

HOUSE BILL NO. 777

INTRODUCED BY REAM, HALLIGAN, D. BROWN, QUILICI, CAMPBELL,
HARRINGTON, VINCENT, BLAYLOCK, IVERSON, HARPER, ECK, GRADY,
FARRELL, WINSLOW, HANNAH, KEATING

BY REQUEST OF THE DEPARTMENT OF HEALTH AND
ENVIRONMENTAL SCIENCES

IN THE HOUSE

FEBRUARY 16, 1987	INTRODUCED AND REFERRED TO COMMITTEE ON NATURAL RESOURCES. ON MOTION BY CHIEF SPONSOR, SENATOR HALLIGAN ADDED AS SPONSOR.
FEBRUARY 20, 1987	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
FEBRUARY 21, 1987	PRINTING REPORT.
FEBRUARY 23, 1987	SECOND READING, DO PASS. ON MOTION, TAKEN FROM ENGROSSING AND REREFERRED TO COMMITTEE ON APPROPRIATIONS.
FEBRUARY 24, 1987	ENGROSSING REPORT.
MARCH 6, 1987	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
MARCH 7, 1987	PRINTING REPORT.
MARCH 9, 1987	SECOND READING, DO PASS.
MARCH 10, 1987	ENGROSSING REPORT. THIRD READING, PASSED. AYES, 91; NOES, 6. TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 11, 1987 INTRODUCED AND REFERRED TO COMMITTEE
ON NATURAL RESOURCES.

MARCH 25, 1987 COMMITTEE RECOMMEND BILL BE
CONCURRED IN. REPORT ADOPTED.

MARCH 28, 1987 SECOND READING, CONCURRED IN.

MARCH 30, 1987 THIRD READING, CONCURRED IN.
AYES, 50; NOES, 0.

RETURNED TO HOUSE.

IN THE HOUSE

MARCH 31, 1987 RECEIVED FROM SENATE.

SENT TO ENROLLING.

1 House BILL NO. 777
 2 INTRODUCED BY Ream DeBorja Gilson Campbell
 3 Harrington BY REQUEST OF THE DEPARTMENT OF HEALTH AND Hager
 4 Vincent Blaylock ENVIRONMENTAL SCIENCES Eck
 5 Fairall Althea Hans Kate

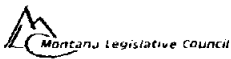
6 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING
 7 FUNDING FOR HAZARDOUS WASTE MANAGEMENT PROGRAMS OF THE
 8 DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES; CREATING A
 9 HAZARDOUS WASTE/CERCLA SPECIAL REVENUE ACCOUNT AND A CERCLA
 10 MATCH DEBT SERVICE ACCOUNT; ALLOCATING MONEY FROM THE
 11 RESOURCE INDEMNITY TRUST FUND TO THESE ACCOUNTS AND
 12 SPECIFYING THEIR USES; APPROPRIATING \$200,000 FOR EXPENSES
 13 RELATED TO LAWSUITS UNDER SECTION 107 OF THE FEDERAL
 14 COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND
 15 LIABILITY ACT OF 1980, AS AMENDED IN 1986 (CERCLA);
 16 AUTHORIZING ISSUANCE OF CERCLA BONDS AND PROVIDING THE FORM
 17 AND TERMS THEREOF; AMENDING SECTION 15-38-202, MCA; AND
 18 PROVIDING AN EFFECTIVE DATE."
 19

20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 21 Section 1. Section 15-38-202, MCA, is amended to read:
 22 "15-38-202. Investment of resource indemnity trust
 23 fund -- expenditure -- minimum balance. (1) All moneys paid
 24 into the resource indemnity trust fund shall be invested at
 25 the discretion of the board of investments. All the net

1 earnings accruing to the resource indemnity trust fund shall
 2 annually be added thereto until it has reached the sum of
 3 \$10 million. Thereafter, only the net earnings may be
 4 appropriated and expended until the fund reaches \$100
 5 million. Thereafter, all net earnings and all receipts shall
 6 be appropriated by the legislature and expended, provided
 7 that the balance in the fund may never be less than \$100
 8 million.

9 (2) Beginning in fiscal year 1982, provided the amount
 10 in the resource indemnity trust fund is greater than \$10
 11 million, 30% of the interest income of the resource
 12 indemnity trust fund must be allocated to the water
 13 development state special revenue account created by
 14 85-1-604.

15 (3) Beginning in fiscal year 1986 ~~1988~~, ~~6%~~ 12% of the
 16 interest income of the resource indemnity trust fund must be
 17 allocated to the ~~department--of--health--and--environmental~~
 18 ~~sciences--to--be--used--to--implement--the--Montana--Hazardous--Waste~~
 19 ~~Act--and--the--federal--Comprehensive--Environmental--Response,~~
 20 ~~Compensation,--and--Liability--Act--of--1980--in--accordance--with~~
 21 ~~Title--75,--chapter--107--part--6.~~ ~~The--allocation--in--this~~
 22 ~~subsection--must--be--appropriated--for--each--full--biennium--as~~
 23 ~~necessary--to--obtain--matching--federal--funds--for--the--biennium~~
 24 ~~hazardous waste/CERCLA special revenue account provided for~~
 25 ~~in [section 2]."~~



1 NEW SECTION. Section 2. Hazardous waste/CERCLA
 2 special revenue account. (1) There is a hazardous
 3 waste/CERCLA special revenue account within the state
 4 special revenue fund established in 17-2-102.

