

HOUSE BILL NO. 307

INTRODUCED BY YARDLEY

BY REQUEST OF THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES

IN THE HOUSE

January 17, 1981	Introduced and referred to Committee on Local Government.
January 20, 1981	Fiscal note requested.
January 24, 1981	Fiscal note returned.
February 12, 1981	Committee recommend bill do not pass. Report adopted.
	On objection, motion to rerefer to Committee on Local Government.
February 21, 1981	Committee recommend bill do pass. Report adopted.
	Statement of intent attached.
February 23, 1981	Bill printed and placed on members' desks.
February 24, 1981	Second reading, do pass. Bill segregated and rereferred to Committee on Appropriations.
February 25, 1981	Considered correctly engrossed.
March 30, 1981	On motion rules suspended and bill allowed to be transmitted by the 75th legislative day. Motion adopted.
March 31, 1981	Committee recommend bill do pass. Report adopted.
	Bill printed and placed on members' desks.

HOUSE BILL NO. 307

INTRODUCED BY *Gardner*
BY REQUEST OF

THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR GRANTS OF FRONT-END IMPLEMENTATION FUNDS FOR SOLID WASTE MANAGEMENT CAPITAL EQUIPMENT; AMENDING SECTIONS 75-10-103, 75-10-105, AND 75-10-106, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 75-10-103, MCA, is amended to read:

"75-10-103. Definitions. Unless the context clearly requires otherwise, in this part the following definitions apply:

(1) "Board" means the board of health and environmental sciences provided for in 2-15-2104.

(2) "Department" means the department of health and environmental sciences provided for in Title 2, chapter 15, part 21.

(3) "Front-end organizational funds" means the state money to be loaned to local governments for initial operating capital, site evaluation and negotiation, final design engineering and cost estimates, construction contract documents, final contract negotiations with energy users,

material markets, and waste suppliers, contract negotiations with private operational managers, and financial and legal consultations.

(4) "Front-end planning funds" means the state money granted to local governments for contract negotiations between local governments, predesign engineering and cost estimates, administrative costs, preliminary contract negotiations with energy users and waste suppliers, financial feasibility analysis by a financial consultant, legal consultations, opinions, and review of contracts.

~~(5) "Front-end implementation funds" means the money granted to local governments for purchase of capital equipment to be used for a solid waste management system.~~

~~(5)(6)~~ "Local government" means a county, incorporated city or town, or refuse disposal district organized under the laws of this state.

~~(6)(7)~~ "Person" means any individual, firm, partnership, company, association, corporation, city, town, local governmental entity, or any other state, federal, or private entity, whether organized for profit or not.

~~(7)(8)~~ "Resource recovery facility" means any facility at which solid waste is processed for the purpose of extracting, converting to energy, or otherwise separating and preparing solid waste for reuse.

~~(8)(9)~~ "Solid waste" means all putrescible and

1 nonputrescible wastes, including but not limited to garbage,
 2 rubbish, refuse, hazardous wastes, ashes, sludge from sewage
 3 treatment plants, water supply treatment plants, or air
 4 pollution control facilities; septic tank and cesspool
 5 pumpings; construction and demolition wastes; dead animals,
 6 including offal; discarded home and industrial appliances;
 7 wood wastes and inert materials; but does not include
 8 municipal sewage, industrial wastewater effluents, or mining
 9 wastes as regulated under the mining and reclamation laws
 10 administered by the department of state lands.

11 ~~(9)~~(10) "Solid waste management system" means any
 12 system which controls the storage, treatment, recycling,
 13 recovery, or disposal of solid waste.

14 ~~(10)~~(11) "State solid waste plan" means the statewide
 15 plan formulated by the department as authorized by this
 16 part."

17 Section 2. Section 75-10-105, MCA, is amended to read:

18 "75-10-105. Powers of department. The department may:

19 (1) accept loans and grants from the federal
 20 government and other sources to carry out the provisions of
 21 this part; and

22 (2) make loans to a local government for the planning,
 23 design, and implementation of a solid waste management
 24 system; and

25 (3) make grants for a local government for planning or

1 implementation of a solid waste management system."

2 Section 3. Section 75-10-106, MCA, is amended to read:

3 "75-10-106. Duties of board. The board shall:

4 (1) adopt a state solid waste management and resource
 5 recovery plan after complying with the procedures outlined
 6 in 75-10-111; and

7 (2) adopt rules necessary for the implementation of
 8 this part, including but not limited to rules governing the
 9 following:

10 (a) submission of plans for a solid waste management
 11 system; rules governing;

12 (b) the procedures to be followed in applying for and
 13 making loans and grants;

14 (c) the requirements for eligibility for grants; and
 15 rules governing

16 (d) the agreements between the local government and
 17 the department for grants and loans under this part."

