

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1120

2007 HOUSE TRANSPORTATION

HB 1120

## 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1120

House Transportation Committee

☐ Check here for Conference Committee

Hearing Date: 01-12-2007

Recorder Job Number: 1011

Committee Clerk Signature

*Lisa M Thomas*

Minutes:

**Chairman Weisz opened the hearing on HB 1120. All Representatives were present.**

**HB 1120 relates to abandoned motor vehicles.**

**David Glatt**, Chief of the Environmental Health Section for the ND Department of Health, spoke in support of the bill. See written testimony.

**Rep. Schmidt:** Is there any federal program that has a law in effect right now?

**David:** No federal program that I am aware of that deals with abandoned autos.

Not only is it abandoned autos, but also abandoned farm machinery. The way the program works is the county goes out, does a survey, and gets people to sign over the title to that.

**Rep. Delmore:** The two dollar charge is already being charged?

**David:** That is correct.

**Rep. Delmore:** And that is in addition to if when they continue, what I pay if I go in and get a new set of tires, and they ask if I should dispose of your tires for x amount of dollars and I say yes.

**David:** I was thinking about the title. There is I believe two dollars per title that is a charge. In addition to that, there is nothing mandated in state law that a dealer has to pay, but they do

charge that to deal with the disposal costs. Sometimes the tires don't end up where they should, even though they still collect the two dollars.

**Rep. Ruby:** At this time, cities, counties, townships are paying for this, why would you like to use state fund now for this?

**David:** The cities and counties under this program, don't pay for anything.

**Rep. Ruby:** Before the bill.

**David:** The way it is set up now is that the money is available if city or county comes to us and says we would like to do this, we contract with them, provide them the money out of this fund to help them do the work. So they don't pay for it, we provide them the money to be able to do this.

**Rep. Ruby:** In your testimony it says that two hundred and fifty thousand per biennium, one hundred percent pass through the counties, do you know that they use all of that, every year, for just abandoned vehicles?

**David:** There is oversight and we do the oversight on that. We verify that they do the surveys. WE make sure the money is wisely spent.

**Rep. Ruby:** How is that going to short the need for that if you start providing them?

**David:** That is a concern and that is one of the reasons we put this in as a fund of last resort. We wanted to make sure we went through all the due process, looked at all the other funding, but if we don't have anything to take care of it, which right now we are very limited in our options. The owner filed bankruptcy and there is a case in point that may happen in the future we are looking at three hundred thousand tires, how do we get rid of those? The way I would envision this is that we wouldn't bankrupt the fund all on one project, we may be able to use twenty five to fifty thousand dollars a year to get that tire pile reduced over time. We still are

committed to getting abandoned autos out of the country side and that would be the vast majority of what this bill is.

**Rep. Weisz:** This property you have, these tires are an environmental hazard that is correct?

**David:** There is under state law, proper definition on what is beneficial use and reuse and also what is the establishment environmental hazard. There is a provision and that's one of the issues we are dealing with now where a person has basically constructed fences. We are talking three hundred thousand plus tires that you could be sited in violation of environmental regulations.

**Rep. Weisz:** The scrap tire is an environmental hazard, by definition.

**David:** It can be.

**Rep. Weisz:** Can be, or is?

**David:** It is in certain quantities. If you have two tires out in the back of your house, we are not going make an issue.

**Rep. Weisz:** I don't see that here in the legislation.

**David:** I think we could provide some clarifying language there.

**Rep. Dosch:** Could you just go over the two hundred and fifty thousand in revenue expenditures in appropriations, I guess I don't quite understand that?

**David:** Where that money comes from is from the additional fee put on a title registration for each vehicle and that money goes into the DOT. Two hundred and fifty thousand of that goes to special fund and the rest goes to the general fund.

**Rep. Dosch:** Special funds, but the revenues, are you generating that in revenue, so we are appropriating half a million on this program?

**David:** All we get is two hundred and fifty thousand total. We don't generate, we get the money from the DOT.

**Rep. Price:** In our local paper, every spring it's advertised that they will come to your farm yard and clean up abandoned vehicles, do the counties and health units go that route before they do this?

**David:** I do not know if they do that.

**Rep. Price:** Shouldn't we make sure that we can utilize those things first, you know?

**David:** I'm sure that would be fine. We are typically the first choice that people go to to help them clean up abandoned lots that turn out to be junk yards.

**Rep. Weisz:** Do you want to explain a little bit, as I read current legislation it says this must be paid from the fund. Why don't you feel that the cost of administrating this chapter already inherent in that whole cost?