5 (2) There must be paid into the hazardous waste/CERCLA
 6 account:

7 (a) revenues obtained from the interest income of the
 8 resource indemnity trust fund under the provisions of
 9 15-38-202, together with interest accruing on those
 10 revenues;

11 (b) all proceeds of bonds or notes issued under
 12 [section 4] and all interest earned on proceeds thereof; and

13 (c) revenues from penalties or damages collected under
 14 the federal Comprehensive Environmental Response,
 15 Compensation, and Liability Act of 1980, as amended in 1986
 16 (CERCLA).

17 (3) Appropriations may be made from the hazardous
 18 waste/CERCLA account only for the following purposes and
 19 subject to the following conditions:

20 (a) funds are statutorily appropriated, as provided in
 21 17-7-502(4), to the CERCLA match debt service account
 22 necessary to make principal, interest, and premium payments
 23 due on CERCLA bonds;

24 (b) not more than one-half of the interest income
 25 received for any biennium from the resource indemnity trust

1 fund may be appropriated on a biennial basis for:

2 (i) implementation of the Montana Hazardous Waste Act,
 3 including regulation of underground storage tanks and the
 4 state share to obtain matching federal funds;

5 (ii) implementation of Title 75, chapter 10, part 6,
 6 pertaining to state assistance to and cooperation with the
 7 federal government for remedial action under CERCLA;

8 (iii) expenses of the administration of the
 9 environmental sciences division of the department in
 10 administering and overseeing the implementation of Title 75,
 11 chapter 10, parts 4 and 6; and

12 (iv) state expenses relating to investigation and
 13 remedial action for any hazardous substance defined in
 14 75-10-602; and

15 (c) to the extent funds are available after the
 16 appropriations in subsections (3)(a) and (3)(b), the
 17 department may, as appropriate, seek authorization from the
 18 legislature or, when the legislature is not in session,
 19 through the budget amendment process provided for in Title
 20 17, chapter 7, part 4, to spend funds for:

21 (i) state participation in remedial action under
 22 section 104 of CERCLA;

23 (ii) state costs for maintenance of sites at which
 24 remedial action under CERCLA has been completed; and

25 (iii) the state share to obtain matching federal funds

1 for underground storage tank corrective action.

2 (4) For the purposes of subsection (3)(c), the
3 legislature finds that a need for state special revenue to
4 obtain matching federal funds for underground storage tank
5 corrective action or for remedial action under section 104
6 of CERCLA constitutes a serious unforeseen and unanticipated
7 circumstance for the purpose of meeting the definition of
8 "emergency" in 17-7-401. The legislature further finds that
9 the inability of the department to match such federal funds
10 as may become available would seriously impair the functions
11 of the department in carrying out its responsibilities under
12 Title 75, chapter 10, parts 4 and 6.

13 (5) There is no dollar limit to the hazardous
14 waste/CERCLA account. Unused balances remain in the account
15 until such time as appropriated by the legislature for the
16 purposes specified in this section.

17 NEW SECTION. Section 3. CERCLA match debt service
18 fund. (1) There is a CERCLA match debt service fund within
19 the debt service fund type established in 17-2-102.

20 (2) The state pledges, allocates, and directs to be
21 credited to the CERCLA match debt service fund as received
22 an amount necessary to satisfy principal and interest
23 payments due on outstanding CERCLA bonds.

24 NEW SECTION. Section 4. CERCLA bonds. (1) When
25 authorized by the legislature and within limits of the

1 authorization and the further limitations established in
2 this section, the board of examiners may issue and sell
3 CERCLA bonds of the state in the amount and manner it
4 considers necessary and proper to finance the match
5 requirements under section 104 of CERCLA and to finance the
6 match requirements for federal money for underground storage
7 tank corrective action. The full faith and credit and taxing
8 powers of the state are pledged for the prompt and full
9 payment of all bonds so issued and interest and redemption
10 premiums payable thereon according to their terms.

11 (2) Each series of CERCLA bonds may be issued by the
12 board of examiners upon request of the department of health
13 and environmental sciences, at public or private sale, in
14 such denominations and forms, whether payable to bearer with
15 attached interest coupons or registered as to principal or
16 as to both principal and interest, with such provisions for
17 conversion or exchange and for the issuance of notes in
18 anticipation of the issuance of definitive bonds, bearing
19 interest at such rate or rates, maturing at such rate or
20 rates, maturing at such time or times not exceeding 30 years
21 from date of issue, subject to optional or mandatory
22 redemption at such earlier times and prices and upon such
23 notice, with such provisions for payment and discharge by
24 the deposit of funds or securities in escrow for that
25 purpose, and payable at the office of such banking

1 institution or institutions within or outside the state, as
 2 the board of examiners determines subject to the limitations
 3 contained in 17-5-731 and this section.

4 (3) In the issuance of each series of CERCLA bonds,
 5 the interest rates, maturities, and any mandatory redemption
 6 provisions thereof must be established in such manner that
 7 the funds then specifically pledged and appropriated by law
 8 to the CERCLA match debt service fund will, in the judgment
 9 of the board of examiners, be received in an amount
 10 sufficient in each year to pay all principal, redemption
 11 premiums, and interest due and payable in that year with
 12 respect to that and all prior series of such bonds, except
 13 outstanding bonds as to which the obligation of the state
 14 has been discharged by the deposit of funds or securities
 15 sufficient for their payment in accordance with the terms of
 16 the resolutions by which they are authorized to be issued.

