

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1092

2005 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1092

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1092

House Government and Veterans Affairs Committee

Conference Committee

Hearing Date 1/07/05

Tape Number	Side A	Side B	Meter #
1	x		7.8-26.3

Committee Clerk Signature

Dixie Zinn

Minutes: HB 1092 Relating to the purchase of recycled paper products by state agencies and institutions.

13 members present, 1 absent.

Chairman Haas: We will open the hearing on HB 1092.

Linda Belisle-OMB-Central Services-For-Testimony attached.

Chairman Haas: The fiscal note that came with this bill showed no cost, but is it realistic to assume that, is it a negative figure there and actual saving by not having this statute in place? Is that what you are telling us. It sounds to me like that is what you are saying.

Linda: That may be correct, if agencies continue as we have there would be no affect, because agencies are doing what is best for there equipment and doing what is best to meet their needs. So there would be no cost, because nothing would change. If this bill was repealed, I don't see that there would be any change in that, because we would continue business as usual.

Rep. Klemin: I am familiar with the reason we have this bill to start with and it came about because we had some significant requirements that came about under some federal laws that required the State to modify its State Laws on probably disposal back in the early 1990's, which resulted in probably 90% of the waste facilities in North Dakota being closed because they became too expensive to meet the department and that is why we only have those regional landfills now, part of the problem at that time was a large amount of this kind of waste was going into landfills and it was very expensive to maintain these landfills to put all this paper in there. Part of the whole process was to have some effort to create a market for recycled paper, so we wouldn't be putting it all in the landfill. We might be saving some money on one hand here, but we were spending much more putting all of this waste into the landfill, which affected the whole state, so that is kind of the reason, as I recall why this bill came about to start with was to encourage the state to be a role model in using recycled paper to help create a market for this stuff and maybe that didn't work out, and maybe it's because what you said the State is not following the statute. I guess I would like to know if there is some reason, you could tell me, when the legislature passed the law that says by 1996 at least 40% of the paper volume shall be 25% recycled materials, by 1998 60% and your telling us in your testimony today that we have 28% compliance rate, don't you listen to the legislatures.

Linda: We do that, that is why we brought this forward. Only the support recycling and using recycled products. We would do whatever this committee and the legislature would direct us to do. Other states have recycled paper laws, but I haven't done enough research to really know where the recycling industry is, but there are requirements for up to 5% or 10%, North Dakota is

60% is the highest, why we are not meeting that goal, I can't really tell you, maybe its matter of how the data is collected. Data collection is a manual process and it requires a lot of man hours.

Chairman Haas: Were we ever close to 60%?

Linda: I don't know, we thought we were.

Chairman Haas: When you put out a call for bids, to establish a contract for paper do you put specifications in the bid that say this paper must contain 55% recycled paper.

Linda: Yes we do, as I indicated all out paper that is sold through central supply is under a State term contract and all the paper, file folders, cardboard that is between the binders, cardboard storage boxes, we making efforts to get it out. We don't know why it not.

Chairman Haas: If the contract that you agreed too and if you specified recycled paper, are agencies not buying from that contract, are they buying from some other entity?

Linda: They are manadorty contracts, they have to buy. The copy paper, the bond paper is the largest volume paper purchased by the State. On the contract, because recycled paper doesn't work for all agencies and for every application, agents are given the option of buying the recycled paper or the virgin bond. We do not have the authority to tell agencies they must use recycled paper, it is there for them to buy.

Rep. Klemin: Reading this statue it says Office of Management and Budget and agency or institution that has the authority to purchase products, shall do this. I am a little dismayed that this law has been on the books since 1991 and you are hear know, 14 years later saying that we don't know how to crack this.

Rep. Froseth: There are several things that come into to the picture, there are a lot of papers that you can't get, the quality you need for printing, in recycled products. First off, I think the cost is

higher because paper is heavy and we call them in my business, the cost of shipping paper back to the paper mill is prohibited, unless you want to subsidize the shipping, someone has to subsidize the shipping costs to get back to the mill to recycle it in the first place. The quality isn't there for fine printing, you can use it in news print and brown paper bags and card board boxes, that is about the only good place for it, but I can see the problem in obtaining enough fine quality, you can do it in your cheaper bonds, for a lot of your work, but your fine papers, you just can't get the quality either, that's probably one of the reasons you can't reach that 60% usage mark. I think there are a lot of problems created by setting this kind of standard of usage, because you just can't reach it in the types of paper you need.

Rep Meier: It sounds like a big problem is coming into the machinery, where there is the paper jams and some of the problems with the printing.

Linda: Yes, for **Center Duplicating**, who is a large purchaser of bond paper.

Rep. Conrad: Other States have different standards, could you share that with us.

Linda: I do have matrix of what other states do and it goes from recycled products, fuel oil, all the environmental issues. All other states, other than Michigan, Montana, North Carolina, Oklahoma and us have a recycled law on the books, a requirement. Some is specifically paper, some are all recycled and one is just plastic.

Rep. Conrad: It sounds like we are doing pretty well, compared to a lot of States, even though we are not meeting our goal, we are doing well. If we were to bring it down to maybe 20% or 30%, would that make you more comfortable that you were meeting the State Law?

Linda: Yes, it would make me feel a lot more comfortable.

Rep. Conrad: Maybe it would be more realistic.

Linda: How come we haven't brought it up to code, because we don't have the resources, collecting data for this is very labor intensive process. If we could make this an easier process somehow, it would make it a lot better for us.

Rep. Klemin: If we were to repeal this law and there would be no requirement to use recycled paper whatsoever and the agencies wouldn't have to do it all.

Linda: That is correct, other than in the section 07, prior, there is a requirement that O and B would still make that available, as we do now for agencies.

Rep. Klemin: Does that apply only to ink?

Linda: Paper products and ink. There is some redundancy between these two sections.

Rep. Potter: If it was suggested that we might reduce the percentage down, if we don't have some kind of recording requirement, we really still don't know and you probably wouldn't know either what we are doing actually isn't that what I understood.

Linda: Yes, we need easily capture that data and without thought and maybe other agencies to do that.

Rep. Kasper: I am puzzled about your statement that this is such a labor intensive job, assume there is 100 agencies in your government, if you sent them a memo that said this is the law, please supply us the data, wouldn't that be a requirement for you to follow up to make sure you got the data, then you compiled the statistics.

Linda: The agencies have access to the same kind of information that we have. The object code doesn't distinguish between recycled paper and virgin paper, that data would be obtained at the quarter.

Rep. Kasper: That's logical isn't it.

Chairman Haas: I am still puzzled about the call for bids and the contracts. If the call for bids, when you are bidding paper, specifies 25% recycled, does your call for bids specify more than one type of paper?

Linda: The bids for 25%, the areas that do the paper bids.

Chairman Haas: Is that all paper that you bid?

Linda: Yes, the options in virgin paper and recycled paper.

Chairman Haas: So you are bidding two types of paper on the same bid.

Linda: That is correct.

Chairman Haas: O.K.

Linda: The option there, is so the agencies can choose, they have to use contract, but they can choose which of those papers they buy.

Chairman Haas: Do you think the agencies are aware if this statute.

Linda: I don't know?