18 NEW SECTION. Section 4. Solid waste management
 19 implementation grants. (1) The department, in the name of
 20 the state of Montana, may enter into an agreement with a
 21 local government for a grant of front-end implementation
 22 funds to a local government.

23 (2) The terms of the agreement, in addition to those
 24 prescribed by rules of the board, must include the
 25 following:

1 (a) the amount of the grant, not to exceed 50% of the
2 reasonable purchase price of the capital equipment to be
3 used by the local government in its solid waste management
4 system;

5 (b) an agreement by the local government:

6 (i) to operate and maintain a solid waste management
7 system in accordance with plans approved by the department,
8 with applicable provisions of part 2 of this chapter and
9 with rules of the department; and

10 (ii) not to discontinue operations or terminate a solid
11 waste management system without the approval of the
12 department;

13 (c) an agreement by the local government that if it
14 trades or sells the capital equipment purchased with grant
15 funds within 5 years of the date of execution of the grant
16 agreement, the local government shall pay to the department
17 an amount equal to the fair market value of the capital
18 equipment on the date of the trade or sale;

19 (d) certification by the local government that any
20 front-end implementation funds received pursuant to this
21 section will be used solely for the purpose stated in the
22 grant agreement; and

23 (e) an agreement by the local government to establish
24 and maintain adequate financial records for the solid waste
25 management system, including, within 60 days of the date of

1 termination of the grant agreement, an audit by a certified
2 public accountant of the financial records and transactions.
3 A copy of this audit must be submitted to the department of
4 administration and the department within 30 days of its
5 completion.

6 (3) In granting front-end implementation funds to
7 local governments, the department may consider only local
8 government applications that include a solid waste
9 management system plan that conforms to the state solid
10 waste management plan and that specify the method by which
11 the solid waste management system will be financed.

12 (4) No local government may receive a grant of
13 front-end implementation funds under this section unless its
14 solid waste management system plan has been approved by the
15 department and the method of financing the approved solid
16 waste management system has been implemented.

17 Section 5. Codification instruction. Section 4 is
18 intended to be codified as an integral part of Title 75,
19 chapter 10, part 1, and the provisions of Title 75, chapter
20 10, part 1, apply to section 4.

21 Section 6. Saving clause. This act does not affect
22 rights and duties that matured, penalties that were
23 incurred, or proceedings that were begun before the
24 effective date of this act.

25 Section 7. Severability. If a part of this act is

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1 invalid, all valid parts that are severable from the invalid
2 part remain in effect. If a part of this act is invalid in
3 one or more of its applications, the part remains in effect
4 in all valid applications that are severable from the
5 invalid applications.

-End-

STATE OF MONTANA

REQUEST NO. 164-81

FISCAL NOTE

Form BD-15

In compliance with a written request received January 21, 19 81, there is hereby submitted a Fiscal Note for House Bill 307 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

Description of Proposed Legislation

House Bill 307 will allow the Department of Health and Environmental Sciences to provide front-end implementation grants to local governments for the development of solid waste management systems.

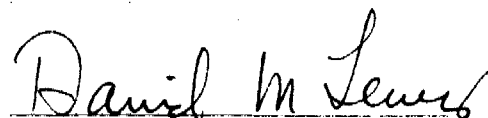
Fiscal Impact

Administrative expenditures by the department for activities associated with House Bill 307 will be absorbed by existing budgets.

Comments

The source of funds for this activity will come via grants from the Renewable Resource Account fund. There has been a request from the account for \$400,000 to fund this project. The bill, however, does not obligate the expenditure of this money.

During the next biennium, other revenues may become available to the department for pass-through to local governments for the development of waste management systems. House Bill 307 will allow the department to grant all such revenue for implementation of solid waste management systems (including resource recovery and recycling programs).



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-22-81

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2 HOUSE BILL 307

3 House Local Government Committee
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9 capital equipment. The bill provides the terms of agreement
10 for grants between the department and local governments. It
11 then provides rulemaking authority for eligibility standards
12 and application and award procedures in making capital
13 equipment grants.

14 It should be noted that Montana in the past has adopted
15 regulatory provisions (Title 16, chapter 14, subchapter 1)
16 which provide for the application procedures required for
17 the issuance of planning grants and organizational loans.
18 House Bill 307 will allow the Board of Health and
19 Environmental Sciences to adopt additional rules
20 establishing the procedures required for the department to
21 issue implementation grants to local governments.

22 Under House Bill 307, the Board of Health and
23 Environmental Sciences will also have the authority to
24 revise existing administrative rules in the area of solid
25 waste grants. These revisions will be needed to allow the

1 department to issue implementation grants to local
2 governments. Thus, the state will be able to pass through
3 implementation funds pursuant to adopted rules, as they
4 become available, to local governments for purposes of
5 establishing waste management systems.

Approved by Comm.
on Local Government

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~~(6)(7)~~ "Person" means any individual, firm, partnership, company, association, corporation, city, town, local governmental entity, or any other state, federal, or private entity, whether organized for profit or not.