17 (4) In all other respects, the board of examiners is
 18 authorized to prescribe the form and terms of the bonds and
 19 notes and shall do whatever is lawful and necessary for
 20 their issuance and payment. Such bonds, notes, and any
 21 interest coupons appurtenant thereto must be signed by the
 22 members of the board of examiners, and the bonds and notes
 23 must be issued under the great seal of the state of Montana.
 24 The bonds, notes, and coupons may be executed with facsimile
 25 signatures and seal in the manner and subject to the

1 limitations prescribed by law. The state treasurer shall
 2 keep a record of all such bonds and notes issued and sold.

3 (5) All proceeds of bonds or notes issued under this
 4 section must be deposited in the hazardous waste/CERCLA
 5 special revenue account established in [section 2].

6 (6) All actions taken by the board of examiners under
 7 this section must be authorized by a vote of a majority of
 8 the members.

9 NEW SECTION. Section 5. Appropriations. (1) Any
 10 revenues that remain at the end of the 1986-87 biennium from
 11 the interest income of the resource indemnity trust fund
 12 appropriated to the department of health and environmental
 13 sciences for that biennium under the provisions of 15-38-202
 14 is appropriated to the hazardous waste/CERCLA special
 15 revenue account provided for in section 2.

16 (2) There is appropriated \$200,000 from the hazardous
 17 waste/CERCLA special revenue account created in section 2 to
 18 the department of health and environmental sciences for use
 19 during the 1988-89 biennium for costs incurred in the
 20 pursuit or evaluation of lawsuits that the department has
 21 instituted or may institute under section 107 of CERCLA.

22 NEW SECTION. Section 6. Severability. If a part of
 23 this act is invalid, all valid parts that are severable from
 24 the invalid part remain in effect. If a part of this act is
 25 invalid in one or more of its applications, the part remains

1 in effect in all valid applications that are severable from
2 the invalid applications.

3 NEW SECTION. Section 7. Effective date. This act is
4 effective July 1, 1987.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB777, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act generally revising funding for Hazardous Waste Management Programs of the Department of Health and Environmental Sciences; creating a Hazardous Waste/CERCLA Special Revenue Account and a CERCLA match debt service account; allocating money from the Resource Indemnity Trust fund to these accounts and specifying their uses; appropriating \$200,000 for expenses related to lawsuits under Section 107 of the Federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended in 1986 (CERCLA); authorizing issuance of CERCLA bonds and providing the form and terms thereof; amending Section 15-38-202, MCA; and providing an effective date.

ASSUMPTIONS:

1. Six percent of the RIT interest income is projected to be \$377,000 in FY88 and \$401,000 in FY89.
2. A biennial appropriation of \$200,00 for the natural resources defense lawsuit is provided in FY88.
3. It is assumed that \$450,000 will be transferred from the FY86 - FY87 RIT interest income appropriation to DHES for use in the 1989 biennium.
4. Expenditure estimates include current and modified level budgets for the Solid and Hazardous Waste Bureau included in the executive budget. It is also estimated that up to \$1.4 million in FY88 and \$2.1 million in FY89 in state match could be required for remedial cleanup actions over the biennium.
5. A biennial appropriation of \$60,000 to fund site investigations and emergency cleanups is included in FY88.
6. It is assumed that federal funds and the state match will be added by budget amendment as the federal funds for cleanup become available.

David L. Hunter DATE 2/24/87
DAVID L. HUNTER, BUDGET DIRECTOR
Office of Budget and Program Planning

Bob Ream DATE _____
BOB REAM, PRIMARY SPONSOR

Fiscal Note for HB777, as introduced.

HB 777

Fiscal Note Request, HB777, as introduced.

Form BD-15

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<u>FISCAL IMPACT:</u>	<u>FY88</u>		<u>FY89</u>	
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Current Law</u>	<u>Proposed Law</u>
<u>Expenditures:</u>				
Personal Services	\$ 629,888	\$ 629,888	\$ 629,974	\$ 629,974
Operating Expense	5,854,505	6,054,505	6,883,547	6,883,547
Capital Outlay	53,377	53,377	8,279	8,279
TOTAL	<u>\$ 6,537,770</u>	<u>\$ 6,737,770</u>	<u>\$ 7,521,800</u>	<u>\$ 7,521,800</u>
 <u>Funding:</u>				
RIT funding	\$ 377,000	\$ 1,204,000	\$ 401,000	\$ 802,000
Federal and other funding Bond Proceeds	<u>6,266,652</u>	<u>6,266,652</u>	<u>7,322,308</u>	<u>7,322,308</u>
TOTAL	<u>\$ 6,643,652</u>	<u>\$ 7,470,652</u>	<u>\$ 7,723,308</u>	<u>\$ 8,124,308</u>
 Net Impact	\$ 105,882	\$ 732,882	\$ 201,508	\$ 602,508

NOTE: Assuming that \$10 of bonds could be issued per \$1 of an income stream, the state could support up to \$3.0 million in bonds to match up to \$30.0 million in federal funds to undertake cleanup of superfund sites. Such figures assume a 10 percent state share of expenses.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

HB777 will allow the state to participate in superfund cleanup activities as federal funds become available, and to fund its share of the long-term maintenance costs for sites that have undergone remedial cleanup.

