

January 22, 2010



Virginia Recycling Association
P.O. Box 2107
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1-804-302-4231

Dear Senator:

The Virginia Recycling Association (VRA) is the only statewide, non-profit organization dedicated to expanding recycling in Virginia. The VRA is the Commonwealth's leading organization committed to the goal of promoting recycling as a fundamental part of conserving resources and reducing solid waste. Our membership is diverse—citizens, local government litter and recycling coordinators, and business and industry professionals.

During a meeting of the VRA Board of Directors on Wednesday, January 20, the Board resolved to oppose SB 525 in the 2010 Virginia General Assembly. Response from our membership has been uniformly supportive.

Title 58.1, Chapter 17, establishes the Virginia Soft Drink Excise Tax and the Virginia Litter Tax, which are imposed on manufacturers, wholesalers, distributors, and retailers of items such as beer, wine, and soft drinks. These taxes are currently deposited in the Litter Control and Recycling Fund and distributed to the localities to promote the control, prevention and elimination of litter and encourage recycling—the explicit purpose for which the taxes were created. The intent of SB 525 is to give the Soft Drink Excise Taxes to a fund administered by the Virginia Tourism Authority, making the Litter Control and Recycling Fund subject to the biennial budget process and the constraints of the General Fund.

The Virginia Recycling Association staunchly opposes this measure for the following reasons:

- The revenues from the Soft Drink Excise Taxes are relatively small, but their distribution to localities makes a real impact. The recipients leverage these dollars into added value through the work of volunteers, sponsors, local government employees, and environmental cleanups. In Fiscal Year 2009, local coordinators amplified \$1,829,481 into \$8,885,383 in cash and in-kind contributions for litter prevention and recycling programs. In addition, volunteers in local programs contributed 334,244 hours of service at a value of \$6,862,029.
 - **In other words, an investment of approximately \$1.8 million yielded more than \$15.74 million worth of value.**
 - **Loss of the state funding would most likely result in removal of the professionals who create this value.**
- The loss of supporting funding for local litter and recycling agencies will be devastating to more than 185 organizations representing 305 local governments all across the Commonwealth. Local budgets are highly unlikely to be able

The VRA is a 501 (c)(3) non-profit and strives to educate and promote effective recycling and waste reduction methods.

or willing to replace the funding. This will be the case in all varieties of counties, cities and towns, be they large, small, rural, or suburban.

- The Litter Control and Recycling Fund is the only dedicated funding source for recycling at the state level. Terminating its source of revenue would leave the recycling rate mandate entirely unfunded.
- The imposition of the Soft Drink Excise Taxes on that industry is based on the reasoning that the waste resulting from consumption of their wares constitutes large portions of littered and recyclable materials. Using these taxes to fund the Tourism Authority is inappropriate and not the intent of the original legislation.

Reductions to state funding for public programs have been keenly felt in every corner of Virginia. Although painful, this is understood by litter and recycling coordinators. For example, in FY2009, \$100,000 in competitive grant funding was transferred from the Litter Control and Recycling Fund to augment the General Fund. SB 525, however, is not a temporary budget measure: it is a permanent defunding of a network of programs that have legitimate and measurable impact on Virginians, their communities, and the environment as a whole.

The VRA and its 200+ members urge you to oppose SB 525. Please feel free to contact us if you have questions about this or any other matter related to recycling and litter prevention.

Most Sincerely,

Erica Trout
Association Manager