~~(7)(8)~~ "Resource recovery facility" means any facility at which solid waste is processed for the purpose of extracting, converting to energy, or otherwise separating and preparing solid waste for reuse.

~~(8)(9)~~ "Solid waste" means all putrescible and

1 nonputrescible wastes, including but not limited to garbage,
 2 rubbish, refuse, hazardous wastes, ashes, sludge from sewage
 3 treatment plants, water supply treatment plants, or air
 4 pollution control facilities; septic tank and cesspool
 5 pumpings; construction and demolition wastes; dead animals,
 6 including offal; discarded home and industrial appliances;
 7 wood wastes and inert materials; but does not include
 8 municipal sewage, industrial wastewater effluents, or mining
 9 wastes as regulated under the mining and reclamation laws
 10 administered by the department of state lands.

11 ~~(9)~~ (10) "Solid waste management system" means any
 12 system which controls the storage, treatment, recycling,
 13 recovery, or disposal of solid waste.

14 ~~(10)~~ (11) "State solid waste plan" means the statewide
 15 plan formulated by the department as authorized by this
 16 part."

17 Section 2. Section 75-10-105, MCA, is amended to read:

18 "75-10-105. Powers of department. The department may:

19 (1) accept loans and grants from the federal
 20 government and other sources to carry out the provisions of
 21 this part; and

22 (2) make loans to a local government for the planning,
 23 design, and implementation of a solid waste management
 24 system; and

25 (3) make grants for a local government for planning or

1 implementation of a solid waste management system."

2 Section 3. Section 75-10-106, MCA, is amended to read:

3 "75-10-106. Duties of board. The board shall:

4 (1) adopt a state solid waste management and resource
 5 recovery plan after complying with the procedures outlined
 6 in 75-10-111; and

7 (2) adopt rules necessary for the implementation of
 8 this part, including but not limited to rules governing the
 9 following:

10 (a) submission of plans for a solid waste management
 11 system; ~~rules governing;~~

12 (b) the procedures to be followed in applying for and
 13 making loans, and grants;

14 (c) the requirements for eligibility for grants; and
 15 ~~rules governing~~

16 (d) the agreements between the local government and
 17 the department for grants and loans under this part."

18 NEW SECTION. Section 4. Solid waste management
 19 implementation grants. (1) The department, in the name of
 20 the state of Montana, may enter into an agreement with a
 21 local government for a grant of front-end implementation
 22 funds to a local government.

23 (2) The terms of the agreement, in addition to those
 24 prescribed by rules of the board, must include the
 25 following:

1 (a) the amount of the grant, not to exceed 50% of the
2 reasonable purchase price of the capital equipment to be
3 used by the local government in its solid waste management
4 system;

5 (b) an agreement by the local government:

6 (i) to operate and maintain a solid waste management
7 system in accordance with plans approved by the department,
8 with applicable provisions of part 2 of this chapter and
9 with rules of the department; and

10 (ii) not to discontinue operations or terminate a solid
11 waste management system without the approval of the
12 department;

13 (c) an agreement by the local government that if it
14 trades or sells the capital equipment purchased with grant
15 funds within 5 years of the date of execution of the grant
16 agreement, the local government shall pay to the department
17 an amount equal to the fair market value of the capital
18 equipment on the date of the trade or sale;

19 (d) certification by the local government that any
20 front-end implementation funds received pursuant to this
21 section will be used solely for the purpose stated in the
22 grant agreement; and

23 (e) an agreement by the local government to establish
24 and maintain adequate financial records for the solid waste
25 management system, including, within 60 days of the date of

1 termination of the grant agreement, an audit by a certified
2 public accountant of the financial records and transactions.
3 A copy of this audit must be submitted to the department of
4 administration and the department within 30 days of its
5 completion.

6 (3) In granting front-end implementation funds to
7 local governments, the department may consider only local
8 government applications that include a solid waste
9 management system plan that conforms to the state solid
10 waste management plan and that specify the method by which
11 the solid waste management system will be financed.

12 (4) No local government may receive a grant of
13 front-end implementation funds under this section unless its
14 solid waste management system plan has been approved by the
15 department and the method of financing the approved solid
16 waste management system has been implemented.

17 Section 5. Codification instruction. Section 4 is
18 intended to be codified as an integral part of Title 75,
19 chapter 10, part 1, and the provisions of Title 75, chapter
20 10, part 1, apply to section 4.

21 Section 6. Saving clause. This act does not affect
22 rights and duties that matured, penalties that were
23 incurred, or proceedings that were begun before the
24 effective date of this act.

25 Section 7. Severability. If a part of this act is

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1 invalid, all valid parts that are severable from the invalid
2 part remain in effect. If a part of this act is invalid in
3 one or more of its applications, the part remains in effect
4 in all valid applications that are severable from the
5 invalid applications.

-End-