HB777

APPROVED BY COMM. ON
NATURAL RESOURCES

HOUSE BILL NO. 777

INTRODUCED BY REAM, HALLIGAN, D. BROWN, QUILICI, CAMPBELL,
HARRINGTON, VINCENT, BLAYLOCK, IVERSON, HARPER, ECK, GRADY,
FARRELL, WINSLOW, HANNAH, KEATING
BY REQUEST OF THE DEPARTMENT OF HEALTH AND
ENVIRONMENTAL SCIENCES

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING
FUNDING FOR HAZARDOUS WASTE MANAGEMENT PROGRAMS OF THE
DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES; CREATING A
HAZARDOUS WASTE/CERCLA SPECIAL REVENUE ACCOUNT AND A CERCLA
MATCH DEBT SERVICE ACCOUNT; ALLOCATING MONEY FROM THE
RESOURCE INDEMNITY TRUST FUND TO THESE ACCOUNTS AND
SPECIFYING THEIR USES; APPROPRIATING \$200,000 FOR EXPENSES
RELATED TO LAWSUITS UNDER SECTION 107 OF THE FEDERAL
COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND
LIABILITY ACT OF 1980, AS AMENDED IN 1986 (CERCLA);
AUTHORIZING ISSUANCE OF CERCLA BONDS AND PROVIDING THE FORM
AND TERMS THEREOF; AMENDING SECTION 15-38-202, MCA; AND
PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 15-38-202, MCA, is amended to read:

"15-38-202. Investment of resource indemnity trust
fund -- expenditure -- minimum balance. (1) All moneys paid

into the resource indemnity trust fund shall be invested at
the discretion of the board of investments. All the net
earnings accruing to the resource indemnity trust fund shall
annually be added thereto until it has reached the sum of
\$10 million. Thereafter, only the net earnings may be
appropriated and expended until the fund reaches \$100
million. Thereafter, all net earnings and all receipts shall
be appropriated by the legislature and expended, provided
that the balance in the fund may never be less than \$100
million.

(2) Beginning in fiscal year 1982, provided the amount
in the resource indemnity trust fund is greater than \$10
million, 30% of the interest income of the resource
indemnity trust fund must be allocated to the water
development state special revenue account created by
85-1-604.

(3) Beginning in fiscal year ~~1986~~ 1988, 6% ~~12%~~ of the
interest income of the resource indemnity trust fund must be
allocated to the ~~department--of--health--and--environmental~~
~~sciences-to-be-used-to-implement-the-Montana-Hazardous-Waste~~
~~Act--and--the--federal-Comprehensive-Environmental-Response,~~
~~Compensation,--and--Liability-Act-of-1980-in--accordance--with~~
~~Title--75,--chapter--10,--part--6.--The--allocation--in--this~~
~~subsection--must--be--appropriated--for--each--full--biennium--as~~
~~necessary--to--obtain--matching--federal--funds--for--the--biennium~~

1 hazardous waste/CERCLA special revenue account provided for
2 in [section 2]."

3 NEW SECTION. Section 2. Hazardous waste/CERCLA
4 special revenue account. (1) There is a hazardous
5 waste/CERCLA special revenue account within the state
6 special revenue fund established in 17-2-102.

7 (2) There must be paid into the hazardous waste/CERCLA
8 account:

9 (a) revenues obtained from the interest income of the
10 resource indemnity trust fund under the provisions of
11 15-38-202, together with interest accruing on those
12 revenues;

13 (b) all proceeds of bonds or notes issued under
14 [section 4] and all interest earned on proceeds thereof; and

15 (c) revenues from penalties or damages collected under
16 the federal Comprehensive Environmental Response,
17 Compensation, and Liability Act of 1980, as amended in 1986
18 (CERCLA).

19 (3) Appropriations may be made from the hazardous
20 waste/CERCLA account only for the following purposes and
21 subject to the following conditions:

22 (a) funds are statutorily appropriated, as provided in
23 17-7-502(4), to the CERCLA match debt service account
24 necessary to make principal, interest, and premium payments
25 due on CERCLA bonds;

1 (b) not more than one-half of the interest income
2 received for any biennium from the resource indemnity trust
3 fund may be appropriated on a biennial basis for:

4 (i) implementation of the Montana Hazardous Waste Act,
5 including regulation of underground storage tanks and the
6 state share to obtain matching federal funds;

7 (ii) implementation of Title 75, chapter 10, part 6,
8 pertaining to state assistance to and cooperation with the
9 federal government for remedial action under CERCLA;

10 (iii) expenses of the administration of the
11 environmental sciences division of the department in
12 administering and overseeing the implementation of Title 75,
13 chapter 10, parts 4 and 6; and

14 (iv) state expenses relating to investigation and
15 remedial action for any hazardous substance defined in
16 75-10-602; and

17 (c) to the extent funds are available after the
18 appropriations in subsections (3)(a) and (3)(b), the
19 department may, as appropriate, seek authorization from the
20 legislature or, when the legislature is not in session,
21 through the budget amendment process provided for in Title
22 17, chapter 7, part 4, to spend funds for:

23 (i) state participation in remedial action under
24 section 104 of CERCLA;

25 (ii) state costs for maintenance of sites at which

1 remedial action under CERCLA has been completed; and
2 (iii) the state share to obtain matching federal funds
3 for underground storage tank corrective action.

4 (4) For the purposes of subsection (3)(c), the
5 legislature finds that a need for state special revenue to
6 obtain matching federal funds for underground storage tank
7 corrective action or for remedial action under section 104
8 of CERCLA constitutes a serious unforeseen and unanticipated
9 circumstance for the purpose of meeting the definition of
10 "emergency" in 17-7-401. The legislature further finds that
11 the inability of the department to match such federal funds
12 as may become available would seriously impair the functions
13 of the department in carrying out its responsibilities under
14 Title 75, chapter 10, parts 4 and 6.

15 (5) There is no dollar limit to the hazardous
16 waste/CERCLA account. Unused balances remain in the account
17 until such time as appropriated by the legislature for the
18 purposes specified in this section.

19 NEW SECTION. Section 3. CERCLA match debt service
20 fund. (1) There is a CERCLA match debt service fund within
21 the debt service fund type established in 17-2-102.

