds.

It is important to include clear and accessible reporting procedures in addition to application procedures.

These priority factors ensure that grants are accessible to diverse and community-scale projects and farmers. This helps to ensure a wide and distributed investment in composting infrastructure and support by enabling a variety of applicants to access and apply for grants.

- (l) (1) The Secretary shall establish grant application and reporting procedures.
  - (i) The grant application procedures shall include:
    1. A process for facilitating participation of eligible entities with limited resources;
    2. A simple common application format;
    3. A process for authorizing eligible entities to use the entity's standard annual report and "letter of interest" to meet application requirements;
    4. A process for submitting applications in writing and through video and audio formats; and
    5. Translation services for applicants to overcome language barriers in the application process.
  - (ii) The grant reporting procedures shall include:
    1. A process for facilitating participation of eligible entities with limited resources;
    2. A simple common reporting format; and
    3. A process for authorizing eligible entities to use the entity's standard annual report to meet reporting requirements.
- (2) The grant reports shall include:
  - (i) A description of all grant-funded activities;
  - (ii) Amount of compost generated and/or utilized; and
  - (iii) Any discernible impacts on:
    1. Soil health
    2. Farm resilience and sustainability
    3. Job creation and other economic benefits
    4. Waste prevention and diversion
- (J) In awarding grants under this subtitle, the Secretary shall give priority for projects that meet one or more of the following:
  - (1) For which an applicant clearly describes how the project will support on-farm composting or compost use;
  - (2) That divert organic waste from refuse disposal facilities to instead be composted where the resulting compost is returned to soil within the state to support food production;
  - (3) For which an applicant demonstrates knowledge of best practices in the field and how to incorporate those best practices in the project;
  - (4) That serve a farm owned or operated by a farmer who is a low-income individual, a socially disadvantaged individual, a woman, or a veteran;
  - (5) That serve a low-income or socially disadvantaged community;
  - (6) That engage small or diverse farming operations.

## Waste Diversion Grant Fund

- (A) There is a Waste Diversion Grant Fund.
- (B) The Fund shall consist of:
  - (1) the solid waste disposal surcharge revenue transferred to the Fund;
  - (2) all fines and penalties collected under this subtitle;
  - (3) money appropriated in the state budget to the Fund; and
  - (4) any other money from any other source accepted for the benefit of the Fund.

This ensures that all funds go toward supporting waste diversion efforts and the grant programs, and don't get drained into the General Fund and/or other funds not related to waste diversion and composting.

Public grants can be directed at Counties, as is written in the template, and/or other relevant units of local government (e.g. Municipalities, Responsible Units, Planning Areas, etc.)

For example, in Maryland, the City of Baltimore, is treated as a County entity in legislative policy. Adjust the language to fit your state context.

This helps waste generators (e.g. businesses, households, commercial facilities) be aware of and educated on the surcharges so that they are incentivized to reduce their waste disposal. Education by local and state governments is critical.

Similarly to the State-wide separate account for surcharge revenue, Counties should have their own separate and protected accounts to avoid diverting funds from the purpose of investing in local waste diversion.

The idea behind the County Waste Diversion Grant program is to ensure that funds collected from the disposal surcharge are distributed equitably throughout the state. This will encourage waste diversion and ensure that those who are potentially affected by higher waste disposal fees have access to alternative waste management resources and education, as supported by the grants. This is best accomplished by allocating County Waste Diversion grant money based on population.

Minnesota and Alameda County, California, are examples that allocate local government grant funds based on population.

(C) The Secretary shall administer the Fund.

(D) The Treasurer shall hold the Fund separately and the [insert name of entity responsible for managing statewide accounts] shall account for the Fund.

(E) The solid waste disposal surcharge revenue transferred to the Fund may not revert to the General Fund of the State.

(F) In accordance with the State budget, the Fund shall be used only:

- (1) To provide public grants to the Counties to be used by the Counties to develop and implement local recycling plans; and
- (2) To provide competitive waste diversion grants for Eligible Entities to develop, maintain, and expand local waste diversion infrastructure and projects.