Chairman Haas: Further questions? Thank you very much. Is there any further testimony on HB 1092? Is there testimony against HB 1092? Close the hearing on HB 1092.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1092

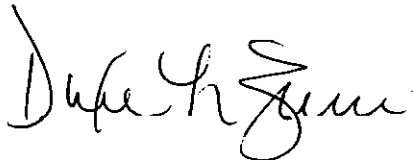
House Government and Veterans Affairs Committee

Conference Committee

Hearing Date 1/13/05

Tape Number	Side A	Side B	Meter #
2	x		45.1-end

Committee Clerk Signature



Minutes: HB 1092 Relating to the purchase of recycled paper products by state agencies and institutions.

Discussion and Voting

Chairman Haas: We will open the hearing Government and Veterans Affairs Committee. We will look at HB 1092. We had a subcommittee which consisted of Rep. Klemin, Rep. Meier, Rep. Conrad and Luke our Intern. Rep. Klemin.

Rep. Klemin: Our recycling program within the capital complex is going great, on the average we are recycling approximately 22,000 pounds per month from the capital complex. Then there is a list of acceptable and unacceptable material, we appreciate past cooperation, keep up the good work. This is hanging in there now, dated January 17, 1996.

Rep. Galvin: I have been around here a lot longer, not around this building, but around the world longer then most of you. I have seen a lot of the recycling programs, most of them are ridiculous and most of them, are somebody just wants to do something. During the second World War, you

couldn't buy a tire, unless you brought an old tire along. Now you can't get rid of them. All of things are generated by some hysterical group.

Rep. Grande: On this summary sheet, in these percentages, used recycle, purchased recycle on contract cut paper, its 11%, then you get into the paper goods and you are up 87%, and then you get into the next part of the envelope, you are in the 93%, by the time you get all of this figured out they are at about 60%. It all depends how you want to define and I don't even think that is clear in law, do they have to be at 60% in every category. It all depends on how you want to work the numbers. They may not be as far off as that they feel they are.

Rep. Boenning: I would like to comment on that if I can. That 11%, they are only counting 90,000 dollars and there is a total of non recycle of 725,000 dollars.

Chairman Haas: That is how they get to 11%. This the bond paper, the copier paper, this what they put out and when I meant with Linda, she told me of that 725,000 dollars, of non recycle paper up there, affected the whole bill of 816,000 dollars, half of that is the Board of Higher Education. She was at a meeting since the last legislative session concerning this, with representatives from the Board of Higher Education there and this is rather amusing or alarming, whatever way you want to look at it, they were talking about trying to do better in this category and representative from the Board of Higher Education said, while we don't have to do that, after all we are the fourth branch of government.

Rep. Kasper: I just want to point out something, the first line, under contracting of paper, bond recycled, white 20 pound with copier 8 1/2 by 11, 2.26 per ream, they bought 10,000 reams, I pay less than that at Wal Mart, for one box of five reams.

Rep. Froseth: There are ten reams in a carton of 20 pound bond. That is 2.26.

Chairman Haas: Is there a motion on the amendment that Rep. Klemin brought in, so moved by Rep. Meier, is there a second, Rep. Sitte seconds the motion, is there any further discussion on the amendment, which is the Office and Management and Budget shall implement a metrology to track compliance with this section.

Rep. Potter: Is this going to cause some financial or fiscal note.

Chairman Haas: I asked that question to Linda and she said no. She said it is totally within there capability now.

Rep. Froseth: As a general rule, I don't think you can buy recycled paper much cheaper than regular paper. It is only a theory that your using, reusing these products. You are probably saving some natural resources.

Rep. Klemin: I think we have to recognize the reason for this was not the cost of the recycled paper, but to encourage people to recycle, not to put this stuff in our land fill, where does cost money.

Chairman Galvin: But in our land fills the paper is biodegradable. It is not a problem in land fill.

Chairman Haas: All in favor of the amendment, signify by saying I, oppose say no, amendment carried. We now have the bill before us as amended, is there a motion. The bill as amended will carry this amendment that Luke distributed this morning and this amendment that Rep. Klemin distributed this morning. Is there a motion to act on the bill as amended? A DO PASS motion as AMENDED by Rep. Boehning, seconded by Rep. Meier. Is there any further discussion? If not we will have the clerk take the roll.

VOTE: YES 13 NO 0 ABSENT 1 DO PASS AS AMENDED

Page 4
House Government and Veterans Affairs Committee
Bill/Resolution Number HB 1092
Hearing Date 1/13/05

REP. KLEMIN WILL CARRY THE BILL.

FISCAL NOTE
 Requested by Legislative Council
 01/18/2005

Amendment to: HB 1092

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.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

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

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

It is anticipated there would be no impact on agencies' fiscal activity. OMB will continue to provide agencies the option of using recycled paper and paper products by making them available through state term contracts.

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.*

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.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name: Linda Belisle
 Phone Number: 328-3494

Agency: OMB
 Date Prepared: 01/19/2005

FISCAL NOTE
Requested by Legislative Council
 12/22/2004

Bill/Resolution No.: HB 1092

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.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

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

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

It is anticipated there would be no impact on agencies' fiscal activity. OMB will continue to provide agencies the option of using recycled paper and paper products by making them available through state term contracts.

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.*

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.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name: Linda Belisle
Phone Number: 328-3494

Agency: OMB
Date: 12/23/2004
Prepared:

VK
1/13/05

HOUSE AMENDMENTS TO HOUSE BILL NO. 1092 GVA 1/14/05

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 54-44.4-08 of the North Dakota Century Code, relating to the purchase of recycled paper products by state agencies and institutions.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 54-44.4-08 of the North Dakota Century Code is amended and reenacted as follows:

54-44.4-08. Purchase of recycled paper products. The office of management and budget, and any state agency or institution that has authority to purchase products, shall ensure that beginning July 1, 1993, at least ~~ten~~ twenty percent of the total volume of paper and paper products being purchased for state agencies and institutions contain at least twenty-five percent recycled material; beginning January 1, 1994, at least thirty percent of the total volume of paper and paper products being purchased contain at least twenty five percent recycled material; beginning January 1, 1996, at least forty percent of the total volume of paper and paper products being purchased contain at least twenty five percent recycled material; and beginning January 1, 1998, at least sixty percent of the total volume of paper and paper products being purchased contain at least twenty five percent recycled material. The office of management and budget shall implement a methodology to track compliance with this section."

