

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: S.B. 1314 CS/SB003

SHORT TITLE: Agency Receipts for Recycling

SPONSOR(S): Senators Kinnaird, Albertson, Cochrane, Dalton, Foxx, Jenkins, Lucas, Odom, Perdue, Phillips, and Weinstein.

FISCAL IMPACT					
	Yes (X)**	No ()	No Estimate Available ()		
	<u>FY 1998-99</u>	<u>FY 1999-00</u>	<u>FY 2000-01</u>	<u>FY 2001-02</u>	<u>FY 2002-03</u>
REVENUES					
General Fund	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)
Agency Receipts	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000

** net effect is to decrease General Fund, but increase agency receipts.					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: All state agencies.					
EFFECTIVE DATE: July 1, 1998.					

BILL SUMMARY: The bill allows state agencies to retain the proceeds from the sale of recyclable materials from their Department. Currently the General Fund receives those revenues. The Environmental Review Commission recommended an earlier version of the bill.

ASSUMPTIONS AND METHODOLOGY: Governor Hunt's Executive Order No. 8 and G.S. 130A-309.14 requires that all state agencies establish recycling programs. Under these requirements agencies must collect, store, and market recyclable materials. Currently the agencies fund these programs out of existing departmental appropriations, with no special funding for that effort. State surplus property has been responsible for finding buyers for the recyclable material, charging a legally allowed service fee of 5% of the proceeds. The General Fund receives the remaining 95% of the proceeds.

According to the Division of Pollution Prevention and Environmental Assistance, during fiscal year 1996-7 state agencies impacted by the bill expended approximately \$1,832,281 on

recycling. During the same period the General Fund received revenues from the sale of recyclable materials of \$202,498. No similar data is readily available for other years. The Department of Environment and Natural Resources estimates that 88% of impacted agencies would receive \$10,000 or less in recycling revenues each fiscal year. The also estimate that, assuming current recycling habits continue, 67% of state agencies would receive less than \$1,000. (See chart.) The Department estimates the revenue from recyclable materials with remain near \$200,000, but could increase if the bill proved to be an incentive to state agencies.

The Department of Administration believes the bill will not significantly impact the state surplus property program. Their position assumes that State Surplus will still be able to retain the 5% fee for locating buyers. It also assumes that the Secretary of Administration retains the power to determine which contracts agencies will initiate for the transfer or sale of recyclable material, and create rules related to the recycling program and state surplus property.

Fiscal Year 1996-1997 Recycling Costs and Revenues Reported by State Agencies Impacted by Legislation to Returned State Agency Recycling Receipts

Agency	Recycling Costs	Recycling Revenues
Cultural Resources, Dept. of	\$25,000.00	\$75,895.00
Environment and Natural Res., Dept. of	\$37,999.00	\$565.00
Health and Human Services, Dept. of	\$70,067.54	\$9,131.06
Agriculture, Dept. of	\$38,376.00	\$19,161.00
Appalachian State University	\$37,036.00	\$6,366.91
East Carolina University	\$63,990.00	\$4,717.94
Elizabeth City State University	\$56,804.00	\$119.15
NC A&T State University	\$72,921.00	\$0.00
NC Central University	\$26,309.22	\$0.00
NC School of Science & Mathematics	\$3,200.00	\$0.00
NC State University	\$226,900.00	\$35,330.00
UNC Asheville	\$12,190.00	\$1,246.73
UNC Chapel Hill	\$468,668.00	\$19,652.00
UNC Charlotte	\$142,143.00	\$4,677.61
UNC Greensboro	\$268,726.85	\$938.35
UNC Hospitals	\$54,000.00	\$0.00
UNC Wilmington	\$38,042.00	\$3,157.00
Western Carolina University	\$18,177.42	\$5,342.11
Alamance Community College	\$2,942.00	\$52.08
Beaufort County Community College	\$10,318.00	\$272.00
Brunswick Community College	\$300.00	\$300.00
Central Piedmont Community College	\$1,000.00	\$300.00
Coastal Carolina Community College	\$2,040.00	\$1,240.00
Durham Technical Community College	\$8,200.00	\$0.00
Edgecombe Community College	\$2,500.00	\$270.00
Forsyth Technical Community College	\$25,000.00	\$200.00
James Sprunt Community College	\$2,733.00	\$179.00

Agency	Recycling Costs	Recycling Revenues
Mayland Community College	\$2,000.00	\$500.00
Nash Community College	\$5,871.60	\$6,236.00
Pitt Community College	\$10,505.00	\$0.00
Randolph Community College	\$1,040.00	\$0.00
Richmond Community College	\$4,740.00	\$303.50
Roanoke Chowan Community College	\$9,581.00	\$74.20
Robeson Community College	\$9,124.00	\$872.00
Rockingham Community College	\$23,000.00	\$0.00
Sampson Community College	\$560.15	\$0.00
Sandhills Community College	\$300.00	\$210.00
Southeastern Community Colleges	\$3,110.00	\$0.00
Southwestern Community Colleges	\$3,734.00	\$2,137.00
Stanly Community College	\$2,610.95	\$194.10
Tri-County Community College	\$1,800.00	\$272.91
Wake Technical Community College	\$650.76	\$1,590.08
Western Piedmont Community College	\$32,796.00	\$0.00
Wilkes Community College	\$4,274.56	\$995.77
Wilson Technical Community College	\$1,000.00	\$0.00
Total Costs/Revenues	\$1,832,281.05	\$202,497.90

Provided by: Division of Pollution Prevention & Environmental Assistance, DENR. Small variances may occur as the result of rounding.

The Division of Pollution Prevention and Environmental Assistance believes that the majority of agencies reported gross receipts, and did not deduct the 5% for state surplus fee from their revenues. As such, the actual funds distributed to agencies may be slightly lower than the chart indicates. However, because it is unclear if all the Departments reported gross numbers, no adjustment was made to the chart to account for the deduction of state surplus fees. The Division believes \$200,000 is a reasonable net revenue estimate (after removing the state surplus fee), given the gross receipts question.

FISCAL RESEARCH DIVISION: 733-4910

PREPARED BY: Linda Struyk Millsaps

APPROVED BY: Tom Covington

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