

1999 SENATE APPROPRIATIONS

SB 2386

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2386

Senate Appropriations Committee

Conference Committee

Hearing Date 2-3-99

Tape Number	Side A	Side B	Meter #
1		X	640-5112
2-4-99 2	X		612-1035
Committee Clerk Signature <i>Kathy C. Kottenderock</i>			

Minutes:

SENATOR NETHING: Opened hearing on SB2386; A BILL FOR AN ACT TO CREATE AND ENACT TWO NEW SECTIONS TO CHAPTER 23-29 OF THE NORTH DAKOTA CENTURY CODE, RELATING TO A RECYCLING INCENTIVE PROGRAM; TO REPEAL SECTION 23-29-07.5 OF THE NORTH DAKOTA CENTURY CODE, RELATING TO GRANTS AND LOANS FROM THE SOLID WASTE MANAGEMENT FUND; TO PROVIDE A PENALTY; AND TO PROVIDE AN APPROPRIATION.

RANDY SCHOBINGER: State Senator from District 3 (meter 640-730). Introducing the bill because a constituent called with concerns about the recycling industry. Not real knowledgeable about the ins and outs of recycling business so others will explain the bill in detail. I do feel this deserves a good hearing.

PAM GULLESON: State Representative, District 26, to testify in support of SB2386 (meter 750-837). It is a good, responsible piece of legislation. Simple mechanize by which we can create a pool of dollars to encourage recycling. Hopes committee will see it with favor and give a do pass. We come a long way in recognizing that one of the best things we can do is encourage and educate the public on the need to recycle.

SENATOR NETHING: Bill would create incentive for people not to use an environmentally sound landfill. Is that a correct observation?

PAM GULLESON: I can't see anything in the bill that would do that. All it does is encourage recycling and those things still have to be disposed of at proper recycling sites.

SENATOR SOLBERG: In 1991 a garbage tax was put on, in 1995 it was repealed. The grant procedure did not work then, can you tell me why it would work now?

PAM GULLESON: I do not think it did not work. Apparently there were enough to get the vote through that said; that encouraging recycling and allowing for purchases of equipment did not work. But I disagree, I think everyone would want to take a part in being responsible.

SENATOR TALLACKSON: I do not understand the bill that well, of all the calls I have gotten, most of the calls were on this bill, SB2386. I do not understand the controversy.

SENATOR ST. AUBYN: On this type of a program, why couldn't a local city or county establish something themselves for recycling and charging their residents for it versus making it statewide? There is nothing to prevent that is there?

PAM GULLESON: I doubt if there is. One problem is most of these landfills that would be assessed on this are regional, large facilities that serve big areas. You are not seeing any more county landfills as often. To do it from the state area makes more sense. Money is generated for everybody, even though the landfills are in regional-type settings.

TERRENCE KARDONG: From Richardton, ND, to testify in support of SB2386 (testimony attached, meter 1275-1416). Recycling is a good idea. Raw materials and energy resources are conserved and landfills last longer due to reduced waste. Increasingly difficult to recycle in many areas of North Dakota. Do not have the resources to handle recyclables. North Dakota municipalities generate more than 500,000 tons of waste each year. We can't afford not to recycle. Vote for farmland, not wasteland.

TERRY HORST: Operations Manager for Minnkota Recycling to testify in support of SB2386 (testimony attached (meter 1440-1700).

SENATOR ROBINSON: Should this bill be approved; how would that impact your ability to serve those communities that you have had to drop?

TERRY HORST: By providing grants to the community, it will enable a business to establish equipment for facility and establish ability to provide transportation vehicles to transport materials. The program will build up a pool of funds for public and private companies to cooperatively work on projects that will enhance recycling through education and ability to purchase equipment.

SENATOR ROBINSON: Do we have significant regions in the state where there is no program in place or no business in the recycling business?

TERRY HORST: Yes, i.e. through the past grant program, there were many communities that had obtained bailers to start their recycling programs. Many bailers are for sale today. Programs have diminished because there is no ability, no support to get the program back and going. Prior to cancellation of this program in 1995 there were about 130 communities in North Dakota that were actively starting their recycling programs. That has diminished significantly.

SENATOR BOWMAN: How can companies can afford to recycle if they are losing money doing it?