Renumber accordingly

Date: 1/13/05
Roll Call Vote #: 1

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1092

House House Government and Veterans Affairs

Committee

Check here for Conference Committee

Legislative Council Amendment Number 58113.0101

Action Taken DO PASS As Amended

Motion Made By Rep. Boehning Seconded By Rep. Meier

Representatives	Yes	No	Representatives	Yes	No
Chairman C.B. Haas	✓		Rep. Bill Amerman	✓	
Bette B. Grande - Vice Chairman	✓		Rep. Kari Conrad		
Rep. Randy Boehning	✓		Rep. Louise Potter	✓	
Rep. Glen Froseth	✓		Rep. Sally M. Sandvig	✓	
Rep. Pat Galvin	✓				
Rep. Stacey Horter	✓				
Rep. Jim Kasper	✓				
Rep. Lawrence R. Klemin	✓				
Rep. Lisa Meier	✓				
Rep. Margaret Sitte	✓				

Total (Yes) 13 No 0

Absent 1

Floor Assignment Rep. Klemin

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

REPORT OF STANDING COMMITTEE

HB 1092: Government and Veterans Affairs Committee (Rep. Haas, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1092 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 54-44.4-08 of the North Dakota Century Code, relating to the purchase of recycled paper products by state agencies and institutions.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 54-44.4-08 of the North Dakota Century Code is amended and reenacted as follows:

54-44.4-08. Purchase of recycled paper products. The office of management and budget, and any state agency or institution that has authority to purchase products, shall ensure that beginning July 1, 1993, at least ~~ten~~ twenty percent of the total volume of paper and paper products being purchased for state agencies and institutions contain at least twenty-five percent recycled material; beginning January 1, 1994, at least thirty percent of the total volume of paper and paper products being purchased contain at least twenty five percent recycled material; beginning January 1, 1996, at least forty percent of the total volume of paper and paper products being purchased contain at least twenty five percent recycled material; and beginning January 1, 1998, at least sixty percent of the total volume of paper and paper products being purchased contain at least twenty five percent recycled material. The office of management and budget shall implement a methodology to track compliance with this section."

Renumber accordingly

2005 SENATE POLITICAL SUBDIVISIONS

HB 1092

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1092

Senate Political Subdivisions Committee

Conference Committee

Hearing Date February 24, 2005

Tape Number	Side A	Side B	Meter #
1		X	3185 - 3714
2	X		0 - 605

Committee Clerk Signature



Minutes:

Chairman Cook opened the hearing on HB1092 relating to the purchase of recycled paper products by state agencies and institutions. All members (6) present.

Linda Belisle, Director, OMB Central Services Division, introduced the bill.(See attachment #1)

Chairman Cook: What came first the bill requiring the use of recycled paper or the policy to use recycled paper?

Linda Belisle: I am going to refer you to Gary Vasey, the manager of the Central Duplicating Print Services.

Gary Vasey: It was about the same period of time when both of those laws went through.

No further questions.

Chairman Cook closed the hearing on HB 1092.

February 24, 2005, Afternoon Discussion and Action.

Chairman Cook called the Political Subdivisions Committee back to order.

Senator Dever: Were we considering amending it back to its original bill?

Senator Hacker: Is it worth a conference committee Mr. Chairman?

Chairman Cook :I think this would be a perfect bill to have a practice conference committee on.

Senator Gary Lee: Why do we need to put this in the code?

Senator Dever moved to amendment the bill to its original form.

Senator Gary Lee seconded the motion.

Chairman Cook: We have a motion and a second to amend the bill back to its original form which would simply repeal sections 54-44.4-08.

Discussion:

Senator Triplett: I don't have a problem with your point that it is something that doesn't belong in the code. I have a little bit of a problem with given that it was put in the code ten years ago or more and if you take it out without comment it looks like we are walking away from the policy of promoting recycling. It sends the wrong message. I think it is important to save a tree.

Chairman Cook: Do you think they were following this law in the past twenty years.

Senator Triplett: I think they were giving it a good shot. Other than the technical problems with it not going through the printer, it look like in every other catagory they were doing very well.

Roll call vote: 5 Yes 1 No 0 Absent

Senator Dever moved a motion for a Do Pass as Amended back to its original form.

Senator Gary Lee seconded the motion.

Roll call vote: 4 Yes 2 No 0 Absent

Carrier: **Senator Hacker**

February 24, 2005

JOB
2-24-05

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1092

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to repeal section 54-44.4-08 of the North Dakota Century Code, relating to the purchase of recycled paper products by state agencies and institutions.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. REPEAL. Section 54-44.4-08 of the North Dakota Century Code is repealed."

Renumber accordingly

Digital Cook

Date: 2-24-05
Roll Call Vote #: 1

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1092

Senate Political Subdivisions Committee

Check here for Conference Committee

Legislative Council Amendment Number

Action Taken Moved Amendments-back to Original Bill

Motion Made By Senator Dever Seconded By Senator Gary Lee

Senators	Yes	No	Senators	Yes	No
Senator Dwight Cook, Chairman	X				
Senator Nicholas P. Hacker, VC	X				
Senator Dick Dever	X				
Senator Gary A. Lee	X				
Senator April Fairfield	X				
Senator Constance Triplett		X			

Total Yes 5 No 1

Absent

Floor Assignment

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

Date: 2-24-05
Roll Call Vote #: #2

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1092

Senate Political Subdivisions

Committee

Check here for Conference Committee

Legislative Council Amendment Number 58113.0201 Title .0300

Action Taken Do Pass as Amended back to original
Bill

Motion Made By Senator Dever Seconded By Senator Gary Lee

Senators	Yes	No	Senators	Yes	No
Senator Dwight Cook, Chairman	X				
Senator Nicholas P. Hacker, VC	X				
Senator Dick Dever	X				
Senator Gary A. Lee	X				
Senator April Fairfield		X			
Senator Constance Triplett		X			

Total Yes 4 No 2

Absent

Floor Assignment Senator Hacker

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

REPORT OF STANDING COMMITTEE

HB 1092, as engrossed: Political Subdivisions Committee (Sen. Cook, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (4 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1092 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to repeal section 54-44.4-08 of the North Dakota Century Code, relating to the purchase of recycled paper products by state agencies and institutions.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. REPEAL. Section 54-44.4-08 of the North Dakota Century Code is repealed."

Renumber accordingly

2005 HOUSE GOVERNMENT AND VETERANS AFFAIRS

CONFERENCE COMMITTEE

HB 1092

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1092

House Government and Veterans Affairs Committee

Conference Committee

Hearing Date 3/29/05

Tape Number	Side A	Side B	Meter #
1	x		0-18.5

Committee Clerk Signature

Minutes: HB 1092 Relating to the purchase of recycled paper products by state agencies and institutions.

Chairman Klemin: 3/24/05- Motion of chairman- conference committee on HB 1092 is postponed and will be rescheduled. Motion approved.

Chairman Klemin: Calling the Conference Committee on HB 1092 to order and ask the clerk to take the roll. Chairman Klemin, Rep. Horter, Rep. Sandvig - Sen. Hacker, Sen. Dever, Sen. Fairfield, all present.

Chairman Klemin: The bill was passed by the House, the Senate amended it, the House did not concur with the Senate amendments, perhaps the Senators would like to tell us why they wanted to amend the house bill.

Sen. Hacker: Some of the concerns that the Senate had was that we couldn't quite understand why this needed to be in code at all. I gave a couple of the OMB a call and had them come down if we needed any questions answered.

Chairman Klemin: I guess if we need any questions answered we will call on them. What is the reason that you don't think it needs to be in code?

Sen. Hacker: As they portrayed there numbers and what they are able to do in recycling and what it is costing in recycling, 20%, we are running at 26%, we thought they can still do this on there own.

Chairman Klemin: So you think the state shouldn't have a state policy on recycling.

Sen. Hacker: I think that there own rules and how they want to operate, most efficiently, would be in the best interest of the state.

Chairman Klemin: Did you take into account cost of landfill in that, or simply limit to the cost of the paper.

