

2009 HOUSE POLITICAL SUBDIVISIONS

HB 1536

2009 HOUSE STANDING COMMITTEE MINUTES

Bill No. HB 1536

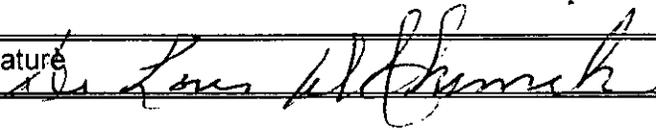
House Political Subdivisions Committee

Check here for Conference Committee

Hearing Date: January 30, 2009

Recorder Job Number: 8241

Committee Clerk Signature



Minutes:

Chairman Wrangham opened the hearing on HB 1536.

Rep. Zaiser: Presented the bill. The bill began to bring awareness to solid waste contingency. The program throughout the country is a fee which is the cost of putting the solid waste in a land fill; the cost of potentially replacing or providing new land fill. It charges \$1/ton to the local political subdivisions for solid waste disposal at a land fill. There has been probably 1100 tons over the last year. If one would calculate this it would probably mean \$700,000.

That money would go to the State Department of Health. They would administer the program and give money back to the local jurisdictions. They would save 10% for the whole concept of reducing solid waste. It could become an issue here. It will be a much larger issue where land values are skyrocketing more than they are here. Ninety percent of that would come back to local political subdivisions. They would use 5% to inform them and 5% for administration.

Rep. Klemm: Line 11; the landowner would collect the fee from the person hauling or producing the waste. Every spring I have to take a load of brush to the landfill. Now I would have to pay a fee?

Rep. Zaiser: You would not have to pay a fee; the disposal facility would pay the fee based on a county basis.

Rep. Klemin: It says the landfill may collect this fee from the person?

Rep. Zaiser: They may or may not. Most of the larger cities have programs where they mulch their trees. That way it doesn't take up space in the landfill. I don't know how different cities would handle that.

Rep. Klemin: I think it looks like this bill could become a lot to administer. How is it going to be allocated? When they pick up the garbage at our house that would have to be kept track of.

Rep. Zaiser: I am not sure how it would work exactly. I think the cost would be spread throughout the city.

Rep. Nancy Johnson: What about the small communities? Dickinson is a midsized community and we don't even have anyone there that will recycle paper or plastic? How would it work for us or similar smaller communities?

Rep. Zaiser: They would probably end up with a neutral location. The State Department of Health would probably handle it. The objective is trying to minimize to use of landfills. Discussed difficulties all communities have in regards to recycle. Discussed Minnesota's program and how they are utilizing it. Counties were required to reduce their solid waste by so much and if they did they got a bonus. My proposed bill is much simpler.

Rep. Koppelman: Basically this would set up a program in the Department of Health where there would be government entity that would oversee this. They would collect money from everybody and if they thought counties or cities were doing a good job they would get some back. There is no penalty portion. I there any reason cities and counties can't do this now?

Rep. Zaiser: Yes you are correct. This is not recycling; it is to encourage others to do it. Those cities that are doing it now, would be recognized by the state department. Fargo is doing curb side pickup. It will cost the city money initially, but eventually it will save.

Rep. Koppelman: Political subdivision's would they break even? Would they benefit at someone else's expense.

Rep. Zaiser: Not sure; winners and losers in this.

Rep. Corey Mock: Is branches and yard type stuff considered solid waste?

Rep. Zaiser: Yes because it takes up space in the landfill. That is my perception.

Much discussion on yard clipping.

Chairman Wrangham: How would you break even?

Rep. Conrad: This money goes into a general land fill item; not per person basis?

Rep. Zaiser: There is no per person basis.

Rep. Conrad: I want to talk about Rep. Klemin's tree branches. They put them into the budget and just pay it from our landfill cost. We do not do it on a per person basis, right?

Chairman Wrangham: In the interest of time we can ask Rep. Zaiser questions on our own. Are there others to testify on this bill?

Mary Mitchell: Dakota Resource Council: No position on this bill. I don't know if it is a workable bill or not. We think recycle efforts are good.

Scott Radig, Department of Health: In regards to Rep. Klemin question; this would be on a per landfill basis. The landfill is responsible for getting that fee to the state and they can calculate their total volume waste they have for the year and submit that to the state. It doesn't necessarily have to be the individual that drives into the land fill. It could be added on as an overall fee and calculated for the people that bring waste to the landfill.

Rep. Klemin: How many landfills are there throughout the state?

Scott Radig: There are 13 municipality landfills in the state.

Rep. Klemin: So most of the cities in the state that generate waste to not have their own landfill? They would have to haul to one of these 13 landfills?

Scott Radig: Yes that is correct. I think that is why Rep. Zaiser included a fee.

Rep. Klemin: Discussed the hauling concept and the costs involved. How would they get paid?

Rep. Klemin: Someone hauling on a long term contract; the cost would have to be passed on.

Rep. Nancy Johnson: Are there any problems with out of state waste?

