NORTH CAROLINA GENERAL ASSEMBLY LEGISLATIVE FISCAL NOTE

BILL NUMBER: Senate Bill 153 (Second Edition) **SHORT TITLE:** Scrap Tire Disposal Tax Amend **SPONSOR(S):** Proposed Committee Substitute

FISCAL IMPACT

Yes (X) No () No Estimate Available ()

FY 1997-98 FY 1998-99 FY 1999-00 FY 2000-01 FY 2001-02

REVENUES Reallocates funds from the Scrap Tire Disposal Account to

Division of Waste Management. See spreadsheet page 3.

PRINCIPAL DEPARTMENT(S) & Department of Environment Health and Natural Resources

PROGRAM(S) AFFECTED: Division of Pollution Prevention and Environmental Assistance

Division of Waste Management

EFFECTIVE DATE: When it becomes law

BILL SUMMARY:

Senate Bill 153 repeals the sunset on the scrap tire disposal tax and reallocates the revenues credited to the Scrap Tire Disposal Account. One position is established to assist local governments in scrap tire prevention and disposal.

The scrap tire disposal tax is set to expire on June 30, 1997. The proposed act repeals this sunset making the excise tax on scrap tires permanent.

Five percent of the revenue from the tax is credited to the Solid Waste Management Trust Fund (SWMTF), 27% to the Scrap Tire Disposal Account (STDA), and the remaining 69% is distributed to the counties. In accordance with G.S. 130A-309.63, 25% of the STDA can be used by the Department for grants to units of local government to assist them in the disposal of scrap tires. This act increases the 25% to 50% and authorizes the Department to use an additional 40% from the STDA for grants to develop markets for crumb rubber. The grants are to be made in consultation with the Department of Commerce and the Recycling Business Assistance Center.

The Department is authorized to use funds in the STDA to establish a position to provide regulatory assistance to local units of government to develop programs to prevent scrap tires from entering the State for disposal and to assist in the cleanup of nuisance tire collection sites.

ASSUMPTIONS AND METHODOLOGY:

The bill redistributes the funds within the Scrap Tire Disposal Account. See attatched spreadsheet. The year over year growth in the revenue forecast is 1.5% which represents the annual growth in passenger car and truck sale in the State for the past three years. Information provided by the N. C. Tire Dealers and Retreaders Association. The excise tax collections by year are from the quarterly reports on the scrap tire collections provided by the Department of Revenue.

FISCAL RESEARCH DIVISION

733-4910

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Official

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Fiscal Analysis of Scrap Tire Disposal Tax

Revenue Forecast Summary

Estimate

Estimate

Estimate

\$6,970,230

FY Quarters	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02				
September December March June	\$2,451,129 \$2,447,369 \$2,251,579 \$2,386,674	\$2,529,875 \$2,453,978 \$2,257,660 \$2,415,696	\$2,560,638 \$2,483,819 \$2,309,952 \$2,471,648	\$2,619,947 \$2,515,149 \$2,313,937 \$2,475,913	\$2,624,468 \$2,545,734 \$2,367,532 \$2,533,260	\$2,685,255 \$2,604,698 \$2,396,322 \$2,564,064				
Total	\$9,536,752	\$9,657,210	\$9,826,057	\$9,924,947	\$10,070,994	\$10,250,339				
Current Distribution under Revenue Forecast										
SWMTF 5%	\$476,838	\$482,860	\$491,303	\$496,247	\$503,550	\$512,517				
STDA 27%	\$2.574.923	\$2,607,447	\$2,653,035	\$2,679,736	\$2,719,168	\$2,767,591				

Estimate

Department Distribution under SB 153

\$6,566,903 \$6,681,719 \$6,748,964 \$6,848,276

STDA 27%	\$2,574,923	\$2,607,447	\$2,653,035	\$2,679,736	\$2,719,168	\$2,767,591
Local Grants 50%	\$1,287,461	\$1,303,723	\$1,326,518	\$1,339,868	\$1,359,584	\$1,383,796
Mkt Develop. 40%	\$1,029,969	\$1,042,979	\$1,061,214	\$1,071,894	\$1,087,667	\$1,107,037
Tire clean-up 10%	\$257,492	\$260,745	\$265,304	\$267,974	\$271,917	\$276,759

Values are rounded to nearest dollar amount.

COUNTIES 69% \$6,484,991

Collection by

Estimate

Estimate