Sen. Hacker: It was more limited to the cost of the paper or speaking with OMB, they will contintue to do there recycling program as they find to be more efficient.

Chairman Klemin: As I understand your whole focus was solely on cost of the paper and not all the other costs that go into recycling programs such as: landfills, other cost to the environment, none of that was considered.

Sen. Hacker: Not in the committee meeting we did not consider those costs and none of those costs were presented to us either.

Chairman Klemin: Did you look into the legislative history of the statutes.

Sen. Hacker: As I understood it was that it was drafted in 1997.

Chairman Klemin: It was drafted in 1993. The statute was adopted in 1991.

Sen. Fairfield: We all agreed in the committee that it was something that agency should continue to do and we support that, we encouraged them to do that, however we felt that agency should

have the latitude to make the decisions based on there needs and there budgets and make those decisions. I think we try to give them as much flexibility and latitude to do that and by this mandating a certain amount we thought it was being a little micro-managing.

Chairman Klemin: Do you know what South Dakota and Montana do?

Sen. Fairfield: Mr. Chairman, I am a Senator from North Dakota and my concern is what our agencies do and what the flexibility they have.

Chairman Klemin: My understanding from the research that we did is that Montana is at 95% and South Dakota is at 50%.

Sen. Fairfield: I think the ideal part of this is would be that if they thought if they could make those numbers work they would move to that amount. There is nothing that by repealing this that says they couldn't. In fact I would encourage them to do so.

Chairman Klemin: So your position is that it should be left entirely up to the state agencies to decide on there own whether they should or should not purchase any recycled products.

Sen. Dever: I think the way the original bill came, we would be at 60% of the total volume, 25% recycled paper. I think the Houses position is to reduce that to 20%, the Senates position was to eliminate policy and allow the department, because they do have a policy.

Chairman Klemin: This statute applies to more then just the OMB.

Sen. Dever: If it applies to the legislative assembly, I think we are certainly doing are share.

Chairman Klemin: By way of background, this was actually adopted in 1991 at a time when we went from over a hundred landfills to about the regional landfills. The cost of putting paper in the landfills, that had quite a bit of volume impact was expensive and still is expensive, not necessarily that it was cheaper, we needed to encourage the state policy of recycling. The original

bill that actually would have required 80% by 1998, that was amended in 1999, downward to 60%. I don't know why that was changed, probably they weren't meeting the 80% requirements, that wasn't realistic and so it was changed to 60% and know OMB is telling us that they are at 28%, the House Committee believed that it is still viable to have a state policy, encouraging recycling and to have the state serve as a role model and purchasing recycled paper, in order to give the agency the maxim flexibility to do this, the House Committee reduced the amount to 20% and asked the agency to implement a methodology to track compliance with the sections, it was my understanding that OMB had no problem with the 20% and also that they can implement a methology to track this. I guess my stand point and the House Committee stand point we think that reasonable for the state to continue to be a role model in this area. Any further discussion.

Sen. Dever: I think the reason the policy is under OMB is because they set the policy. Recycled paper is more expensive then other paper.

Chairman Klemm: It is my understanding that most of the paper that is used for bond paper and that kind of stuff is not recycled paper and the most recycled group that is being purchased now is toilet paper, napkins, paper towels. Bond paper and those types of things are not recycled paper and I think that is where most of the expense is. There is more to consider then just the mere cost of the goods, there is the cost of the environment, cost of landfill, taking into account I think, it is more expensive when you consider all those costs.

Sen. Dever: The Senate would certainly would share with the House that recycling is good policy. I think the Senate agrees that we should recycle.

Sen. Fairfield: I think there should be a statement of intent that we expect them to look for ways to recycle materials whenever possible.

Rep. Klemin: I would like to respond to Senator Dever, I don't think that would have ever taken place if there hadn't been a market for the recycled products. With the encouragement from all the states. You need to have a market in order to have this work. Any further discussion on this.

Sen. Dever: Would the House be receptive to an amendment to eliminate the 20% and add section to Office of Management and Budget shall implement a methodology to track compliance.

Rep. Klemin: I think it is up to the state to set the policy, not to an individual agency to decide from time to time to have a policy and what that policy should be. That applies to all state agencies and institutions. I think the state legislators should be the one to set the policy.

Rep. Sandvig: I don't want it to go into agency rule, I serve on the agency rule committee, we did so many different rules in there and sometimes we are wondering why isn't it just in code instead. I think we are better off having it in code.

Chairman Klemin: I would entertain any motions. I think any member from the conference committee can make a motion, it will take two from each chamber to approve that motion. Rep. Sandvig moves that the Senate recede from its amendments, seconded by Rep. Horter, to engrossed HB 1092, we will have the clerk to call roll on the motion.

VOTE: YES 3 NO 3

I will entertain any other motions.

Sen. Dever: The Senate would like to discuss this further and reschedule.

Chairman Klemin: Yes, we can do that. We have had some good discussion on this and we reschedule. We will close the conference committee at this time and reconvene at a later date.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1092

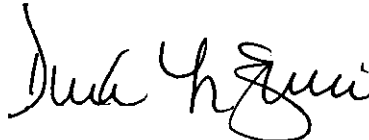
House Government and Veterans Affairs Committee

Conference Committee

Hearing Date 3/31/05

Tape Number	Side A	Side B	Meter #
1	x		0-7.3

Committee Clerk Signature



Minutes: HB 1092 Relating to the purchase of recycled paper products by state agencies and institutions.

Chairman Klemin: We will reconvene the conference committee on HB 1092 and ask the clerk to take the roll. Chairman Klemin, Rep. Horter, Rep. Sandvig- Sen. Hacker, Sen. Dever, Sen. Fairfield. I would like to summarize, we had a bill that was proposed by OMB to repeal section 54-44.408 of the North Dakota Century Code relating requirement that the state agencies and institutions purchase recycled paper products, that bill was amended my the House to reduce the percentage requirement from 60% to 20% and the Senate then reinstated the original bill and the House did not concur with that change. I think it is important for the state to be setting a policy on this issue. I think we need to stick with this policy. I think the House by reducing it to 20% now has made a significant compromise in the requirement that is currently in state law. OMB told me that it was fine with them. I think it is important that the state have a policy in this and it

should be realistic and I hope that we can go forward with this and have a state policy on this that is a realistic. I would like to open it up for further discussion.

Sen. Fairfield: When it was at 60%, what was the actual percentage that OMB that they were recycling.

Chairman Klemin: It was 28%, that was the information we received.

Sen. Fairfield: They weren't meeting the goal that we had set for them, it is obviously not workable. They are going to do what they want to do regardless of the level we set. They are going to do whatever they want, right.

Chairman Klemin: I guess they have not met the goal we have set and that really frustrates some people in the legislator, the direction of the House version is some thing consistent with what they are capable of doing and have been doing.

Rep. Horter: There best was 28%, it is uncomfortable to delegate that power when they have not demonstrated of taking those steps.

Sen. Hacker: I guess the argument that has been made is that they are going to do it on there own any how, they are doing when it is feasible.

Sen. Dever: If they haven't tracked compliance, how difficult is it for them to do that?