TERRY HORST: The market of the product is cyclic. You have to manage it as a business. It does take volume, when you have feeder volumes coming in from other smaller communities into larger recycling businesses, you can enable yourself to be attractive to a market. I have not had any problem in any of the markets with disposing of my material.

SENATOR TALLACKSON: On a national level, there is a lot of encouragement to recycle. Is there any help from the Federal Government?

TERRY HORST: There are some programs through the EPA where nonprofit organizations can apply for grants.

DEANNA TELLO: Student at Century High School and President of the School Environmental Club to testify in support of SB2386 (meter 2225-2390). For past three years we have been recycling in our school and neighborhoods surrounding Century. Paper recycling boxes are in every room. On Saturday morning, club members meet and drive from house to house collecting newspapers and cans which the homeowners save for us. Our personal recycling efforts have only made a small impact but every little bit helps.

HOLLY DONNEWITZ: Student at Century High School to testify in support of SB2386 (meter 2470-2568). We are only able to recycle paper and aluminum cans but there is so much more that can be recycled.

CATHERINE CANHAIM: Student of Century High School to testify in support SB2386 (meter 2470-2568). It costs more to clean up a polluted environment later than to keep it clean now.

CAROLINE OLSON: Member of Bismarck High School Environmental Club to testify in support of SB2386 (meter 2593-2720). If bill is passed it would help community and environment. It will save community time, energy, and money if we clean up right now.

ERIN SMESTAD: Member of Bismarck High School Environmental Club to testify in support of SB2386 (meter 2740-2806). We have so much glass and plastic at school that it is

unbelievable. We are asking you to pass this bill because in the future we will be in your place and we will need to figure out what to do then.

TOM FRONING: President of Glass Recycling Midwest in Fargo to testify in support of SB2386 (meter 2850-3148). Started business 1 ½ years ago. Take in recycled glass. We are end market and process it in to all different kinds of uses. Within the state, we ship all over the United States. Important part is that we close the loop. Processes about 2.5 million pounds of glass last year. Most is coming in from out-of-state.

CONNIE SPRYNCZYNATYK: Representative for North Dakota League of Cities (handed out written testimony from City of Williston) (meter 3190-3585). Not testifying in opposition to recycling but there are some practical problems. Problem is it is a very expensive proposition. Local government officials hear a lot about taxation being too high. This bill will add additional burden to residents and businesses that use landfills. In 1991 Legislative Session, Senator Solberg indicated we had 12 bills relating to solid waste management. We would love to have a recycling program but we are so far from the market that the transportation costs kill us. Bismarck spent about \$400,000 in the early 90's just so that the State Health Department could grant us a permit to operate the landfill. We spent another \$400,000 on a curbside recycling program. It is very expensive.

SENATOR SOLBERG: Have you seen any return on the \$400,000 curbside recycling program?

CONNIE SPRYNCZYNATYK: We have not seen any financial income on the program. If you feel there is a compelling state interest, of course you would institute a program like this and you would find a funding mechanism. We are charging a tipping fee, and many communities still charge the tipping fee in order to run their programs.

GLEN OVERTUST: District Manager for Waste Management, not opposing bill but fundamental differences of the way it is presented (meter 4012-4235). Who is going to be charged this \$1 per ton? There are several landfills in the state that do not have scales. Are those landfills going to be required to put in a scale at there own expense. We currently have a recycling center in the City of Bismarck where we employ disabled individuals. Our margins of return are very low, a break even at best. Also penalties for not paying, but it does not talk about an audit to see who pays and are they taxed in accordance with the way the bill is set up.

SENATOR SOLBERG: Do you operate landfills or are you on the other end of it?

GLEN OVERTUST: I am on the hauling end.

SENATOR SOLBERG: Do you contract with a private landfill that you haul to? And how long is your contract?

GLEN OVERTUST: Yes, there is really no set agreements as far as month-by-month. Most landfills are publicly operated.

KEITH HUNKE: Director of Service Operations for the City of Bismarck (meter 4360-4400).

SENATOR SOLBERG: Do you haul to public or private fills?

KEITH HUNKE: We are a public operated facility. Other customers, such as Waste Management, are charged a per ton fee to use our facility.

SENATOR SOLBERG: Do you have any long range contracts?

KEITH HUNKE: We do not have contracts per say, we have a tipping fee. They are charged per ton.

BOB KNUDSON: Waste Management, north half of state (meter 4540-5025). Serve 60 small communities. Tough on individuals in small towns when we raise our fees. I do operate a privately owned landfill. We do utilize our own facilities but we also utilize the municipal landfills. Our landfill is one of the cheaper ones.

