

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2007

Legislative Fiscal Note

BILL NUMBER: House Bill 1134 (Second Edition)

SHORT TITLE: Cleanup of Abandoned Manufactured Homes.

SPONSOR(S): Representatives Haire, Allen, Tolson, and Justice

FISCAL IMPACT					
	Yes (x)	No ()	No Estimate Available ()		
	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>
REVENUES:					
EXPENDITURES:	**Creates new allocation for existing revenue. See Assumptions and Methodology**				
POSITIONS (cumulative):					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:	Department of Environment and Natural Resources; local governments				
EFFECTIVE DATE:	March 1, 2009				

BILL SUMMARY: HB 1134, version 2 creates new part 2E of Article 9 of GS 130A, granting counties the authority to implement a program for the management of abandoned mobile homes. If the county implements such a program, it must develop a written plan for the program that meets certain guidelines specified in the bill. The bill outlines the process required for counties to use to notify responsible parties that abandoned manufactured homes must be properly disposed of within 90 days; the process by which counties may remove, deconstruct, and dispose of abandoned manufactured homes is also detailed.

The bill requires that the Department of Environment and Natural Resources (DENR) use up to \$1 million annually from the Solid Waste Management Trust Fund to provide grants to counties and to provide technical assistance to counties as they implement their programs. Grants are limited to \$1,000 for each unit disposed of, except that Tier One and Two counties may request supplement grants not to exceed 50% of the amount in excess of \$1,000. The bill allows that Tier One and Two counties may apply for planning grants of up to \$2,500, payable from the Solid Waste Management Trust Fund.

The bill further requires that grant-receiving counties report to DENR on their programs and that DENR submit an annual report to the Environmental Review Commission.

The bill would become effective March 1, 2009 and sunset October 1, 2023.

ASSUMPTIONS AND METHODOLOGY:

Department of Environment and Natural Resources

HB 1134 does not generate new revenue nor require any new expenditure that would exceed existing revenue. The bill allows DENR to use up to \$1 million from the Solid Waste Management Trust Fund to provide grants to counties. This allocation from the Solid Waste Management Trust Fund would reduce the amount of funds available for the current uses of the Trust Fund – primarily recycling grants to local governments.

The Trust Fund receives the following revenues: 8% of the tax on white goods; 5% of the tax on tires; 12.5% of the solid waste tax (effective July 1, 2008); tax on virgin newsprint; any General Fund appropriations; and contributions or grants. Revenue into the fund for each of the next five years is estimated to be between \$2 and \$2.5 million based on prior year collections and estimates for the solid waste tax.

DENR does not anticipate any additional staffing costs to run this program. Per G.S. 130A-295.9, the Solid Waste Management Trust Fund is allocated 12.5% of the revenue from the solid waste tax. Of this amount, DENR may use up to 7% for administrative expenses related to solid waste and recycling grants, including abandoned manufactured homes grants. Thus, DENR does not anticipate needing additional funding for staffing or operations.

Local Governments

Under the bill, counties may implement, but are not required to implement, abandoned manufactured homes management programs. Counties would be eligible for reimbursement of up to \$1,000 for each unit disposed of, and Tier One and Two counties would be able to request additional supplement grants not to exceed 50% of the amount in excess of \$1,000. At this time, an estimate of the cost to counties to fully implement such a program is not available, and thus, it is not known if these grants would fully cover their costs.

SOURCES OF DATA: Department of Environment and Natural Resources

TECHNICAL CONSIDERATIONS: None

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