Scott Radig: Some of the out of states like Minnesota and South Dakota; the fees would get back to North Dakota according to the usage.

Neutral:

Connie Sprynczynatyk: the way it works Rep. Klemin is that it is strictly in the city of Bismarck and is true for all its municipal landfills. There is a fee that is assessed to the utility fund; it is not to the general fund, it is suppose to pay for itself and its operation. The federal government reauthorized ROCA in 1990. That is when we saw a massive amount of rules that were very stringent; it cost the city of Bismarck almost half a million dollars just to get to the point where we could get our permit from the State Health Department. Once we started operating in Subtitle B Landfill; which is now true for all 13; we had to make sure our rate would cover the cost incurred. Discussed the process and costs so that we would know what we needed to charge. We tried a collection program; it cost us \$.5 million to implement it. The response was good, but quickly diminished. Because we are located geographically distant from the market. I am not against the concept, but the costs are there, and you are just taking it from one pot to another. I think the state pockets are flush and the local government pockets are not; let's just make it a general fund appropriation from the Health Department, which would accomplish the same thing and it would not directly impact them directly.

Hearing closed.

2009 HOUSE STANDING COMMITTEE MINUTES

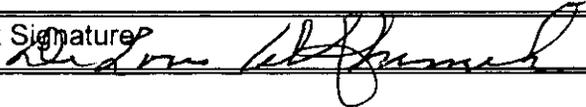
Bill No. HB 1536

House Political Subdivisions Committee

Check here for Conference Committee

Hearing Date: February 5, 2009

Recorder Job Number: No Tape

Committee Clerk Signature 

Minutes:

Chairman Wrangham reopened the hearing on HB 1536.

Do Not Pass Motion Made By Rep. Koppelman: Seconded By Rep. Hatlestad:

No Discussion

Vote: 12 Yes 1 No 0 Absent Carrier: Rep. Hatlestad:

Hearing closed.

FISCAL NOTE
Requested by Legislative Council
01/20/2009

Bill/Resolution No.: HB 1536

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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$1,340,000		\$1,340,000
Expenditures				\$1,340,000		\$1,340,000
Appropriations				\$1,340,000		\$1,340,000

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

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill would require municipal solid waste landfills to collect and submit a fee of \$1.00 per ton into a new solid waste reduction fund. The fund would be used for grants to political subdivisions for waste reduction and recycling programs and 10% for administration of the program.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Each landfill may pass the fees on to the waste hauler or generator, so there will be no direct fiscal effect on cities and counties that operate a municipal solid waste landfill, other than time and paperwork to collect and submit the fees. Each landfill is already required to report their annual tonnage disposed so the time should be minimal.

Based on national averages, it has been estimated that approximately ½ pound of waste is generated per student per day. For the school year this would amount to 90 pounds per student, from which the increased cost to a school district would be less than \$0.05 per student per year.

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.*

The latest estimate of annual tonnage of municipal solid waste disposed was 671,000 tons. Slightly more than 100,000 tons of this volume is from out-of-state waste disposed in North Dakota landfills each year. Overall, it works out to about \$1 per person per year. The hope would be that annual increases in tonnage generated due to population and economic growth would be offset by increased recycling and waste reduction activities due to this fund, with the net amount staying even or gradually decreasing.

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.*

It is expected that 90% (1,206,000) or more of all money collected would be passed back to political subdivisions. Up to 5% (67,000) could be used directly by the Health Department for solid waste reduction and recycling education and awareness activities, and up to 5% (67,000) could be used by the Health Department for administrative costs of the program. It is estimated that it would take approximately one half FTE to work on the program activities.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency*

and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.

Funds for this project are not included in the Department's appropriation bill (SB 2004). The Department will need these funds and one half FTE to be appropriated to carry out this project.

Name:	Kathy J. Albin	Agency:	Health Department
Phone Number:	328.4542	Date Prepared:	01/21/2009

Date: 2/5/09
Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1536

HOUSE POLITICAL SUBS COMMITTEE

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Legislative Council Amendment Number _____

Action Taken DP DNP DP AS AMEND DNP AS AMEND

Motion Made By Rep. Koppelman Seconded By Rep. Hatlestad

Representatives	Yes	No	Representatives	Yes	No
Ch. Wrangham	✓		Rep. Conrad	✓	
Vice Chair Rep. Headland	✓		Rep. Kelsh	✓	
Rep. Hatlestad	✓		Rep. Kilichowski	✓	
Rep. N. Johnson	✓		Rep. Mock	✓	
Rep. Klemin	✓		Rep. Zaiser		✓
Rep. Koppelman	✓				
Rep. Kretschmar	✓				
Rep. Pietsch	✓				

Total (Yes) 12 No 1

Absent 0

Floor Carrier: Rep. Hatlestad

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1536: Political Subdivisions Committee (Rep. Wrangham, Chairman) recommends **DO NOT PASS** (12 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). HB 1536 was placed on the Eleventh order on the calendar.