DON LITCHFIELD: Chairman of the Greater North Dakota Association, testifying in opposition to SB 2386 (testimony attached (meter 5040-5070)).

SENATOR NAADEN: Closed hearing on SB 2386.

2/04/99

SENATOR NETHING: Reopened the hearing on SB2386.

SENATOR ROBINSON: Explained that the testimony from the City of Williston. It might not happen this way in all situations but, they paid in excess of \$17,000 every year of the program. They were awarded back an \$8,700 grant for a bailer. That's not a very good return on your investment. I think the sponsors of the bill had very good intentions and we are all for recycling but, sometime things don't work as they are intended to work.

SENATOR TOMAC: I thought there was testimony that suggested glass should be added as one of the recycable materials. Is the committee is open to this.

SENATOR NETHING: Asked for the motion on the amendment on SB2386.

SENATOR TOMAC: Moved to a Do Pass to amend SB2386.

SENATOR NAADEN: Seconded the motion.

ROLL CALL: UNANIMOUS.

2-4-99

SENATOR NETHING: Called for the motion on SB2386 as amended.

SENATOR SOLBERG: Moved a Do Not Pass as amended on SB2386.

SENATOR GRINDBERG: Seconded the motion.

ROLL CALL: 11 YEAS; 3 NAYS; 0 ABSENT & NOT VOTING.

Yeas: Nething; Naaden; Solberg; Lindaas; Robinson; St. Aubyn; Grindberg; Holmberg;
Kringstad; Bowman; Andrist.

Nays: Tallackson; Tomac; Krauter.

CARRIER: SENATOR SOLBERG

SENATOR NETHING: Closed the hearing on SB2386.

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: SB 2386 Amendment to: _____

Requested by Legislative Council Date of Request: 1-27-99

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative:

The department would utilize existing staff to administer this grant program and would disperse up to \$1,000,000 as grants for recycling programs, in accordance with the intent of this legislation. The total cost of the bill is \$1,000,000.

2. **State** fiscal effect in dollar amounts:

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
Revenues:	-0-	-0-	-0-	1,000,000	-0-	1,000,000
Expenditures:	-0-	-0-	-0-	1,000,000	-0-	-0-

3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1997-99 biennium: -0-
- b. For the 1999-2001 biennium: 1,000,000
- c. For the 2001-03 biennium: -0-

4. **County, City, and School District** fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

This fee will be paid by the landfill owner or operator and will most likely be passed on to the citizens in the form of a higher garbage collection rate.

If additional space is needed, attach a supplemental sheet.

Signed 

Typed Name Robert A. Barnett

Department State Department of Health

Phone Number 328-2392

Date Prepared: 2-1-99

Date: 2/4/99
 Roll Call Vote #: 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. SB 2386

Senate APPROPRIATIONS Committee

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS AMENDMENT *

Motion Made By ~~Tomac~~ Sen. Tomac Seconded Sen. Naaden

Senators	Yes	No	Senators	Yes	No
Senator Nething, Chairman					
Senator Naaden, Vice Chairman					
Senator Solberg					
Senator Lindaas					
Senator Tallackson					
Senator Tomac					
Senator Robinson					
Senator Krauter					
Senator St. Aubyn					
Senator Grindberg					
Senator Holmberg					
Senator Kringstad					
Senator Bowman					
Senator Andrist					

Total (Yes) Unanimous Voice Vote No _____

Absent _____

Floor Assignment SEN.

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

* Amend line 13
 After "cans," Insert "glass,"

Date: 2/4/99
 Roll Call Vote #: 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. SB 2386

Senate APPROPRIATIONS Committee

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken DO NOT PASS AS AMENDED

Motion Made By Sen. SOLBERG Seconded By Sen. ~~WARDEN~~ GRINDBERG

Senators	Yes	No	Senators	Yes	No
Senator Nething, Chairman	✓				
Senator Naaden, Vice Chairman	✓				
Senator Solberg	✓				
Senator Lindaas	✓				
Senator Tallackson		✓			
Senator Tomac		✓			
Senator Robinson	✓				
Senator Krauter		✓			
Senator St. Aubyn	✓				
Senator Grindberg	✓				
Senator Holmberg	✓				
Senator Kringstad	✓				
Senator Bowman	✓				
Senator Andrist	✓				

Total (Yes) 11 No 3

Absent 0

Floor Assignment Sen. Solberg

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

REPORT OF STANDING COMMITTEE

SB 2386: Appropriations Committee (Sen. Nething, Chairman) recommends
AMENDMENTS AS FOLLOWS and when so amended, recommends **DO NOT PASS**
(11 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). SB 2386 was placed on the Sixth
order on the calendar.