**David:** They said because it wasn't explicitly identified within the law, we elected to go down that path.

**Rep. Schmidt:** In the case when you cited the man three hundred thousand tires, what help did your department give him in removing those tires?

**David:** At this point in time, none. The fact that we do not have funds available to do that currently and secondly there are some issues on whether or not how much he financially benefited from doing that.

**Rep. Price:** I would just like to make sure that Mr. Glatt knows that HB 1068 is in here.

**David:** I am aware of that bill. There is also another bill, I think it is HB 1300 that mandates a recycling of scrap tires.

**There were no further questions from the committee.**

**There was no opposition to the bill. The hearing was closed. No action was taken at this time.**

## 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1120

House Transportation Committee

☐ Check here for Conference Committee

Hearing Date: 01-18-2007

Recorder Job Number: 1412

Committee Clerk Signature

*Lisa M Thomas*

Minutes:

**Chairman Weisz** allowed committee discussion on HB 1120. All Representatives were present. HB 1120 relates to abandoned motor vehicles.

**Rep. Kelsch:** Did Mr. Glatt bring down an amendment?

**Chairman Weisz:** I haven't seen it. There is a fiscal note with no impact.

**Rep. Schmidt:** They want to put more teeth in this, is that what I understand?

**Chairman Weisz:** Yes, they basically are going to.

**Rep. Schmidt:** Well, I think that the health department has a lot of teeth now.

**Rep. Ruby:** The money that we pay on our license fees goes into the fund for abandoned motor vehicles and according to the testimony, they pretty much use that. It's not like they have excess funds to sit around and use for these other purposes, so if they started moving these piles of tires which are now the landowners responsibility, now we are going to be taking the money out of this fund, which I guess is going to be less for the abandoned vehicles and it didn't sound like that was an adequate fund already to handle what they are doing there.

**Rep. Price:** Are they ever called on, for example, if you have a warehouse full of scrap tires, someone walked away from, which I understand had happened. I have no problem with them using that fund money to clean it up. I do have a problem with them saying that every farmer

that has three scrap tires is a hazard. Leave a definition and allow them to use it in page threes.

**Rep. Ruby:** I don't know why they would get called in to deal with it. It really isn't an environmental hazard, if they are in a building and there are other recourses that they could go to. There was a situation up in Kenmare where there was a building that had a lot of contaminants in it, I think the county got stuck with that one, so would this fund have even helped with that? I just don't see how tires are such an environmental issue.

**Rep. Price:** That is why I wanted to know because there are people who want scrap metal who advertise in the paper that they will come out and clean up farm yards. That should be their first avenue.

**Rep. Thorpe:** I have a little problem too with taking it out of the abandoned motor vehicle fund because that fund was set up with a dollar or two assessed on your license fees and when the fund got to a certain level, they took it off. It seemed like a good program and I hesitate to jeopardize that program.

**Rep. Ruby moved a DO NOT PASS. Rep. Vigesaa seconded.**

**Roll Call Vote: 13 yes. 0 no. 0 absent.**

**Carrier: Rep. Dosch**

# FISCAL NOTE

Requested by Legislative Council

01/12/2007

## REVISION

Bill/Resolution No.: HB 1120

**1A. State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

**1B. County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

**2A. Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The abandoned automobile program provides funds to counties and local health districts, to contract for cleanup of abandoned autos in their jurisdictions. This bill would authorize scrap tire piles to be cleaned up using the same pool of funds.

**B. Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The funding for this program is from a special fee collected on automobile license registrations. If on July 1 of any year the balance of uncommitted funds exceed \$250,000 the excess is transferred to the general fund. Typically, 100% of the money has been passed through the Health Department to counties or health districts for voluntary automobile cleanup projects. The bill proposes that the Health Department retain up to a maximum of 10% (\$25,000 per biennium), to help defray administrative expenses for implementing the program. In recent years, approximately ¼ FTE has been required to maintain the program. This would result in a maximum of \$25,000 to assist the Department in the implementation of projects that are not feasible or cost effective on a county level.

**3. State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

**A. Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Funds are collected by the ND Department of Transportation from automotive registration fees.

**B. Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Currently 100% of expenditures go to contractual, pass-through cleanup projects. It is proposed to change to 90% contractual and 10% administrative.

**C. Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Funds for this program are included in the Health Department's appropriation bill (HB 1004).