## County Waste Diversion Grants

(A) Of the revenue transferred to the Waste Diversion Grant Fund from the Environmental Stewardship Fund, 2/3 (two-thirds) shall be used by the [insert entity administering Waste Diversion Grants] to provide grants to Counties for developing and implementing activities that advance waste prevention, reuse, repair, recycling, or composting or minimize illegal dumping in the state, including for:

- (1) Developing, maintaining, or expanding local waste prevention, reuse, repair, recycling, and composting infrastructure, as well as infrastructure that minimizes illegal dumping;
- (2) Developing, maintaining, or expanding local waste prevention, reuse, repair, recycling, and composting and food rescue programs, as well as programs to minimize illegal dumping;
- (3) Encouraging source-separation of uncontaminated materials;
- (4) Providing education and technical assistance to public and private entities, including small haulers, to advance waste prevention, reuse, repair, recycling, and composting and to minimize illegal dumping;
- (5) Collecting and composting source-separated compostable materials; and
- (6) Developing, maintaining, or expanding measures that address and minimize illegal dumping, including measures relating to:
  - (i) Community and river clean-ups and campaigns;
  - (ii) Training and resources for small haulers;
  - (iii) Drop-off recycling receptacles;
  - (iv) Resource recycling centers that accept a wide range of materials; and
  - (v) Alternatives to single-use plastics and other single-use products.

(B) A County may apply for a grant under this section if the County has:

- (1) Created a separate account in its General Fund to deposit the grant money; and
- (2) Established accounting procedures to ensure that grant money in the separate account is spent only in accordance with this section.

(C) County grants shall be distributed proportionally to eligible Counties based on population.

(D) (1) A County that is awarded a grant under this section shall submit a report at the end of each fiscal year on:

- (i) The activities undertaken under the grant to increase the County's proportion of waste diversion, including the specific activities relating to waste prevention, reuse, repair, recycling, and composting;
- (ii) The activities undertaken under the grant to minimize illegal dumping; and
- (iii) The gains achieved in waste diversion practices and in addressing illegal dumping.

- (2) The report required under this subsection:
  - (i) May be submitted electronically; and
  - (ii) Shall be posted on the county's website.

## Competitive Waste Diversion Grants

- (A) (1) Of the revenue transferred to the Waste Diversion Fund, 1/3 (one-third) shall be used to award grants to Eligible Entities for:
    - (i) Developing, maintaining, or expanding local waste prevention, reuse, repair, recycling, and composting infrastructure, as well as infrastructure that minimizes illegal dumping;
    - (ii) Developing, maintaining, or expanding local waste prevention, reuse, repair, recycling, and composting and food rescue programs, as well as programs to minimize illegal dumping;
    - (iii) Encouraging source-separation of uncontaminated materials;
    - (iv) Providing education and technical assistance to public and private entities, including small haulers, to:
      - 1. Advance waste prevention, reuse, repair, recycling, and composting; and
      - 2. Minimize illegal dumping;
    - (v) Collecting and composting source-separated compostable materials;
    - (vi) Enabling restaurants, multifamily housing property managers, small haulers, and other small businesses to develop, maintain, or expand programs and procure necessary equipment for waste diversion and to minimize illegal dumping; and
    - (vii) Developing, maintaining, or expanding measures that address and minimize illegal dumping, including measures relating to:
      - 1. Community and river clean-ups and campaigns;
      - 2. Training and resources for small haulers;
      - 3. Drop-off recycling receptacles;
      - 4. Resource recycling centers that accept a wide range of materials; and
      - 5. Alternatives to single-use plastics and other single-use products.
  - (2) The [insert entity administering Waste Diversion Grants] shall ensure that grants awarded under this subsection are awarded equitably among:
    - (i) Activities relating to waste prevention, reuse, repair, recycling, composting, and minimizing illegal dumping; and
    - (ii) Projects that present a diverse and distributed infrastructure in which small- and medium-sized projects are well represented.
- (B) An Eligible Entity may apply for a grant under this section.
- (1) In this section, "Eligible Entity" means:
    - (i) A unit of state or local government;
    - (ii) A local education agency;
    - (iii) An institution of higher education;
    - (iv) A nonprofit organization;
    - (v) A farmer or rancher;

