

FISCAL NOTE

Requested by Legislative Council
02/07/2005

Amendment to: SB 2268

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$6,400,000		\$6,400,000
Expenditures				\$6,400,000		\$6,400,000
Appropriations				\$6,400,000		\$6,400,000

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

SB 2268 identifies actions to be completed the Health Department. This bill requires a collection of fees of 25 cents per pound per year for new tires sold in North Dakota. Section 8 of the bill identifies how the funds are to be distributed.

Due to the complexity of the bill, it is difficult to determine all of the impacts on the Department; however, the following is a list of new activities anticipated for the Health Department:

1. Abatement of daily waste rubber flow through:
Plan development; notification to retailers of law; enforcement of the law; establishment of process for fee payment; and to establish fee structure for waste rubber based upon weight.
2. Abate waste rubber stockpiles through:
Plan development; establish waste tire abatement priority list; enforcement of stockpile abatement plan; provide financial assistance to cooperating owners of stockpiles; remediate stockpiles of recalcitrant stockpile owners, and seek cost recovery.
3. Assist tire service or retailers with waste rubber abatement;
Plan development; establish waste rubber abatement priority list; develop waste rubber census with locations; provide financial assistance to cooperating owners; remediate stockpiles of recalcitrant owners, and seek cost recovery.
4. Prepare request for proposals to seek contractors to process waste rubber.
5. Establish and maintain Waste Tire Management Fund.
6. Pursue cost recovery to include liens on property.
7. Contract administration.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Revenues would be generated from a 25 cents per pound fee collected on the sale of new tires. Assuming that 640,000 tires each weighing 20 pounds are sold annually, this would generate approximately \$3.2 million each year.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Section 8 of this bill identifies how the funds would be distributed. The bill also allows 4 cents to be used for administrative costs. The Health Department estimates \$834,500 of expenditures, 5.5 new FTE's and operating costs per biennium to administer this fund.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Included in the appropriations amount are administrative costs of \$1,024,000 and the balance of \$5,376,000 are distributed as per section 8 of this bill.

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Agency: Health
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