22 (2) The state pledges, allocates, and directs to be
23 credited to the CERCLA match debt service fund as received
24 an amount necessary to satisfy principal and interest
25 payments due on outstanding CERCLA bonds.

1 NEW SECTION. Section 4. CERCLA bonds. (1) When
2 authorized by the legislature and within limits of the
3 authorization and the further limitations established in
4 this section, the board of examiners may issue and sell
5 CERCLA bonds of the state in the amount and manner it
6 considers necessary and proper to finance the match
7 requirements under section 104 of CERCLA and to finance the
8 match requirements for federal money for underground storage
9 tank corrective action. The full faith and credit and taxing
10 powers of the state are pledged for the prompt and full
11 payment of all bonds so issued and interest and redemption
12 premiums payable thereon according to their terms.

13 (2) Each series of CERCLA bonds may be issued by the
14 board of examiners upon request of the department of health
15 and environmental sciences, at public or private sale, in
16 such denominations and forms, whether payable to bearer with
17 attached interest coupons or registered as to principal or
18 as to both principal and interest, with such provisions for
19 conversion or exchange and for the issuance of notes in
20 anticipation of the issuance of definitive bonds, bearing
21 interest at such rate or rates, maturing at such rate or
22 rates, maturing at such time or times not exceeding 30 years
23 from date of issue, subject to optional or mandatory
24 redemption at such earlier times and prices and upon such
25 notice, with such provisions for payment and discharge by

1 the deposit of funds or securities in escrow for that
 2 purpose, and payable at the office of such banking
 3 institution or institutions within or outside the state, as
 4 the board of examiners determines subject to the limitations
 5 contained in 17-5-731 and this section.

6 (3) In the issuance of each series of CERCLA bonds,
 7 the interest rates, maturities, and any mandatory redemption
 8 provisions thereof must be established in such manner that
 9 the funds then specifically pledged and appropriated by law
 10 to the CERCLA match debt service fund will, in the judgment
 11 of the board of examiners, be received in an amount
 12 sufficient in each year to pay all principal, redemption
 13 premiums, and interest due and payable in that year with
 14 respect to that and all prior series of such bonds, except
 15 outstanding bonds as to which the obligation of the state
 16 has been discharged by the deposit of funds or securities
 17 sufficient for their payment in accordance with the terms of
 18 the resolutions by which they are authorized to be issued.

19 (4) In all other respects, the board of examiners is
 20 authorized to prescribe the form and terms of the bonds and
 21 notes and shall do whatever is lawful and necessary for
 22 their issuance and payment. Such bonds, notes, and any
 23 interest coupons appurtenant thereto must be signed by the
 24 members of the board of examiners, and the bonds and notes
 25 must be issued under the great seal of the state of Montana.

1 The bonds, notes, and coupons may be executed with facsimile
 2 signatures and seal in the manner and subject to the
 3 limitations prescribed by law. The state treasurer shall
 4 keep a record of all such bonds and notes issued and sold.

5 (5) All proceeds of bonds or notes issued under this
 6 section must be deposited in the hazardous waste/CERCLA
 7 special revenue account established in [section 2].

8 (6) All actions taken by the board of examiners under
 9 this section must be authorized by a vote of a majority of
 10 the members.

11 NEW SECTION. Section 5. Appropriations. (1) Any
 12 revenues that remain at the end of the 1986-87 biennium from
 13 the interest income of the resource indemnity trust fund
 14 appropriated to the department of health and environmental
 15 sciences for that biennium under the provisions of 15-38-202
 16 is appropriated to the hazardous waste/CERCLA special
 17 revenue account provided for in section 2.

18 (2) There is appropriated \$200,000 from the hazardous
 19 waste/CERCLA special revenue account created in section 2 to
 20 the department of health and environmental sciences for use
 21 during the 1988-89 biennium for costs incurred in the
 22 pursuit or evaluation of lawsuits that the department has
 23 instituted or may institute under section 107 of CERCLA.

24 NEW SECTION. Section 6. Severability. If a part of
 25 this act is invalid, all valid parts that are severable from

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

5 NEW SECTION. Section 7. Effective date. This act is
6 effective July 1, 1987.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB778, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

This bill would require the Department of Agriculture to assist farmers and ranchers in determining the most efficient scheduling and use of water for irrigation purposes; and provide an immediate effective date.

ASSUMPTIONS:

1. The Department of Agriculture would be responsible for the development and distribution of educational materials. The Montana Cooperative Extension Service and the Agriculture Experiment Station would work with the Department of Agriculture to collect and assess research findings.
2. The Department of Agriculture would be responsible for providing opportunities to directly inform farmers and ranchers about efficient water usage practices, how to utilize the Extension Service computer program, and to provide, with the Extension Service, public training meetings.
3. The Department of Agriculture would establish an in-house, toll-free telephone number to respond to calls concerning water usage.
4. The Department of Agriculture would work in cooperation with other federal and state agencies, and private business and associations.
5. Extension Service would be responsible for computer program operation and case-by-case information and program summary feed-back service to farmers and ranchers.
6. The Department of Agriculture would have a program for cursory applications and training.
7. Irrigation program is currently available in five county offices. Approximately 30 county offices have the data processing equipment necessary to run the irrigation program.
8. Assume general fund support.
9. The Cooperative Extension Service currently has county agents to assist farmers and ranchers. Travel would increase slightly.