Page 1, line 13, after the first comma insert "glass,"

Renumber accordingly

1999 TESTIMONY

SB 2386

Dakota Resource Council

P.O. Box 1095, Dickinson, ND 58602-1095
Telephone (701) 227-1851; FAX 225-8315
e-mail: drc@dickinson.ctctel.com

Testimony, Senate Finance & Taxation Committee
SB2386-Relating to a recycling incentive program
February 3, 1999

Mr. Chairman and Members of the Committee,

My name is Terrence Kardong and I am from Richardton, ND. I am here today to give my support to SB 2386.

I think that almost everyone can agree that recycling is a good idea. Raw materials and energy resources are conserved and landfills last longer because the amount of waste is reduced. Those of you who were around during WWII probably remember the nation-wide recycling programs in effect during that time. Very little was thrown away. This is proof to me that recycling programs really work.

In many areas of North Dakota, it has become increasingly difficult to recycle. Most municipalities are not set up to deal with recyclables. They do not have money for the staff, equipment and storage facilities needed for recycling.

This is the reason this bill is needed. North Dakota municipalities generate more than 500,000 tons of waste each year, or 1 million tons per biennium. This could generate more than \$1 million dollars per biennium for grants to help recycling businesses with costs of equipment, staff and facilities. Some may argue that the costs of this program will be passed on to the consumer. If it is, it will come out to less than \$1 per person per year. This is something we can't afford not to do. Vote for farmland, not wasteland.

Terrence Kardong

FEBRUARY 3, 1999

TO: SENATE APPROPRIATIONS COMMITTEE

RE: SB 2386

A BILL FOR AN ACT TO CREATE AND ENACT TWO NEW SECTIONS TO CHAPTER 23-29 OF THE NORTH DAKOTA CENTURY CODE, RELATING TO A RECYCLING INCENTIVE PROGRAM.

MY NAME IS TERRY HORST, OPERATIONS MANAGER OF MINNKOTA RECYCLING, A PRIVATE RECYCLER OPERATING A MULTIPLE MATERIAL RECYCLING FACILITY IN FARGO SINCE 1989. OUR SERVICE AREA INCLUDES A FIFTEEN COUNTY AREA OF EAST NORTH DAKOTA.

MINNKOTA RECYCLING IS IN FAVOR OF SB#2386.

THROUGHOUT THIS COUNTRY A PUBLIC MOVE HAS CENTERED TOWARD "QUALITY OF LIFE" ISSUES. RECYCLING IS A VEHICLE TO CONSERVE RESOURCES AND REDUCE COSTS OF SOLID WASTE MANAGEMENT. THIS PUBLIC SHIFT HAS OPENED THE DOOR OF OPPORTUNITY FOR THE RECYCLING INDUSTRY TO IMPROVE WASTE MANAGEMENT LOCALLY, BECAUSE RECYCLING IS LOCAL, IT IS LOGICAL THAT LEGISLATIVE MANEUVERING WILL OCCUR AT THE STATE LEVEL, SUCH AS, SENATE BILL 2386. THIS SENATE BILL WILL PROVIDE THE OPPORTUNITY FOR COMMUNITIES AND PRIVATE RECYCLING BUSINESSES TO WORK COOPERATIVELY TO DIVERT WASTE FROM LANDFILLS AND STIMULATE LOCAL ECONOMIES THROUGH RENEWABLE RESOURCE PRODUCTS AND EMPLOYMENT OPPORTUNITIES.

