

N.C. GENERAL ASSEMBLY LEGISLATIVE FISCAL NOTE

Fiscal Research
733-4910

Prepared By: Fred Aikens | Date Prepared: 3-27-89 | Bill No.: SB 542 | Edition: 1
 Approved By: Tom Covington | 3-27-89 | | Senators Royall, Tally,
 +-----+ TOMC-----+ 3-27-89 | | Sponsor: and Daughtry
 | SHORT | title: | Haz. Waste Mgt. Funds

TYPE OF FISCAL IMPACT			FUNDS AFFECTED:			
			(X) General	() Highway	() Local	() Other:
	County/					
	State Gov't	Local Gov't	State Fiscal Impact	FY	FY	FY
No Fiscal Impact	()	()	State Total Req'ments	\$2,719,605	\$711,080	
			Receipts/Revenues	-0-	-0-	
Increase Expenditure	(X)	()	Net State Expend./Rev.	\$2,719,605	\$711,080	
			No. of Positions	(3)	(3)	
Decrease Expenditure	()	()				
			Local Fiscal Impact	FY	FY	FY
Increase Revenue	()	()				
			Local Total Req'ments			
Decrease Revenue	()	()	Receipts/Revenues			
			Net Local Expend./Rev.			
No Estimate Avail.	()	()	No. of Positions			

Description of Legislation

1. Summary of Legislation:

Senate Bill 542 would appropriate \$2.7 million in 89-90 and \$711,080 in 90-91 to the N.C. Industrial Waste Management Commission in the Department of Commerce.

2. Effective Date:

Upon ratification

3. Fund or Tax Affected:

General Fund

4. Principal Department/Program Affected:

Department of Commerce, Industrial Waste Management Commission

Cost or Revenue Impact on State

	FY 88-89	FY 89-90	FY
1. Non-Recurring Costs	-0-	\$2,000,000	-0-
2. Recurring Costs	719,605	\$711,080	
3. Fiscal/Revenue Assumptions			

Cost/Revenue Impact on County or Local Government

	FY 88-89	FY 89-90	FY
1. Non-Recurring Costs/Revenues			
2. Recurring Costs/Revenues			
3. Fiscal/Revenue Assumptions			

Sources of Data for Fiscal Note:

Hazardous Waste Treatment Commission and Budget Detail for 89-91 and 1988-89 Sessions.

Technical Considerations/Comments:

Senate Bill 542 appropriates funds to the Department of Commerce for the "Industrial Waste Management Commission", currently named the "Hazardous Waste Treatment Commission". If enacted Senate Bill 542 would appropriate funds upon ratification.

Operating funds of \$719,605 in 89-90 and \$711,080 in 90-91 would be appropriated and used to support three additional personnel and a reserve for hazardous waste. A \$2 million appropriation would be made in 89-90 also, to acquire approximately 1,000 acres of land on which to construct a hazardous waste treatment site.

These appropriations have been requested as expansion and capital items in the Governor's 1989-91 recommended budget and, if Senate Bill 542 is enacted, should be deleted from the Governor's expansion request.

Operating funds of \$719,605 in 89-90 and \$711,080 in 90-91 are well justified in supporting documentation submitted for the 1988 Session of the General Assembly and for the 89-91 Session. Approximately \$112,000 each year would be allocated for salary and salary related expenses. Other major costs include a \$495,000 hazardous waste reserve each year and an additional \$61,500 in travel and per diem in each of the next two years. The hazardous waste reserve of \$495,000 each year would be used to contract with a consulting firm to conduct site specific schematic designs for the treatment facility. These expected costs over the 89-91 biennium appear to be reasonable. For instance, the cost of the "Schematic Design Phase Report" prepared by Engineering Science of Cary, North Carolina in February 1988 was \$307,541. The objective of the "Schematic Design Phase Report" was to perform advance planning and preliminary design of the type of facility which, when installed, will be capable of treating the hazardous wastes generated in North Carolina in a safe and effective manner. Other anticipated expenses of the reserve include the cost of obtaining at least 10 environmental permits or approvals prior to construction and operation of the facility. Some of these permits require a minimum 24 months to obtain. Two major permits required are the Resource Conservation Recovery Act and the Environmental Impact Statement.

Operating funds requested have been well justified with supporting documentation and should be appropriated to comply with legislative mandates. However, funds requested for land acquisition could be reduced, depending on the amount of land required to satisfy public concerns. The Hazardous Waste Treatment Commission and the State Property Office estimate that land acquisition cost will be approximately \$2,000 per acre, and to satisfy public demands and concerns by providing a large buffer zone, 1,000 acres are required. Construction of the facility will occupy approximately 25 acres.

Reducing the number of acres required would reduce the amount of the appropriation needed, but may also lessen public confidence in the facility



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