Chairman Klemin: The information that we got from them is that it would not be difficult at all in advanced to do that based on there bidding requirements. They would simply incorporate that into there bidding requirement and use additional code in tracking that, which they hadn't been doing, so the information that I was given by OMB is that they can do this and would be able to without any trouble.

Sen. Dever: I recognize the Houses concern for having this goal in place and I would move that the Senate recede from the Senate amendments.

Chairman Klemm: Is there a second, seconded by Sen. Hacker, we will take a roll call vote on that amendment.

VOTE: YES 6 NO 0 ABSENT 0

THE MOTION PASSES ON A VOTE OF 6 TO 0 THE SENATE RECEDE FROM THE SENATE AMENDMENTS HB 1092. IT WILL BE PLACED ON THE SEVENTH ORDER.

WE WILL CLOSE THE CONFERENCE HEARING.

REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)

Bill Number **HB 1092** (, as (re)engrossed):

Date: **3/29/05**

Your Conference Committee **GVA**

For the Senate:

For the House:

YES / NO

YES / NO

HACKER

✓

KLEMIN

✓

DEVER

✓

HORTER

✓

FAIRFIELD

✓

SANDVIG

✓

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ -- _____

_____, and place _____ on the Seventh order.

_____, adopt (further) amendments as follows, and place _____ on the Seventh order:

_____, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE:

CARRIER:

LC NO. _____ of amendment

LC NO. _____ of engrossment

Emergency clause added or deleted
Statement of purpose of amendment

MOTION MADE BY:

SECONDED BY:

VOTE COUNT ___ YES ___ NO ___ ABSENT

Revised 4/1/05

SENATE wants to further discuss

REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)

Bill Number HB 1092 (, as (re)engrossed):

Date: 3/31/05

Your Conference Committee GVA

For the Senate:

For the House:

	YES / NO		YES / NO
<u>HACKER</u>	✓	<u>KLEMIN</u>	✓
<u>DEVER</u>	✓	<u>HOUTER</u>	✓
<u>FAIRFIELD</u>	✓	<u>SANDVIG</u>	✓

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE) from

the (Senate/House) amendments on (SJ/HJ) page(s) 811 - _____

✓, and place HB 1092 on the Seventh order.

_____, adopt (further) amendments as follows, and place _____ on the Seventh order:

_____, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) _____ was placed on the Seventh order of business on the calendar.

DATE: 3/31/05
CARRIER: Rep. (S.M.T.)

LC NO. _____ of amendment

LC NO. _____ of engrossment

Emergency clause added or deleted
Statement of purpose of amendment

MOTION MADE BY: DEVER

SECONDED BY: HACKER

VOTE COUNT 6 YES 0 NO 0 ABSENT

REPORT OF CONFERENCE COMMITTEE

HB 1092, as engrossed: Your conference committee (Sens. Hacker, Dever, Fairfield and Reps. Klemin, Horter, Sandvig) recommends that the **SENATE RECEDE** from the Senate amendments on HJ page 871 and place HB 1092 on the Seventh order.

Engrossed HB 1092 was placed on the Seventh order of business on the calendar.

2005 TESTIMONY

HB 1092

PROPOSED AMENDMENT TO HOUSE BILL NO. 1092

Proposed by GVA Subcommittee, Rep. Klemin, Rep. Meier, Rep. Conrad
January 13,, 2005

Page 1, line 1, after the end of the amended bill, insert "The office of management and budget shall implement a methodology to track compliance with this section."

Re-number accordingly

eliminate, wherever possible, discrimination against the procurement of products manufactured with starch-based plastics and soybean based inks. The North Dakota corn growers association and the commissioner of agriculture shall assist the office of management and budget in locating suppliers of starch-based plastics and in collecting data on the purchase of starch-based plastics. The North Dakota soybean council and the commissioner of agriculture shall assist the office of management and budget in locating suppliers of soybean-based inks and in collecting data on the purchase of soybean-based inks. In requesting bids for paper products, starch-based plastic products, and soybean based inks, the office of management and budget must request information on the recycled content of such products.

SECTION 17. AMENDMENT. Section 54-44.4-08 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-44.4-08. Purchase of recycled paper products. The office of management and budget, and any state agency or institution that has authority to purchase products, shall ensure that beginning July 1, 1993, at least ten percent of the total volume of paper and paper products being purchased for state agencies and institutions contain at least twenty-five percent recycled material; beginning January 1, 1994, at least thirty percent of the total volume of paper and paper products being purchased contain at least twenty-five percent recycled material; beginning January 1, 1996, at least forty percent of the total volume of paper and paper products being purchased contain at least twenty-five percent recycled material; and beginning January 1, 1998, at least sixty percent of the total volume of paper and paper products being purchased contain at least twenty-five percent recycled material; and beginning January 1, 2000, at least eighty percent of the total volume of paper and paper products being purchased contain at least twenty-five percent recycled material.

SECTION 18. REPEAL. Section 54-44-09 of the North Dakota Century Code is repealed.

SECTION 19. EMERGENCY. Section 15 of this Act is declared to be an emergency measure.

Approved March 29, 1999
Filed March 29, 1999

Testimony
HB 1092

Presented by: Linda Belisle, Director
OMB, Central Services Division

Before: Government and Veterans Affairs Committee
C. B. Haas, Chair

Date: January 7, 2005

Chairman Haas and members of the committee, my name is Linda Belisle. I am the Director of Central Services Division of the Office of Management and Budget.

This bill removes the requirement that at least 60% of the total volume of paper and paper products the state buys contain at least 25% recycled material. OMB supports recycling and using recycled products. The Facility Management Division of OMB has had a successful paper-recycling program in place for the capitol complex since the mid 1990's. The State Procurement Office of OMB establishes mandatory-use term contracts for paper and paper products that provide agencies the option to buy recycled, as well as virgin, paper and paper products through term contracts. Legal pads, file folders, scratch pads and other paper items sold to state agencies through Central Supply are all recycled.

The requirements of this statute aren't being met, and our intent is to bring the issue to the forefront. Collecting the data is a very labor-intensive process, but the numbers we have indicate a 28% compliance rate.

Agencies have and need the discretion to decide whether to purchase recycled or virgin paper. For example, Central Duplicating provides printing services for state agencies and is 100% special funded. Recycled paper for the most commonly used sizes on the current contract is about 9% higher than virgin paper. A 9% increase in paper costs would increase Central Duplicating's paper costs alone by \$33,390. (Paper costs in FY 03 and 04 were about \$371,000) Central Duplicating operates 3 high-speed digital printers and 4 offset presses. This equipment, particularly the digital printers, is very sensitive to dust and lint. The increased dust and lint created from recycled paper will increase service and maintenance costs. Also, recycled paper jams more often because it isn't as firm and the leading edge has a tendency to curl. That is hard on equipment as well and paper usage would increase to compensate for the waste created by the jams. Using recycled paper in Central Duplicating will increase costs in 3 ways:

1. Increased equipment service and maintenance costs.
2. Increased paper costs.
3. Increased labor costs because of production downtime.

State procurement law N.D.C.C. § 54-44.4-07 also addresses recycled paper (copy attached), and that statute will remain unchanged. OMB will continue its practice of requesting information about the recycled content of all paper products.