TWO CASES IN POINT: THE LACK OF ADEQUATE PUBLIC SUPPORT AND THE INABILITY TO MAXIMIZE FACILITY EFFICIENCIES FORCED US TO REDUCE OUR RECYCLING SERVICES IN THE CITIES OF JAMESTOWN, VALLEY CITY, AND WAHPETON. SECONDLY, A WELL MANAGED RECYCLING BUSINESS AND PUBLIC SUPPORT PROVIDED BY THE CITY OF FARGO HAS ENABLED MINNKOTA RECYCLING TO INCREASE RECYCLABLE PRODUCT VOLUME BY 43% SINCE 1995. IN 1998, A COMPANY RECORD VOLUME OF OVER 42,000,000 POUNDS WAS ACHIEVED. THIS COOPERATIVE RECYCLING APPEAL WITH ASSISTANCE BY THE STATE CAN SPREAD TO THE RURAL AREAS OF THE STATE; HOWEVER, YOU MUST START WITH A STRONG POPULATION HUB. A STRONG POPULATION BASE IS ESSENTIAL TO ESTABLISH VOLUMES AND MARKET APPEAL, ESPECIALLY WITH CYCLICAL PRODUCT MARKETS. THEREFORE, WE FEEL THE PER CAPITA ALLOCATION OF GRANTS IS AN IMPORTANT PART OF THE BILL.

IN 1997, A NORTH DAKOTA HEALTH DEPARTMENT SURVEY IDENTIFIED A DROP OF 29% IN RECYCLED MATERIALS, WHICH TRANSLATES TO 28 MILLION POUNDS OF WASTE GOING TO THE LANDFILL. REMEMBER THAT THE CURRENT TRASH DISPOSAL SYSTEM, LANDFILLING, ISN'T PAYING FOR ITSELF AND IT NEVER WILL.

I AM ASKING THE MEMBERS OF THE SENATE APPROPRIATIONS COMMITTEE TO GIVE THE COMMUNITIES OF NORTH DAKOTA THE OPPORTUNITY TO RE-DIRECT THEIR WASTE STREAM. HOW THE RECYCLING INCENTIVE IS FUNDED IS BEST LEFT TO THE RECOMMENDATIONS OF THE APPROPRIATIONS COMMITTEE AND STATE LEGISLATURE.



POST OFFICE BOX 1306
WILLISTON, NORTH DAKOTA 58802-1306
PHONE (701) 572-8161
FAX (701) 572-8880
TDD (800) 366-6888
(State Relay)

CITY OF *Williston* NORTH DAKOTA

February 1, 1999

Senate Appropriations Committee
North Dakota State Senate
State Capitol
Bismarck, North Dakota 58505

Dear Committee Members:

The City of Williston asks you to consider an amendment to Senate Bill 2386 which would exclude cities that collect recycle fees and run a recycle program. The City of Williston has successfully run a program on recycling since the state ended its grant program some years ago. We kept the same fee structure that the state had in place and use the money to keep an effective program running. We do not believe a mandatory fee added to our existing fee structure would be fair to our taxpayers.

Should you be unwilling to amend the bill to exclude us, we then stand in opposition to the bill as written. We sent the state in excess of \$17,000 every year the state program existed, and in return we were awarded a grant for a baler in the amount of \$8,750. We believe the City of Williston is far better off continuing with the current fee structure and increasing our local fee if necessary, but, as the numbers above would indicate, we would not benefit from a state run program.

Please give landfills the option of implementing the \$1.00 per ton fee or give a DO NOT PASS to SB2386 as currently written.

Sincerely yours,

E. Ward Kooser
President of Williston City Commission

House Judiciary Committee
Senator D. Nething, Chairman
February 3, 1999

Senate Bill No. 2386

Mr. Chairman, Members of the Committee:

My name is Don Litchfield and I am Chairman of the Greater North Dakota Association (GNDA) Regulatory Affairs Committee, and I am testifying today on behalf of GNDA.

Regarding Section 1 of SB2386 for the administration of recycling grants, the number of solid waste regulations has increased dramatically over the last decade. Private entrepreneurs have explored recycling opportunities and established recycling businesses when the economics were favorable. Businesses generating wastes look for recycling opportunities to reduce waste disposal costs. Their efforts are ongoing as part of their business activities. It is questionable if grants have provided much, if any, help in this area.

Regarding Section 2 dealing with solid waste management fees, the bill does not specify if the fee system applies to all landfills or just commercial landfills disposing of industrial wastes. If it applies to all landfills, then industrial sites with private landfills will be required to establish accounting programs for managing the fee system. This will increase costs with questionable benefits.

GNDA feels business economics will provide appropriate recycling opportunities and urges a DO NOT PASS on Senate Bill 2386.

D. K. Litchfield
Chairman, GNDA Regulatory
Affairs Committee