

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: SB 891, Proposed Committee Substitute 6/1/95

SHORT TITLE: Solid Waste Amendments

SPONSOR(S): Senator Odom

GENERAL FUND

FISCAL IMPACT: Expenditures: Increase () Decrease ()
Revenues: Increase () Decrease ()
No Impact (x)
No Estimate Available ()

FUNDS AFFECTED: General Fund (x) Highway Fund () Local Fund ()
Other Fund ()

LOCAL FUNDS

FISCAL IMPACT: Expenditures: Increase () Decrease ()
Revenues: Increase () Decrease ()
No Impact ()
No Estimate Available (x)

FUNDS AFFECTED: General Fund () Highway Fund () Local Funds (x)
Other Fund ()

BILL SUMMARY: SOLID WASTE AMENDMENTS (= HB 859). TO REVISE THE SOLID WASTE MANAGEMENT ACT OF 1989 AND RELATED STATUTES. Amends definition of "solid waste" in GS 130A-290(a)(18a) to exclude industrial waste managed in a solid waste management facility owned and operated by the generator of the waste. Deletes GS 130A-309.04(c3) regarding local governments' credits toward attaining the waste reduction goal of 40% by June 30, 2001 (reduction goal of 25% by June 30, 1993, is repealed). Adds GS 130A-309.04(d1) to emphasize the State's policy of strengthening the supply of and market for recyclable materials. Deletes GS 130A-309.05(c), which excluded certain recovered materials from regulation as solid waste. Amends GS 130A-309.06(d) to require the Dep't of Environment, Health & Natural Resources (DEHNR) to submit its report on recycling to the Environmental Review Comm'n on or before March 1, of even-numbered years. Deletes GS 130A-309(a), (b), and (c), which required local governments to determine annually the full cost of solid waste management and to make that information available to users of the management service. Deletes GS 130A-309.04(e) and (f), which required counties to prepare solid waste management plans and have them approved by DEHNR. Amends GS 130A-309.09A to require each local government, individually or in cooperation with other units, to develop a 10-year solid waste manage plan; plans are encouraged to be consistent with 40% waste reduction goal. Plans to be updated at least every three years. A local government must furnish DEHNR, on request, a

copy of its current plan. Among required elements in the plan are: evaluation of waste stream in area covered by the plan; waste reduction goals; description of public participation in plan development and educational efforts; and assessment of costs of solid waste management. Local governments must begin to implement the plans by July 1, 1996. Amends GS 130A-309.09A(d) to require local governments to report to DEHNR by Sept. 1 each year on waste management programs and waste reduction activities, and reports must contain a statement of the costs of solid waste management programs implemented by the unit and the methods of financing those costs. New GS 130A-309.09A(g) prohibits a local government that is a collector or disposer of solid waste from collecting for disposal, or disposing of, any type of solid waste that is generated within a unit of local government that by ordinance either prohibits generators or collectors of municipal solid waste from disposing of that type of waste or that requires generators or collectors of municipal solid waste to recycle that type of waste. Amends GS 130A-309(a)(1) to delete the requirement that construction and demolition debris must be separated from the solid waste stream. Deletes GS 130A-309.09B(c), (d), and (e), concerning the development of local government recycling programs and the requirement that negotiations be held with private franchisees. Amends GS 130A-309.09C(g) to provide that a local government that does not prepare a solid waste management plan or include waste reduction goals in the plan shall be ineligible for grants from the Solid Waste Management Trust Fund, Scrap Tire Disposal Account, or White Goods Management Account, and shall not receive proceeds of the scrap tire tax or the white goods disposal tax, but shall not risk loss of other funds to which it may be entitled from DEHNR. Amends GS 130A-309.09D(a) to prohibit owners and operators of private collection and disposal facilities from collecting, or disposing of, any type of solid waste that is generated within the boundaries of a local government that by ordinance prohibits generators or collectors of municipal solid waste from disposing of that type of solid waste or requires generators or collectors of municipal solid waste to recycle that type of solid waste. Adds new GS 130A-309.09D(c) to require generators of industrial solid waste that own or operate a management facility for that waste to develop a 10-year management plan, to be updated every 3 years, and furnished to DEHNR on request. Plans are to be completed by July 1, 1996. Deletes GS 130A-309.10(d)(2), which provided that after Oct. 1, 1997, no person could sell or distribute any polystyrene foam product used in conjunction with food consumption unless a certain percentage of the product was being recycled. Amends GS 130A-309.10(f)(7), regarding the prohibition against land filling tires, to prohibit the placing of whole scrap tires in landfills, but the prohibition does not apply to whole solid rubber coverings. Amends GS 130A-309.53(7) to make it clear that a "tire" as defined for purposes of the scrap tire tax does not include bicycle tires and other tires for vehicles propelled by human power. Enacts new GS 153A-292(f), (g), and (h), and GS 160A-(f), (g), and (h) to transfer the local government solid waste fee provisions from GS 130A-309.09A to the new subsections.

SENATE PROPOSED COMMITTEE SUBSTITUTE: Makes following substantive changes from original bill: Retains present GS 130A-309.05 (which was repealed by original bill), adding authorization to Commission to adopt

rules to ensure that recovered materials do not pose threat to public health or environment. Modifies amendment to GS 130A-309.06(c), to require Department's annual report to be prepared by 1 March each year (currently 1 May, and 1 October in original bill), and directs that recommendations go to Environmental Review Comm'n rather than General Assembly. Deletes proposed amendment that would have deleted GS 130A-309.08(a) through (c), concerning determination of cost for solid waste management. Directs local governments to make good faith effort to meet 40% solid waste reduction goal (originally, local governments simply encouraged to do so). Amends GS 130A-309.10(c)(1) to delete requirement that notice of recyclability be printed on each bag. Retains present GS 130A-309.10(d)(2), which was deleted by original bill. Adds statement to GS 153A-292 to state that board of county commissioners may impose fees for processing and disposal of solid waste only on persons who use the facility doing processing or disposing. Changes effective date from ratification to October 1, 1995.

