

FORCED DEPOSIT TAXES/ INITIATIVE AND REFERENDUM ... A BAD COMBINATION FOR VIRGINIA BUSINESS.

The economic vitality of companies paying litter/recycling taxes will be hurt by forced deposit taxes (bottle bills). A favorite method of bottle bill advocates to get these measures before the public is Initiative and Referendum, also called direct ballot government.

With office-seekers frequently touting the referendum process, it needs to be reinforced that Virginia's business community is strongly opposed to Initiative and Referendum. Here are several reasons why:

No Room for Compromise

Under Initiative and Referendum, voters must accept or reject a proposal as written. The healthy give and take of the legislative process often produces consensus and a better bill, but Initiative and Referendum eliminates these opportunities.

Money Talks

If you think big dollars drive elections, the power of the purse is multiplied in Initiative campaigns. The initial signatures required in this process are often gathered by people paid by *special interests*, not volunteers. The slickest thirty-second ads, direct mail and the scariest slogans often carry the day.

Battle of the Special Interests

Initiatives are often proposed by special interest groups to pass laws which previously have been rejected by the legislature. Other interested parties then get involved, often acting out of concern for their own profits. No one speaks for the average citizen, who often ends up footing the campaign bill through higher prices and poorly considered public policy.

Lack of Accountability

Unlike legislators or a governor, the campaigns which support or oppose Initiatives do not have to face the voters in a future election. They can say anything to the voters with no fear of reprisal. In other words, who is held accountable? No one. In Virginia, the General Assembly is accountable.

*This material is brought
to you by the following
litter tax-paying businesses
and their representatives:*

7-Eleven, Inc.

American Beverage Association

Ball Corporation

Giant Food LLC

Glass Packaging Institute

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Safeway, Inc.

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Virginia Beer Wholesalers Association, Inc.

Virginia Beverage Association

Virginia Hospitality and Travel
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Grocery Association, Inc.

Virginia Retail Federation

Virginia Retail Merchants Association

VIRGINIA BUSINESS

PUTTING ITS

MONEY

WHERE ITS

MOUTH IS

...

TO SUPPORT A

CLEANER VIRGINIA



LITTER LAWS

Virginia's business community has consistently opposed bottle bills (container taxes) when these bills have been considered by the General Assembly. Why? Because we know there's a better way to reduce litter and encourage recycling: by creating an environment where personal responsibility, not government-mandated schemes, helps keep Virginia clean.

- Over thirty years ago, we worked with legislators to fashion Virginia's unique community-based litter control laws.
- The hallmark of these statutes was the creation of dedicated litter/recycling taxes willingly paid by beer distributors, soft drink distributors and retailers. Since 1981, for example, more than **\$48 million** has been provided to help Virginia localities fight litter and manage recycling. In FY 2010, more than **\$1.5 million** in litter/recycling taxes were sent "back home" for these programs.
- In 1995, the General Assembly worked with business to create the Litter Control and Recycling Fund Advisory Board comprised of representatives of each of the litter/recycling tax-paying entities, as well as a local program manager and a representative of the general public. The Board works closely with DEQ to establish policies for the effective use of litter/recycling tax revenues.
- In 2006, business and the General Assembly collaborated on statutory changes that: required that **90%** of annual litter/recycling tax collections be returned to Virginia localities for their own litter control and recycling programs; earmarked **5%** of these taxes for special projects to enhance local programs; and stipulated that up to **5%** of these funds may be used by the Department of Environmental Quality for actual administrative support of these efforts.
- At the 2009 General Assembly, the business community renewed its commitment to local programs by supporting legislation redirecting to Virginia localities the **5%** of litter/recycling taxes formerly earmarked for special projects. **This means that local program managers decide the best use for 95% of all litter/recycling taxes collected in the Commonwealth.**

LITTER CONTROL & RECYCLING FACTS

Litter control and recycling taxes paid by beer distributors, soft drink distributors and retailers fund hundreds of litter control and recycling programs across Virginia. Here's a snapshot from DEQ's latest report.

Return on Investment – Almost 1,200%!

Total grant dollars to Virginia localities from litter/recycling tax collections: \$1,514,879. Local dollars plus in-kind matching contributions: \$11,061,966. Local volunteer hours worked (at \$20.93/hour): \$7,387,390. Return on investment from annual litter/recycling tax collections: **almost 1,200%**.

Staff – 747

Most local programs have at least one full- or part-time employee who is typically assisted by volunteers. In FY 2010, the 747 local program employees (full- and part-time) worked more than 553,439 hours in litter control, education and recycling activities.

Value of Volunteer Hours – \$7,387,390

Volunteers play a critical role in the success of Virginia's litter control and recycling programs. These volunteers contributed more than 352,957 hours of service in FY 2010, a contribution of almost \$7.4 million toward the success of local litter and recycling efforts.

Clean-Up Events Held in FY 2010 – 7,877

Local programs sponsor a wide variety of clean-up programs where volunteers donate their energies to clean areas where litter is present or where illegal dumping has occurred. In FY 2010, almost 74,000 volunteers participated in 7,877 clean-ups, which yielded more than 30,509 cubic yards of litter.

Ecology Clubs – 148 Across Virginia

More than 4,000 young people across the Commonwealth participate in nearly 148 Ecology Clubs.

Youth Education – 111,243 Young People Participating

Most local programs include a substantial effort aimed at the Commonwealth's youth. In FY 2010, local program managers presented more than 2,400 workshops, classroom sessions and other educational events which attracted more than 111,000 youngsters.

Public Outreach

During FY 2010, local program managers:

- conducted more than 660 presentations and workshops attended by almost 35,000 people;
- managed almost 1,000 exhibits which drew more than 552,000 attendees at various events statewide;
- presented workshops, events and exhibits statewide attended by more than 587,000 Virginians.

Assign-A-Highway Programs

The Assign-A-Highway program continued as a litter prevention/clean-up initiative in FY 2010:

- more than 6,500 probationers were engaged in Assign-A-Highway programs;
- these probationers cleaned almost 14,000 road miles and collected almost 10,000 cubic yards of litter.

SOURCE: Annual Report to the Virginia Litter Control & Recycling Fund Advisory Board – Fiscal Year 2010 Summary Report – Prepared by the Department of Environmental Quality.