FISCAL IMPACT:

<u>Expenditures:</u>	<u>FY88</u>			<u>FY89</u>		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
Personal Services	\$ 0	\$ 22,210	\$ 22,210	\$ 0	\$ 22,210	\$ 22,210
Operating Expenses	0	18,950	18,950	0	16,850	16,850
TOTAL	\$ 0	\$ 41,160	\$ 41,160	\$ 0	\$ 39,060	\$ 39,060
<u>Funding:</u>						
General Fund	\$ 0	\$ 41,160	\$ 41,160	\$ 0	\$ 39,060	\$ 39,060

David L. Hunter DATE 2/19/87
 DAVID L. HUNTER, BUDGET DIRECTOR
 Office of Budget and Program Planning

Loren Jenkins DATE _____
 LOREN JENKINS, PRIMARY SPONSOR

Fiscal Note for HB778, as introduced.

HB 778

1 HOUSE BILL NO. 777

2 INTRODUCED BY REAM, HALLIGAN, D. BROWN, QUILICI, CAMPBELL,
 3 HARRINGTON, VINCENT, BLAYLOCK, IVERSON, HARPER, ECK, GRADY,
 4 FARRELL, WINSLOW, HANNAH, KEATING
 5 BY REQUEST OF THE DEPARTMENT OF HEALTH AND
 6 ENVIRONMENTAL SCIENCES

7
 8 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING
 9 FUNDING FOR HAZARDOUS WASTE MANAGEMENT PROGRAMS OF THE
 10 DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES; CREATING A
 11 HAZARDOUS WASTE/CERCLA SPECIAL REVENUE ACCOUNT AND A CERCLA
 12 MATCH DEBT SERVICE ACCOUNT; ALLOCATING MONEY FROM THE
 13 RESOURCE INDEMNITY TRUST FUND TO THESE ACCOUNTS AND
 14 SPECIFYING THEIR USES; APPROPRIATING \$200,000 FOR EXPENSES
 15 RELATED TO LAWSUITS UNDER SECTION 107 OF THE FEDERAL
 16 COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND
 17 LIABILITY ACT OF 1980, AS AMENDED IN 1986 (CERCLA);
 18 AUTHORIZING ISSUANCE OF CERCLA BONDS AND PROVIDING THE FORM
 19 AND TERMS THEREOF; AMENDING SECTION 15-38-202, MCA; AND
 20 PROVIDING AN EFFECTIVE DATE."

21
 22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

23 Section 1. Section 15-38-202, MCA, is amended to read:
 24 "15-38-202. Investment of resource indemnity trust
 25 fund -- expenditure -- minimum balance. (1) All moneys paid

1 into the resource indemnity trust fund shall be invested at
 2 the discretion of the board of investments. All the net
 3 earnings accruing to the resource indemnity trust fund shall
 4 annually be added thereto until it has reached the sum of
 5 \$10 million. Thereafter, only the net earnings may be
 6 appropriated and expended until the fund reaches \$100
 7 million. Thereafter, all net earnings and all receipts shall
 8 be appropriated by the legislature and expended, provided
 9 that the balance in the fund may never be less than \$100
 10 million.

11 (2) Beginning in fiscal year 1982, provided the amount
 12 in the resource indemnity trust fund is greater than \$10
 13 million, 30% of the interest income of the resource
 14 indemnity trust fund must be allocated to the water
 15 development state special revenue account created by
 16 85-1-604.

17 (3) Beginning in fiscal year ~~1986~~ 1988, ~~6%~~ 12% of the
 18 interest income of the resource indemnity trust fund must be
 19 allocated to the ~~department--of--health--and--environmental~~
 20 ~~sciences-to-be-used-to-implement-the-Montana-Hazardous-Waste~~
 21 ~~Act--and--the--federal-Comprehensive-Environmental-Response,~~
 22 ~~Compensation, and Liability Act of 1980 in accordance with~~
 23 ~~Title--75,--chapter--107,--part--6,--The--allocation--in--this~~
 24 ~~subsection--must--be--appropriated--for--each--full--biennium--as~~
 25 ~~necessary--to--obtain--matching--federal--funds--for--the--biennium~~

1 hazardous waste/CERCLA special revenue account provided for
 2 in [section 2]."

3 NEW SECTION. Section 2. Hazardous waste/CERCLA
 4 special revenue account. (1) There is a hazardous
 5 waste/CERCLA special revenue account within the state
 6 special revenue fund established in 17-2-102.

7 (2) There must be paid into the hazardous waste/CERCLA
 8 account:

9 (a) revenues obtained from the interest income of the
 10 resource indemnity trust fund under the provisions of
 11 15-38-202, together with interest accruing on those
 12 revenues;

13 (b) all proceeds of bonds or notes issued under
 14 [section 4] and all interest earned on proceeds thereof; and

15 (c) revenues from penalties or damages collected under
 16 the federal Comprehensive Environmental Response,
 17 Compensation, and Liability Act of 1980, as amended in 1986
 18 (CERCLA).

