

N.C. GENERAL ASSEMBLY LEGISLATIVE FISCAL NOTE

Fiscal Research  
733-4910

Prepared By: Marbet, Carter	Date Prepared: 4/27/89	Bill No.: S 831	Edition: 1
Approved By: Tom L. Covington TOMC	5/4/89		Sponsor: Sen. James Speed
Short Title: Scrap Tire Disposal Act			

TYPE OF FISCAL IMPACT	COUNTY		FUNDS AFFECTED:			
	State Gov't	Local Gov't	(X) General	(X) Highway	( ) Other: Local	
			State Fiscal Impact	FY 89-90	FY 90-91	FY
No Fiscal Impact	( )	( )	State Total Req'ments	\$55,000	\$55,000	
			Receipts/Revenues	-0-	-0-	
Increase Expenditure	(X)	( )	Net State Expend./Rev.	-0-	-0-	
			No. of Positions	2	2	
Decrease Expenditure	( )	( )				
			Local Fiscal Impact	FY	FY 90-91	FY 91-92
Increase Revenue	( )	(X)	Local Total Req'ments			
			Receipts/Revenues	\$7,981,892	\$7,981,892	
Decrease Revenue	( )	( )	Net Local Expend./Rev.			
No Estimate Avail.	( )	( )	No. of Positions			

Description of Legislation

1. Summary of Legislation

To provide the administrative structure for the disposal of scrap tires by local governments.

2. Effective Date

July 1, 1990, but compliance with provisions begins one year after the date of ratification.

3. Fund or Tax Affected

General Fund and Highway Fund

4. Principal Department/Program Affected

Department of Motor Vehicles/Department of Human Resources

Cost or Revenue Impact on State

FY

FY

FY

	89-90	90-91
1. Non-Recurring Costs/Revenues	-0-	-0-
2. Recurring Costs/Revenues	\$55,000	\$55,000
3. Fiscal/Revenue Assumptions		

Cost/Revenue Impact on County or Local Government

	FY	FY	FY
		90-91	91-92
1. Non-Recurring Costs/Revenues			
2. Recurring Costs/Revenues		\$7,981,892	\$7,981,892
3. Fiscal/Revenue Assumptions			

During the year ending January 1989, 3,589,565 automobiles, 930,851 pick-up trucks, 58,079 motorcycles, 24,920 recreation vehicles, 31,878 buses, 364,288 trucks and 495,441 trailers were registered in North Carolina. Assuming the same level of registrations for 1990-91 and 1991-92, scrap tire disposal fees totaling \$7,981,892 would be distributed each of those years to each county based upon the amount of scrap tire disposal fees collected from vehicles registered in that county. The basis for the \$7.9 million is as follows:

Autos - 3,589,565 x \$1.00 =	\$3,589,565
Pickups - 930,851 x \$1.00 =	\$ 930,851
Motorcycles - 58,079 x \$1.00 =	\$ 58,079
Buses - 31,878 x \$3.00 =	\$ 95,634
Trucks - 364,288 x \$5.00 =	\$1,821,440
Trailers - 495,441 x \$3.00 =	\$1,486,323
TOTAL	\$7,981,892

Sources of Data for Fiscal Note  
Department of Human Resources

Department of Transportation - Division of Motor Vehicles

Technical Considerations/Comments

FISCAL/REVENUE ASSUMPTIONS/COMMENTS

Department of Human Resources

SB 831 requires the Department of Human Resources, Division of Health Services, Solid and Hazardous Waste Management Section to register all commercial tire haulers. It also requires haulers not affiliated with tire retailers to furnish evidence of security bond valued in excess of \$25,000. The Solid and Hazardous Waste Management Section, would then issue haulers a scrap tire hauling identification number to be used on tire tracking forms.

There is no information currently available, on the number of scrap tire haulers that would have to be registered, under this proposed legislation. However, the estimated increased costs for DHR to establish this activity is approximately \$55,000 per year for staff and support. Costs may vary once the activity has been implemented and there is an established track record. The costs estimates are for an Environmental engineer I and a Clerk I position, as well as other related costs of the positions. There are currently no existing positions that can responsibly handle the requirements outlined in SB 831. These responsibilities include:

- developing rules and regulations
- developing a tracking system for identifying scrap tire haulers
- sending out notices to have scrap tire haulers apply for registration and
- providing technical assistance to haulers, and other interested parties
- providing technical assistance in developing other permissible methods scrap tire disposal

Department of Transportation

This bill requires the scrap tire disposal fees be added to the annual registration fees set forth in G.S. 20-87 and G.S. 20-88 and distributed quarterly to each county based upon the amount of scrap tire disposal fees collected from vehicles registered in that county. The fiscal impact on the Department of Transportation, Division of Motor Vehicles would be negligible.



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