<b>Name:</b>	Kathy J. Albin	<b>Agency:</b>	Health
<b>Phone Number:</b>	328.4542	<b>Date Prepared:</b>	01/09/2007

**FISCAL NOTE**  
**Requested by Legislative Council**  
01/02/2007

Bill/Resolution No.: HB 1120

**1A. State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>		\$250,000		\$250,000		\$250,000
<b>Expenditures</b>		\$250,000		\$250,000		\$250,000
<b>Appropriations</b>		\$250,000		\$250,000		\$250,000

**1B. County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

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**B. Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The funding for this program is from a special fee collected on automobile license registrations. If on July 1 of any year the balance of uncommitted funds exceed \$250,000 the excess is transferred to the general fund. Typically, 100% of the money has been passed through the Health Department to counties or health districts for voluntary automobile cleanup projects. The bill proposes that the Health Department retain up to a maximum of 10% (\$25,000 per biennium), to help defray administrative expenses for implementing the program. In recent years, approximately 1/4 FTE has been required to maintain the program. This would result in a maximum of \$25,000 to assist the Department in the implementation of projects that are not feasible or cost effective on a county level.

**3. State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

**A. Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Funds are collected by the ND Department of Transportation from automotive registration fees.

**B. Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Currently 100% of expenditures go to contractual, pass-through cleanup projects. It is proposed to change to 90% contractual and 10% administrative.

**C. Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Funds for this program are included in the Health Department's appropriation bill (HB 1004).

<b>Name:</b>	Kathy J. Albin	<b>Agency:</b>	Health
<b>Phone Number:</b>	328.4542	<b>Date Prepared:</b>	01/09/2007

Date: 1-18-07  
Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1120

House Transportation Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken DO NOT PASS

Motion Made By RUBY Seconded By Vigesaa

Representatives	Yes	No	Representatives	Yes	No
Chairman Weisz	✓		Rep. Delmore	✓	
Vice Chairman Ruby	✓		Rep. Gruchalla	✓	
Rep. Dosch	✓		Rep. Myxter	✓	
Rep. Kelsch	✓		Rep. Schmidt	✓	
Rep. Owens	✓		Rep. Thorpe	✓	
Rep. Price	✓				
Rep. Sukut	✓				
Rep. Vigesaa	✓				

Total Yes 13 No 0

Absent 0

Floor Assignment Dosch

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE (410)**  
January 26, 2007 2:44 p.m.

**Module No: HR-18-1383**  
**Carrier: Dosch**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**HB 1120: Transportation Committee (Rep. Weisz, Chairman) recommends DO NOT PASS**  
(13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1120 was placed on the  
Eleventh order on the calendar.

2007 TESTIMONY

HB 1120

## **Testimony**

### **House Bill 1120**

#### **Transportation Committee**

**Friday, January 12, 2007; 10 a.m.**

#### **North Dakota Department of Health**

Good morning, Chairman Weisz and members of the Transportation Committee. My name is David Glatt, and I am chief of the Environmental Health Section for the North Dakota Department of Health. I am here today to testify in support of House Bill 1120, which regards the Abandoned Auto Program.

The Abandoned Automobile Program is a very successful program that has been in effect since 1973. It has provided an effective and efficient means to prevent pollution of the environment and protect the esthetic beauty of the state from junk cars. Since 1999, the Abandoned Automobile Program has been responsible for the removal and recycling of approximately 21,000 tons of scrap metal.

The program is funded by a special fee collected on automobile license registrations. The maximum collected for the Abandoned Automobile Program per biennium is currently \$250,000. One-hundred percent of the money has been passed through the Department of Health to counties or local public health units for voluntary automobile clean-up projects. The Department of Health is also authorized to directly initiate and contract for clean-up projects.

An issue that has arisen over the past couple of years in the United States, including North Dakota, is how to address the proper handling and disposal of scrap tires. Scrap tires are generated at an average rate of one tire per person per year, and can end up not being recycled or properly disposed of, creating environmental hazards. Scrap tires can pose environmental and public health risks by providing an ideal breeding place for disease-carrying mosquitoes and vermin, as well as risks of uncontrollable, environmentally damaging, and costly fires.

The change to this statute would enable accumulations of abandoned tires to be addressed by the Abandoned Automobile fund. The bill does not include a request for increased funding for the abandoned auto program, although some states have assessed special fees to be used for proper management of scrap tires. We are drafting an amendment that will require the fund to be used as a fund of last resort to address cleanup and proper disposal/recycling of abandoned tires.

The bill also proposes that the Department of Health may retain up to a maximum of 10 percent, or \$25,000 per biennium if the full amount is collected, to help defray documented costs for administering this chapter. In recent years, approximately  $\frac{1}{4}$  FTE has been required to maintain the program. With stagnant or declining federal environmental funding, coupled with increasing costs, we are seeking alternative sources to address staff time dedicated to administering this program.

I encourage your passage of House Bill 1120. I am happy to answer any of your questions.