19 (3) Appropriations may be made from the hazardous
 20 waste/CERCLA account only for the following purposes and
 21 subject to the following conditions:

22 (a) funds are statutorily appropriated, as provided in
 23 17-7-502(4), to the CERCLA match debt service account
 24 necessary to make principal, interest, and premium payments
 25 due on CERCLA bonds;

1 (b) not more than one-half of the interest income
 2 received for any biennium from the resource indemnity trust
 3 fund may be appropriated on a biennial basis for:

4 (i) implementation of the Montana Hazardous Waste Act,
 5 including regulation of underground storage tanks and the
 6 state share to obtain matching federal funds;

7 (ii) implementation of Title 75, chapter 10, part 6,
 8 pertaining to state assistance to and cooperation with the
 9 federal government for remedial action under CERCLA;

10 (iii) expenses of the administration of the
 11 environmental sciences division of the department in
 12 administering and overseeing the implementation of Title 75,
 13 chapter 10, parts 4 and 6; and

14 (iv) state expenses relating to investigation and
 15 remedial action for any hazardous substance defined in
 16 75-10-602; and

17 (c) to the extent funds are available after the
 18 appropriations in subsections (3)(a) and (3)(b), the
 19 department may, as appropriate, seek authorization from the
 20 legislature or, when the legislature is not in session,
 21 through the budget amendment process provided for in Title
 22 17, chapter 7, part 4, to spend funds for:

23 (i) state participation in remedial action under
 24 section 104 of CERCLA;

25 (ii) state costs for maintenance of sites at which

1 remedial action under CERCLA has been completed; and

2 (iii) the state share to obtain matching federal funds
3 for underground storage tank corrective action.

4 (4) For the purposes of subsection (3)(c), the
5 legislature finds that a need for state special revenue to
6 obtain matching federal funds for underground storage tank
7 corrective action or for remedial action under section 104
8 of CERCLA constitutes a serious unforeseen and unanticipated
9 circumstance for the purpose of meeting the definition of
10 "emergency" in 17-7-401. The legislature further finds that
11 the inability of the department to match such federal funds
12 as may become available would seriously impair the functions
13 of the department in carrying out its responsibilities under
14 Title 75, chapter 10, parts 4 and 6.

15 (5) There is no dollar limit to the hazardous
16 waste/CERCLA account. Unused balances remain in the account
17 until such time as appropriated by the legislature for the
18 purposes specified in this section.

19 NEW SECTION. Section 3. CERCLA match debt service
20 fund. (1) There is a CERCLA match debt service fund within
21 the debt service fund type established in 17-2-102.

22 (2) The state pledges, allocates, and directs to be
23 credited to the CERCLA match debt service fund as received
24 an amount necessary to satisfy principal and interest
25 payments due on outstanding CERCLA bonds.

1 NEW SECTION. Section 4. CERCLA bonds. (1) When
2 authorized by the legislature and within limits of the
3 authorization and the further limitations established in
4 this section, the board of examiners may issue and sell
5 CERCLA bonds of the state in the amount and manner it
6 considers necessary and proper to finance the match
7 requirements under section 104 of CERCLA and to finance the
8 match requirements for federal money for underground storage
9 tank corrective action. The full faith and credit and taxing
10 powers of the state are pledged for the prompt and full
11 payment of all bonds so issued and interest and redemption
12 premiums payable thereon according to their terms.

13 (2) Each series of CERCLA bonds may be issued by the
14 board of examiners upon request of the department of health
15 and environmental sciences, at public or private sale, in
16 such denominations and forms, whether payable to bearer with
17 attached interest coupons or registered as to principal or
18 as to both principal and interest, with such provisions for
19 conversion or exchange and for the issuance of notes in
20 anticipation of the issuance of definitive bonds, bearing
21 interest at such rate or rates, maturing at such rate or
22 rates, maturing at such time or times not exceeding 30 years
23 from date of issue, subject to optional or mandatory
24 redemption at such earlier times and prices and upon such
25 notice, with such provisions for payment and discharge by

1 the deposit of funds or securities in escrow for that
2 purpose, and payable at the office of such banking
3 institution or institutions within or outside the state, as
4 the board of examiners determines subject to the limitations
5 contained in 17-5-731 and this section.

6 (3) In the issuance of each series of CERCLA bonds,
7 the interest rates, maturities, and any mandatory redemption
8 provisions thereof must be established in such manner that
9 the funds then specifically pledged and appropriated by law
10 to the CERCLA match debt service fund will, in the judgment
11 of the board of examiners, be received in an amount
12 sufficient in each year to pay all principal, redemption
13 premiums, and interest due and payable in that year with
14 respect to that and all prior series of such bonds, except
15 outstanding bonds as to which the obligation of the state
16 has been discharged by the deposit of funds or securities
17 sufficient for their payment in accordance with the terms of
18 the resolutions by which they are authorized to be issued.

19 (4) In all other respects, the board of examiners is
20 authorized to prescribe the form and terms of the bonds and
21 notes and shall do whatever is lawful and necessary for
22 their issuance and payment. Such bonds, notes, and any
23 interest coupons appurtenant thereto must be signed by the
24 members of the board of examiners, and the bonds and notes
25 must be issued under the great seal of the state of Montana.

1 The bonds, notes, and coupons may be executed with facsimile
2 signatures and seal in the manner and subject to the
3 limitations prescribed by law. The state treasurer shall
4 keep a record of all such bonds and notes issued and sold.

5 (5) All proceeds of bonds or notes issued under this
6 section must be deposited in the hazardous waste/CERCLA
7 special revenue account established in [section 2].

8 (6) All actions taken by the board of examiners under
9 this section must be authorized by a vote of a majority of
10 the members.

11 NEW SECTION. Section 5. Appropriations. (1) Any
12 revenues that remain at the end of the 1986-87 biennium from
13 the interest income of the resource indemnity trust fund
14 appropriated to the department of health and environmental
15 sciences for that biennium under the provisions of 15-38-202
16 is appropriated to the hazardous waste/CERCLA special
17 revenue account provided for in section 2.

18 (2) There is appropriated \$200,000 from the hazardous
19 waste/CERCLA special revenue account created in section 2 to
20 the department of health and environmental sciences for use
21 during the 1988-89 biennium for costs incurred in the
22 pursuit or evaluation of lawsuits that the department has
23 instituted or may institute under section 107 of CERCLA.

