

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE MANAGEMENT OF WASTE TIRES.

Prime Sponsors: Reps. Tyler and Coram
Sens. Todd and King

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Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/16/14.

	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
XXX	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

The House Transportation and Energy Committee Report (04/17/14) made the following changes:

1. Included as an end user a person who uses tire-derived product as part of a final application or in making new materials;
2. Added the Department of Revenue programming costs as an allowable use of the Waste Tire Administration, Enforcement, and Cleanup Fund;
3. Reduced the per-ton rebate to \$40 per ton until the Solid and Hazardous Waste Commission can promulgate rules related to the implementation of the bill;
4. Transferred the balances of the Waste Tire Fee Administration Cash Fund, Waste Tire Cleanup Fund, Waste Tire Fire Prevention Fund, and Law Enforcement Grant Fund to the Waste Tire Administration, Enforcement, and Cleanup Fund on or before June 30, 2014;
5. Transferred the balance of the Processors and End Users Fund to the End Users Fund on or before June 30, 2014; and
6. Transferred the balance of the Waste Tire Market Development Fund currently in Title 25 to the new Waste Tire Market Development Fund created in Title 30.

Changes #1, #3, and #4 through #6 do not change the fiscal impact of the bill. Change #2 eliminates the \$51,621 General Fund required for the Department of Revenue and increases the cash funds by a like amount for the Department of Revenue. Legislative Council Staff and JBC Staff agree on change to the fiscal impact of the bill as a result of the committee amendments.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.001 The appropriations contained in staff-prepared amendment **J.001** (attached) are outlined in the following table.

Summary of Appropriations in Amendment J.001		
Section 13 of Amendment J.001 (Impacts the Department of Public Health and Environment)		
Adjustments to the FY 2014-15 Long Bill	Amount	FTE
Waste Tire Cleanup Fund	(\$2,183,991)	(1.0)
Law Enforcement Grant Fund	(485,952)	(1.0)
Waste Tire Fire Prevention Fund	(448,398)	(1.1)
Waste Tire Market Development Fund	(373,852)	(0.5)
Processors and End Users Fund	<u>(3,354,089)</u>	<u>(0.5)</u>
<i>Subtotal</i>	<i>(\$6,846,282)</i>	<i>(4.1)</i>
New Appropriations in Section 13		
Waste Tire Administration, Enforcement, and Cleanup Fund	2,942,216	5.1
End User Fund	3,900,000	0.0
Waste Tire Market Development Fund	<u>386,409</u>	<u>0.0</u>
<i>Subtotal</i>	<i>7,228,625</i>	<i>5.1</i>
<i>Department of Public Health and Environment Subtotal</i>	<i>\$382,343</i>	<i>1.0</i>
Section 14 of Amendment J.001 (Impacts the Department of Revenue)		
Adjustment to FY 2014-15 Long Bill		
Waste Tire Fee Administration Cash Fund	(\$7,754)	0.0
New Appropriation		
Waste Tire Administration, Enforcement, and Cleanup Fund	\$51,621	0.6
<i>Department of Revenue Subtotal</i>	<i>\$43,867</i>	<i>0.6</i>
Total Fiscal Impact of J.001	\$426,210	1.6

HB14-1352

JBC Staff Analysis

Note: the difference between the FY 2014-15 Long Bill appropriation and the new appropriations is due to the addition of trailer, truck, motor home, and motorcycle tires to tires subject to the waste tire fee.

Rollover Amounts

The FY 2014-15 Long Bill appropriation assumed the rollover of unexpended funds in the Waste Tire Cleanup Fund, Waste Tire Fire Prevention Fund, Law Enforcement Grant Fund, and Market Development Fund. The new appropriation component of J.001 includes the projected rollover amounts as shown in the table below.

Rollover Amounts Based on FY 2014-15 Long Bill Appropriations			
	Waste Tire Administration, Enforcement, and Cleanup Fund	End User Fund	Waste Tire Market Development Fund
FY 2014-15 Revenue	1,748,379	3,900,000	300,000
FY 2013-14 Rollover Amounts			
Waste Tire Cleanup Fund	749,051	n/a	n/a
Waste Tire Fire Prevention Fund & Law Enforcement Grant Fund	444,786	n/a	n/a
Processors and End Users Fund	n/a	0	n/a
Waste Tire Market Development Fund (Title 25)	<u>n/a</u>	<u>n/a</u>	<u>86,409</u>
Total Fund Appropriation	2,942,216	3,900,000	386,409

Points to Consider

General Fund Impact

The Joint Budget Committee (JBC) has proposed a budget package for FY 2014-15 based on the March 2014 Office of State Planning and Budgeting revenue forecast. The budget package, as amended by General Assembly action on the Long Bill (H.B. 14-1336) and the capital construction transfer bill (H.B. 14-1342), allocates all but approximately \$7.9 million of General Fund revenues projected to be available. The JBC has included as part of its FY 2014-15 budget package a \$500,000 transfer from the General Fund to the Waste Tire Administration, Enforcement, and Cleanup Fund. This bill does not require a transfer from the General Fund.

Technical Issue

The bill requires the rebate to be the same amount for a successive twelve-month period (page 14, line 7 of the introduced bill) but does not specify when the twelve-month period starts (i.e., does the twelve months begin on January 1 and follow the calendar year, or is it based on the state fiscal year?).