EFFECTIVE DATE: October 1, 1995

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED:

Department of Environment, Health, and Natural Resources
Division of Solid Waste Management
Local Units of Government

	FISCAL IMPACT				
	<u>FY95-96</u>	<u>FY96-97</u>	<u>FY97-98</u>	<u>FY98-99</u>	<u>FY99-00</u>
EXPENDITURES					
RECURRING					
NON-RECURRING					
POSITIONS:					

ASSUMPTIONS AND METHODOLOGY:

GENERAL FUND

Overall, the bill lessens the requirements and provisions of the Solid Waste Management Act of 1989 and related statutes to be implemented by the Department of Environment, Health, and Natural Resources (DEHNR), and therefore will have a negligible impact on the general fund. This fiscal analysis is limited to the provisions and changes specified in the Proposed Committee Substitute for Senate Bill 891. It does not address the expansion cost of implementing the entire intent of the current statute, because a provision in the 1989 legislation (Senate Bill 784, An Act to Improve the Management of Solid Waste) provided that the act "shall not be construed to obligate the General Assembly to appropriate funds to implement the provisions of this act." The provision further provided that the act "shall not be construed to obligate any State agency to implement the provisions of this act beyond the extent to which such funds are appropriated." (Chapter 784 of the 1989 Session Laws)

Currently the Department has not fully implemented all the provisions of the current statutes due to a lack of funding resources. If resources become available to meet the intent of the current law, then the modifications to the existing laws made in this bill should not

require additional resources beyond the funding level needed to meet the requirements currently specified in the Solid Waste Management Act of 1989 and related statutes.

LOCAL FUNDS

Many of the provisions of this bill have a potential fiscal impact, both positive and negative, on local units of government. However, the size of the net impact cannot be determined. Some provisions in the bill impose new responsibilities on local governments and could offset the potential savings that could result from other changes that eliminate or reduce requirements and provide more flexibility to local governments.

Local Solid Waste Management Plan

Counties will no longer be required to develop and update a comprehensive county solid waste management plan to be submitted to DEHNR for approval every two years. However, local units of government will now be required to develop a 10-year comprehensive solid waste management plan, to be updated at least every three years. The development of the plan must include a minimum of one advertised public meeting. Local governments will be allowed to establish their own waste reduction goals, but are required to make a "good-faith effort" to achieve the state's 40% municipal solid waste reduction goal. Local governments also have the option of developing the plan individually or in cooperation with other local government units.

The costs associated with the development of the comprehensive waste management plans will vary across local governments, and it cannot be determined how many local government units will spend less developing their plans and how many will spend more as a result of the increased flexibility.

Operation of Solid Waste Disposal Facilities

Local governing boards will no longer be required to provide for the operation of solid waste disposal facilities, but will be required to assess the adequacy of local collection services and disposal capacity, as well as implement programs to address service or capacity deficiencies.

Again, the net effect of this change is likely to vary across local government units, and it cannot be determined how many local government units will spend more or less as a result of this change.

Local Waste Reduction Program

The existing requirement to initiate recycling programs is replaced by a requirement to establish a solid waste reduction program to help meet the solid waste reduction goals established in the 10-year local comprehensive plan.

The funding level required to implement this provision of the bill will depend on whether the waste reduction goals set by the local government unit in its 10-year plan significantly change and/or go beyond the current goals. It is also uncertain whether the funding level required currently for the local recycling program will be enough to offset the costs of the new solid waste reduction program, which likely would include some or all of the activities of the current recycling program.

Penalties for Noncompliance

The state will withhold funds from the Scrap Tire Disposal Account and the White Goods Management Account from local government units that do not comply with the Solid Waste Management Act. County proceeds from both the scrap tire disposal tax and the white goods management tax will also be withheld.

Since all counties receive a portion of these taxes, and all counties are eligible for grants from the Scrap Tire Disposal and White Goods Management Accounts, any penalty assessed would have a negative impact on local funds. The average county proceeds from the 1% tire disposal tax for the 1993-94 fiscal year was \$35,497. The average county income from the white goods disposal tax for the six-month period from January 1 to June 30, 1994 was \$19,105.

Grants from both the Scrap Tire Disposal and White Goods Management Accounts vary and are designated primarily for counties that did not receive sufficient funds to operate their local scrap tire and white goods management programs. The average Scrap Tire grant for the 12 month period from October 1, 1993 to September 30, 1994 was \$8,739 (a total of 57 grants were awarded during this period). The average White Goods grant for the six-month period period from January 1 to June 30, 1994 was \$11,081 (a total of 15 grants were awarded during this period).

Based on these averages, a local government unit that fails to comply with the provisions of the Solid Waste Management Act will forfeit, at a minimum, \$54,602 in local proceeds from these taxes.

SOURCES OF DATA:

Department of Environment, Health, and Natural Resources
Division of Solid Waste Management
Scrap Tire Management Report, May 15, 1994
White Goods Management Annual Report, October 1, 1994

TECHNICAL CONSIDERATIONS:

FISCAL RESEARCH DIVISION

733-4910

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[FRD#003]



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