This concludes my testimony. I would be happy to answer any questions.

54-44.4-07. Specification for paper products and inks. The office of management and budget, the institutions of higher education, and any other state agency or institution that has authority to purchase products, are encouraged, whenever possible, when purchasing newsprint printing services, to specify the use of soybean-based ink. The North Dakota soybean council and the agriculture commissioner shall assist the office of management and budget in locating suppliers of soybean-based inks and in collecting data on the purchase of soybean-based inks. In requesting bids for paper products, the office of management and budget must request information on the recycled content of such products.

54-44.4-08. Purchase of recycled paper products. The office of management and budget, and any state agency or institution that has authority to purchase products, shall ensure that beginning July 1, 1993, at least ten percent of the total volume of paper and paper products being purchased for state agencies and institutions contain at least twenty-five percent recycled material; beginning January 1, 1994, at least thirty percent of the total volume of paper and paper products being purchased contain at least twenty-five percent recycled material; beginning January 1, 1996, at least forty percent of the total volume of paper and paper products being purchased contain at least twenty-five percent recycled material; and beginning January 1, 1998, at least sixty percent of the total volume of paper and paper products being purchased contain at least twenty-five percent recycled material.

2003-2004 SUMMARY OF USAGE ON RECYCLED PAPER PRODUCTS

Contract Line Item #	PRODUCT	DEFINITION	RECYCLED	USAGE	UNIT	Cost Per		
						Unit	Recycled	Non Recycled
Contract: Cup Paper-002								
5	Bond recycled	White 20# w /copiers 8-1/2"x11	60%	10000	Reams	\$ 2.26	\$ 22,600.00	
5	Bond recycled	White 20# w/copiers 8-1/2"x14"	60%	100	Reams	\$ 3.08	\$ 308.00	
5	Bond recycled	White #20 w/copiers 11"x17"	60%	500	Reams	\$ 4.52	\$ 2,260.00	
5	Bond, recycled	Colored #20 w/ copiers 8-1/2"x11"	60%	17000	Reams	\$ 2.40	\$ 40,715.00	
39	Bond, clr, recycled	Colored #20 w/ copiers 8-1/2"x14"	60%	1000	Reams	\$ 3.05	\$ 3,050.00	
40	Bond, clr, recycled	Colored #20 use w/ copiers 8-1/2"x11"	60%	1500	Reams	\$ 4.80	\$ 7,200.00	
41	Linen, recycled	White 24# 8-1/2"x11"	60%	1000	Reams	\$ 5.60	\$ 5,600.00	
42	Linen, recycled	White 24# 11"x17"	60%	50	Reams	\$ 13.85	\$ 832.50	
43	Parchment, recycled	White 24# 8-1/2"x11"	60%	250	Reams	\$ 6.35	\$ 1,587.50	
44	Parchment, recycled	Imitation,Color, 65# 8-1/2"x11"	80%	100	Reams	\$ 15.31	\$ 1,531.00	
45	Linen, recycled	Imitation,Color, 65# 11"x17"	80%	100	Reams	\$ 13.80	\$ 1,380.00	
46	Linen, recycled	White 80# 8-1/2"x11"	60%	20	Reams	\$ 34.34	\$ 206.04	
47	Linen, recycled	White 80# 11"x17"	60%	6	Reams	\$ 14.58	\$ 291.60	
48	Linen, recycled	Colored 80# 8-1/2"x11"	60%	20	Reams	\$ 35.68	\$ 214.08	
49	Parchment, recycled	Colored 80# 11"x17"	60%	8	Reams	\$ 12.38	\$ 2,476.00	
50	Parchment, recycled	Cover 65# 8-1/2"x11"	60%	200	Reams	\$ 30.49	\$ 1,524.50	
50	Parchment, recycled	Cover 65# 11"x17"	60%	50	Reams	\$ 30.49	\$ 1,524.50	
Group Subtotal							\$ 80,522.22	\$ 725,834.14
Total Purchases Contract 002							\$ 816,358.36	
Per Cent Recycled								11%
Contract: Paper Goods-003								
6	Facial Tissue	White 8.33"x8"	95%	495	Cases	\$ 10.22	\$ 5,058.90	
6	Dispenser Napkins	7.25"x13.5"	95%	223	Cases	\$ 20.30	\$ 4,528.90	
7	Dispenser Napkins	12"x 17"	95%	68	Cases	\$ 29.45	\$ 2,002.60	
8	Dinner Napkins	17"x17"	95%	113	Cases	\$ 21.06	\$ 2,378.78	
10	Cups, paper		0%	34	Cases	\$ 35.75		\$ 1,215.50
17	Plate, paper		0%	133	Cases	\$ 23.35		\$ 3,105.55
29	Cups, foam		0%	3	Cases	\$ 12.42		\$ 37.26
32	Plate, foam		0%	1	Cases	\$ 20.25		\$ 20.25
42	Towels, paper	Single fold	0%	330	Cases	\$ 14.67		\$ 4,841.10
43	Towels, paper	Unbleached 9.5"x10.6"	100%	1452	Cases	\$ 9.69	\$ 14,069.88	
44	Towels, paper	Multi fold, Natural 9.25"x9.5"	100%	933	Cases	\$ 9.69	\$ 9,040.77	
45	Paper Towels	Multi fold, White 9.25"x9.5"	0%	288	Cases	\$ 12.75		\$ 3,799.50
47	Towels, Roll	Perforated 11"x8.8"	100%	444	Cases	\$ 15.34	\$ 6,810.96	
48	Toilet tissue	Com. 4.5"x4.5	95%	586	Cases	\$ 30.45	\$ 17,843.70	
49	Toilet tissue	Facial	95%	1492	Cases	\$ 24.75	\$ 36,927.00	
50	Foil, Aluminum		0%	54	Cases	\$ 31.49		\$ 1,700.46
51	Foil, Aluminum		0%	10	Cases	\$ 15.89		\$ 158.90
52	Towels, disposal	Reinforced 13"x13"	40%	24	Bale	\$ 29.50	\$ 708.00	
53	Bags, Kraft	Lunch,#6	100%	125	Bale	\$ 29.60	\$ 3,700.00	
55	Bags, Kraft	BBL SOS #52 12"x7"x17"	30%	21	Bale	\$ 20.50	\$ 430.50	
Group Subtotal							\$ 103,498.99	\$ 14,876.52
Total Purchases Contract 003							\$ 118,375.51	
Per Cent Recycled								87%
Contract: Envelopes Plain-003: January through December 2003								
1	Envelope	3/8 x 6		140	Boxes	\$ 5.84		\$ 818.16
2	Envelope	5 x 7.5		30	Boxes	\$ 5.59		\$ 167.70
3	Envelope	6.5 x 9.5		180	Boxes	\$ 3.73		\$ 598.48
4	Envelope	7.5 x 10.5		60	Boxes	\$ 4.28		\$ 256.56
5	Envelope	#90 9"x12"	70%	895	Boxes	\$ 8.76	\$ 7,840.20	
6	Envelope	#97 10"x13"	70%	555	Boxes	\$ 10.32	\$ 5,727.60	
7	Envelope	10 x 15		30	Boxes	\$ 9.20		\$ 276.00
8	Envelope	#100 12"x15.5"	70%	65	Boxes	\$ 15.41	\$ 1,001.78	
9	Envelope	6.5 x 9.5		75	Boxes	\$ 5.96		\$ 446.70
10	Envelope	#10.5 9"x12"	70%	330	Boxes	\$ 9.98	\$ 3,291.75	
11	Envelope	#13.5 10"x13"	70%	20	Boxes	\$ 25.77	\$ 515.40	
12	Envelope	#17.5 6.5"x9.5"	70%	0	Boxes	\$ 11.50		
13	Envelope	#10.5 9"x12"	70%	62	Boxes	\$ 11.82	\$ 732.53	
14	Envelope	#13.5 10"x13"	70%	36	Boxes	\$ 30.98	\$ 1,115.28	
15	Envelope	White	70%	10	Boxes	\$ 0.97	\$ 9.72	
16	Envelope	#9 8-7/8"x3-7/8"	70%	730	Boxes	\$ 1.85	\$ 1,349.04	
17	Envelope	#10 4-1/8"x9.5"	70%	2890	Boxes	\$ 1.85	\$ 5,340.72	
18	Envelope	#10 Privacy 4-1/8"x9.5"	70%	0	Boxes	\$ 2.44		
19	Envelope	#11 4.5"x10-3/8"	70%	0	Boxes	\$ 3.91		
20	Envelope	#9 Win. 8-7/8"x3-7/8"	70%	180	Boxes	\$ 2.31	\$ 415.44	
21	Envelope	#10 Win. 4-1/8"x9.5"	70%	1500	Boxes	\$ 2.31	\$ 3,462.00	
22	Envelope	#10 Win. 4-1/8"x9.5"	70%	120	Boxes	\$ 2.92	\$ 350.40	
23	Envelope	#11 Win. 4.5"x10-3/8"	70%	165	Boxes	\$ 5.80	\$ 957.66	
Group Subtotal							\$ 32,109.52	\$ 2,581.60
Total Purchases Contract 003							\$ 34,671.12	
Per Cent Recycled								93%
Contract: Office Supplies-004								
Recycled Paper Items								\$ 86,426.00
Total Spend on Recycled							\$ 292,556.73	
Including Office Supplies							\$ 1,035,828.99	
Total Spend on All Paper							\$ 621,497.39	
60% of Total Spend								28%
% Spent on Recycled Products								