- (vi) A business that is:
    1. Operating in the State in good standing; and
    2. Intended to operate at a profit and return a profit to its owners; or
  - (vii) A consortium of any of the entities identified in items (1) through (6) of this subsection.
- (C) (1) The [insert entity administering Waste Diversion Grants] shall establish grant application and reporting procedures.
- (i) The grant application procedures shall include:
    1. A process for facilitating the participation of eligible entities with limited resources;
    2. A simple common application format;
    3. A process for authorizing eligible entities to use the entity's standard annual report and "letter of interest" to meet application requirements;
    4. A process for submitting applications in writing and through video and audio formats; and
    5. Translation services for applicants to overcome language barriers in the application process.
  - (ii) The grant reporting procedures shall include:
    1. A process for facilitating participation of eligible entities with limited resources; and
    2. A simple common reporting format;
    3. A process for authorizing eligible entities to use the entity's standard annual report to meet reporting requirements.
- (2) The grant reports shall include:
- (i) A description of all grant-funded activities;
  - (ii) Amount and types of materials diverted from disposal; and
  - (iii) Any discernible impacts on:
    1. Waste prevention and diversion
    2. Job creation and other economic benefits to the community
    3. Community resilience and sustainability
    4. Illegal dumping.
- (D) In awarding grants under this section, the secretary shall give priority for projects that meet one or more of the following:
- (1) For which an applicant clearly describes the project and goals, including a description of how the project will achieve waste prevention, reuse, repair, recycling, or composting goals or prevent illegal dumping in the state;
  - (2) For which an applicant clearly describes how the project will provide direct, meaningful, and assured benefits to the community and address important community needs;
  - (3) That reuse, rescue, recycle, or compost materials within the local community;
  - (4) That are based on a distributed infrastructure strategy that incorporate small- or medium-sized activities (such as home or onsite composting programs);
  - (5) That involve the construction, renovation, or expansion of sites to increase in-state infrastructure for waste prevention, reuse, repair, recycling, or composting in the state;
  - (6) That serve a marginalized, low-income, or socially disadvantaged community;
  - (7) That minimize negative impacts and maximize benefits to the local community, including jobs created for the community, job training, or support for hiring and leadership development practices that are inclusive and provide living wages;

These priority factors ensure that grants are accessible to diverse and community-scale projects. This helps to ensure a wide and distributed investment in waste diversion infrastructure and support by enabling a variety of applicants to access and apply for grants.

- (8) That incorporate components of waste prevention and reusing, repairing, recycling, or composting of any debris collected as part of illegal dumping clean up and mitigation projects.

## Reporting Requirements

- (A) (1) On or before December 1 each year, beginning in [insert start year], the [insert entity administering Waste Diversion Grants], in coordination with the [insert entity administering On-Farm Composting Grants], shall report to the [insert name of state legislature] on the grants awarded under the Waste Diversion Grant Program and the On-Farm Composting and Compost Use Grant Program.
- (2) The report shall include:
  - (i) The number and types of grants awarded; and
  - (ii) The impact of grant awards on:
    - 1. Job creation and other benefits to the state;
    - 2. Waste prevention and diversion; and
    - 3. The quantity of compost utilized by farmers.
- (B) Beginning with the report due [insert date 5 years after start year], and every 5 years thereafter, in the report, the [insert entity administering Waste Diversion Grants] shall include a recommendation on whether and to what extent an adjustment to the solid waste disposal surcharge is necessary.

Start dates for the surcharge and the grant programs can delay the start of the grant programs until after the surcharge has been implemented in order to cover administrative costs of setting up the grant programs.

Section 2. And be it further enacted, that this act shall take effect [insert start date].