24 NEW SECTION. Section 6. Severability. If a part of
25 this act is invalid, all valid parts that are severable from

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

5 NEW SECTION. Section 7. Effective date. This act is
6 effective July 1, 1987.

-End-

HOUSE BILL NO. 777

INTRODUCED BY REAM, HALLIGAN, D. BROWN, QUILICI, CAMPBELL, HARRINGTON, VINCENT, BLAYLOCK, IVERSON, HARPER, ECK, GRADY, FARRELL, WINSLOW, HANNAH, KEATING

BY REQUEST OF THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING FUNDING FOR HAZARDOUS WASTE MANAGEMENT PROGRAMS OF THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES; CREATING A HAZARDOUS WASTE/CERCLA SPECIAL REVENUE ACCOUNT AND A CERCLA MATCH DEBT SERVICE ACCOUNT; ALLOCATING MONEY FROM THE RESOURCE INDEMNITY TRUST FUND TO THESE ACCOUNTS AND SPECIFYING THEIR USES; APPROPRIATING \$200,000 FOR EXPENSES RELATED TO LAWSUITS UNDER SECTION 107 OF THE FEDERAL COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT OF 1980, AS AMENDED IN 1986 (CERCLA); AUTHORIZING ISSUANCE OF CERCLA BONDS AND PROVIDING THE FORM AND TERMS THEREOF; AMENDING SECTION 15-38-202, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 15-38-202, MCA, is amended to read: "15-38-202. Investment of resource indemnity trust fund -- expenditure -- minimum balance. (1) All moneys paid

into the resource indemnity trust fund shall be invested at the discretion of the board of investments. All the net earnings accruing to the resource indemnity trust fund shall annually be added thereto until it has reached the sum of \$10 million. Thereafter, only the net earnings may be appropriated and expended until the fund reaches \$100 million. Thereafter, all net earnings and all receipts shall be appropriated by the legislature and expended, provided that the balance in the fund may never be less than \$100 million.

(2) Beginning in fiscal year 1982, provided the amount in the resource indemnity trust fund is greater than \$10 million, 30% of the interest income of the resource indemnity trust fund must be allocated to the water development state special revenue account created by 85-1-604.

(3) Beginning in fiscal year ~~1986~~ 1988, ~~6%~~ 12% of the interest income of the resource indemnity trust fund must be allocated to the ~~department--of--health--and--environmental sciences-to-be-used-to-implement-the-Montana-Hazardous-Waste Act--and--the--federal-Comprehensive-Environmental-Response, Compensation, and Liability Act-of-1980-in--accordance--with Title--75,--chapter--107--part--6--The--allocation--in--this subsection--must--be--appropriated--for--each--full--biennium--as necessary--to--obtain--matching--federal--funds--for--the--biennium~~



1 hazardous waste/CERCLA special revenue account provided for
2 in [section 2]."

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13 (2) Each series of CERCLA bonds may be issued by the
 14 board of examiners upon request of the department of health
 15 and environmental sciences, at public or private sale, in
 16 such denominations and forms, whether payable to bearer with
 17 attached interest coupons or registered as to principal or
 18 as to both principal and interest, with such provisions for
 19 conversion or exchange and for the issuance of notes in
 20 anticipation of the issuance of definitive bonds, bearing
 21 interest at such rate or rates, maturing at such rate or
 22 rates, maturing at such time or times not exceeding 30 years
 23 from date of issue, subject to optional or mandatory
 24 redemption at such earlier times and prices and upon such
 25 notice, with such provisions for payment and discharge by

1 the deposit of funds or securities in escrow for that
 2 purpose, and payable at the office of such banking
 3 institution or institutions within or outside the state, as
 4 the board of examiners determines subject to the limitations
 5 contained in 17-5-731 and this section.

6 (3) In the issuance of each series of CERCLA bonds,
 7 the interest rates, maturities, and any mandatory redemption
 8 provisions thereof must be established in such manner that
 9 the funds then specifically pledged and appropriated by law
 10 to the CERCLA match debt service fund will, in the judgment
 11 of the board of examiners, be received in an amount
 12 sufficient in each year to pay all principal, redemption
 13 premiums, and interest due and payable in that year with
 14 respect to that and all prior series of such bonds, except
 15 outstanding bonds as to which the obligation of the state
 16 has been discharged by the deposit of funds or securities
 17 sufficient for their payment in accordance with the terms of
 18 the resolutions by which they are authorized to be issued.

19 (4) In all other respects, the board of examiners is
 20 authorized to prescribe the form and terms of the bonds and
 21 notes and shall do whatever is lawful and necessary for
 22 their issuance and payment. Such bonds, notes, and any
 23 interest coupons appurtenant thereto must be signed by the
 24 members of the board of examiners, and the bonds and notes
 25 must be issued under the great seal of the state of Montana.

1 The bonds, notes, and coupons may be executed with facsimile
 2 signatures and seal in the manner and subject to the
 3 limitations prescribed by law. The state treasurer shall
 4 keep a record of all such bonds and notes issued and sold.

5 (5) All proceeds of bonds or notes issued under this
 6 section must be deposited in the hazardous waste/CERCLA
 7 special revenue account established in [section 2].

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 9 this section must be authorized by a vote of a majority of
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 23 instituted or may institute under section 107 of CERCLA.

24 NEW SECTION. Section 6. Severability. If a part of
 25 this act is invalid, all valid parts that are severable from

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

5 NEW SECTION. Section 7. Effective date. This act is
6 effective July 1, 1987.

-End-