Roberta.Fivecoate@sta
te.sd.us

01/12/2005 01:07 PM

To: intern3@state.nd.us
cc:
Subject: Purchase of Recycled Paper

Mr. Hansen,

Here are the answers to your questions. If you have further questions regarding recycling within South Dakota please feel free to contact me at (605) 773-3153.

- How much of the total volume of paper and paper products must be recycled material? and of that recycled material what percentage must be recycled? (example for clarification: in North Dakota at least 60% of the total volume of paper and paper products being purchased must contain at least 25% recycled material.)

South Dakota currently has a yearly target goal of 50% of the total volume of paper purchased to be recycled.

- What is the compliance rate with your statute?

Since there is only a target goal for the purchase and use of recycled paper there is currently no system set up in which we track compliance.

- What does your state do to enforce/prove compliance by the agencies?

This is a goal therefore no enforcement action is necessary.

Again, if you have further questions please feel free to contact me.

Bobbie Fivecoate, E.I.T
Natural Resources Engineers
Waste Management Division
Department of Environment and Natural Resources

5-23-22.4. Purchase of recycled paper authorized--Requirements for percentage purchases of recycled paper. The Bureau of Administration, any other designated state purchasing agent, and any agency making purchases shall, to the extent practicable, make purchasing selections using specifications developed under § 34A-6-73 to maximize the purchase of materials utilizing recycled materials and recovered materials. Each agency shall ensure that recycled paper, as a percentage by weight of all paper products purchased by the agency in a fiscal year, is not less than the following:

- (1) FY 1993, fifteen percent of all purchased paper;
- (2) FY 1995, thirty percent of all purchased paper;
- (3) FY 1997, fifty percent of all purchased paper.

Thereafter, the percentage shall be at least fifty percent.

Source: SL 1991, ch 53, § 3; SL 1992, ch 254, § 50.

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5-23-43. Establishment of clearinghouse of information on recycled products and vendors willing to purchase recyclable materials from state agencies. The Bureau of Administration shall maintain a clearinghouse of information regarding products made from recycled and recovered materials. The clearinghouse shall also include information concerning vendors and other persons willing to purchase recyclable material from state agencies and local units of government. The bureau shall make this information available to all state purchasing agents and agencies and local units of government to assist them in complying with §§ 5-23-38 to 5-23-46, inclusive.

Source: SL 1992, ch 254, § 48.

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Montana Code Annotated 2003

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75-10-802. Definitions. As used in this part, the following definitions apply:

- (1) "Composting" means the controlled biological decomposition of organic matter into humus.
- (2) "Department" means the department of environmental quality provided for in [2-15-3501](#).
- (3) "Integrated waste management" means the coordinated use of a priority of waste management methods, including waste prevention, as specified in [75-10-804](#).
- (4) "Postconsumer material" means only those paper products generated by a consumer that have served their intended end uses and have been separated or diverted from the solid waste stream.
- (5) "Recycling" means all activities involving the collection of recyclable material, including but not limited to glass, paper, or plastic; the processing of recyclables to prepare them for resale; the marketing of recovered material for use in the manufacture of similar or different products; and the purchase of products containing recycled material.
- (6) "Special waste" means solid waste that has unique handling, transportation, or disposal requirements to ensure protection of the public health, safety, and welfare and the environment.
- (7) "Waste reduction" means practices that decrease the weight, volume, or toxicity of material entering the solid waste management stream after consumer or commercial use but prior to incineration or disposal.

History: En. Sec. 2, Ch. 222, L. 1991; amd. Sec. 204, Ch. 418, L. 1995.

Provided by Montana Legislative Services

Montana Code Annotated 2003

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75-10-806. State government procurement of recycled supplies and materials. (1) The department of administration shall write purchasing specifications that incorporate requirements for the purchase of materials and supplies made from recycled materials if the use is technologically practical and reasonably cost-effective. These requirements must be incorporated into the purchase of:

- (a) paper and paper products;
- (b) plastic and plastic products;
- (c) glass and glass products;
- (d) automobile and truck tires;
- (e) motor oil and lubricants; and
- (f) other materials and supplies as determined by the department of administration.

(2) It is the goal of the state that 95% of the paper and paper products used by state agencies, universities, and the legislature must be made from recycled material that maximizes postconsumer material content.

(3) The state shall, to the maximum extent possible, purchase for use by state agencies paper and paper products that contain postconsumer material rather than new material.

(4) To the extent practical, guidelines for the recycled material content of paper should be consistent with nationwide standards for recycled paper.

(5) The department and the department of administration shall establish a joint recycling market development task force. Task force membership must include but is not limited to representatives of the recycling industry, wholesalers, state agencies, and citizen and environmental organizations, as well as other interested persons. The task force shall:

- (a) assist the department of administration in developing purchasing specifications as required in subsection (1);
- (b) develop additional mechanisms for state government to develop markets for recycled materials;
- (c) identify procurement barriers that discriminate against the purchase of supplies and products that contain recycled material; and
- (d) develop recommendations for an informational program designed to educate state employees on how to reduce waste and recycle in the workplace.

History: En. Sec. 6, Ch. 222, L. 1991; amd. Sec. 271, Ch. 42, L. 1997.

Provided by Montana Legislative Services

Subd. 4. **Staff.** The commissioner of administration shall employ an administrator to manage the resource recovery program and other staff and consultants as are necessary to carry out the program.

Subd. 5. **Reports.** (a) By January 1 of each odd-numbered year, the commissioner of administration shall submit a report to the governor and to the environment and natural resources committees of the senate and house of representatives, the Finance Division of the senate Committee on Environment and Natural Resources, and the house of representatives Committee on Environment and Natural Resources Finance summarizing past activities and proposed goals of the program for the following biennium. The report shall include at least:

(1) a summary list of product and commodity purchases that contain recycled materials;

(2) the results of any performance tests conducted on recycled products and agencies' experience with recycled products used;

(3) a list of all organizations participating in and using the cooperative purchasing program; and

(4) a list of products and commodities purchased for their recyclability and of recycled products reviewed for purchase.

(b) By July 1 of each even-numbered year, the director of the Office of Environmental Assistance and the commissioner of commerce through the state energy office shall submit recommendations to the commissioner regarding the operation of the program.

Subd. 6. **Use of funds.** All funds appropriated by the state for the resource recovery program, all revenues resulting from the sale of recyclable and reusable commodities made available for sale as a result of the resource recovery program and all reimbursements to the commissioner of expenses incurred by the commissioner in developing and administering resource recovery systems for state agencies, governmental units, and nonprofit organizations must be deposited in the general fund. The commissioner shall determine the waste disposal cost savings associated with recycling and reuse activities.

Subd. 7. **Waste reduction procurement model.** To reduce the amount of solid waste generated by the state and to provide a model for other public and private procurement systems, the commissioner, in cooperation with the director of the Office of Waste Management, shall develop waste reduction procurement programs, including an expanded life cycle costing system for procurement of durable and repairable items by November 1, 1991. On implementation of the model procurement system, the commissioner, in cooperation with the director, shall develop and distribute informational materials for the purpose of promoting the procurement model to other public and private entities under section 115A.072, subdivision 4.

[Subd. 8. **Recycled materials purchasing.** The]

commissioner of administration shall develop and implement a cooperative purchasing program under section 471.59 to include state agencies, local governmental units, and, where feasible, other state governments and the federal government, for the purpose of purchasing materials made from recycled materials. By July 1, 1991, the commissioner shall develop a program to promote the cooperative purchasing program to those units of government and other persons.

Subd. 9. **Recycling goal.** By December 31, 1996, the commissioner shall recycle at least 60 percent by weight of the solid waste generated by state offices and other state operations located in the metropolitan area. By March 1 of each year the commissioner shall report to the office the estimated recycling rates by county for state offices and other state operations in the metropolitan area for the previous calendar year. The office shall incorporate these figures into the reports submitted by the counties under section 115A.557, subdivision 3, to determine each county's progress toward the goal in section 115A.551, subdivision 2.

Each state agency in the metropolitan area shall work to meet the recycling goal individually. If the goal is not met by an agency, the commissioner shall notify that agency that the goal has not been met and the reasons the goal has not been met and shall provide information to the employees in the agency regarding recycling opportunities and expectations.

Subd. 10. **Materials recovery facility; materials collection; waste audits.** (a) The commissioner of the Department of Administration shall establish a central materials recovery facility to manage recyclable materials collected from state offices and other state operations in the metropolitan area. The facility must be located as close as practicable to the state capitol complex and must be large enough to accommodate temporary storage of recyclable materials collected from state offices and other state operations in the metropolitan area and the processing of those materials for market.

(b) The commissioner shall establish a recyclable materials collection and transportation system for state offices and other state operations in the metropolitan area that will maximize the types and amount of materials collected and the number of state offices and other state operations served, and will minimize barriers to effective and efficient collection, transportation, and marketing of recyclable materials.

(c) The commissioner shall perform regular audits on the solid waste and recyclable materials collected to identify materials upon which to focus waste reduction, reuse, and recycling activities and to measure:

- (1) progress made toward the recycling goal in subdivision 9;
- (2) progress made to reduce waste generation; and
- (3) potential for additional waste reduction, reuse, and recycling.

PROPOSED AMENDMENT TO HOUSE BILL 1092

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 54-44.4-08 of the North Dakota Century Code, relating to the purchase of recycled paper products by state agencies and institutions.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 54-44.4-08 of the North Dakota Century Code is amended and reenacted as follows:

54-44.4-08. Purchase of recycled paper products. The office of management and budget, and any state agency or institution that has authority to purchase products, shall ensure that at least twenty percent of the total volume of paper and paper products being purchased contain at least twenty-five percent recycled material."

Renumber accordingly

Testimony
HB 1092

Presented by: Linda Belisle, Director
OMB, Central Services Division

Before: Political Subdivisions
Dwight Cook, Chair

Date: February 24, 2005

Chairman Cook and members of the committee, my name is Linda Belisle. I am the Director of Central Services Division of the Office of Management and Budget.

Engrossed HB 1092 adjusts the requirement for the State's use of recycled paper and paper products from 60% to 20% and requires OMB to track the State's use of recycled paper and paper products.

OMB supports recycling and using recycled products. The Facility Management Division of OMB has had a successful paper-recycling program in place for the capitol complex since the mid 1990's. The State Procurement Office of OMB establishes mandatory-use term contracts for paper and paper products that provide agencies the option to buy recycled, as well as virgin, paper and paper products such as legal pads, file folders, scratch pads, envelopes, paper towels, napkins, facial tissue, and toilet tissue. The State's use of these paper products is about 85% recycled.

However, the State's overall use of recycled paper and paper products is about 28% and that's because very little recycled bond paper is used. The reasons for that are:

1. Increased equipment service and maintenance costs. (Recycled paper creates dust and lint, which is hard on equipment. And because the leading edge isn't as firm as virgin bond, the recycled paper causes more jams because it has a tendency to curl.)
2. Increased paper costs. (Recycled paper costs more and more paper has to be purchased to compensate for the additional jams.)
3. Increased labor costs because of production downtime. (Applicable to production settings such as OMB's Central Duplicating Services.)

State procurement law N.D.C.C. § 54-44.4-07 also addresses recycled paper (copy attached), and that statute will remain unchanged. OMB will continue its practice of requesting information about the recycled content of all paper products.

This concludes my testimony. I would be happy to answer any questions.

54-44.4-07. Specification for paper products and inks.

The office of management and budget, the institutions of higher education, and any other state agency or institution that has authority to purchase products, are encouraged, whenever possible, when purchasing newsprint printing services, to specify the use of soybean-based ink. The North Dakota soybean council and the agriculture commissioner shall assist the office of management and budget in locating suppliers of soybean-based inks and in collecting data on the purchase of soybean-based inks. In requesting bids for paper products, the office of management and budget must request information on the recycled content of such products.

Source: S.L. 1989, ch. 329, § 5; 1999, ch. 474, § 16.

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