Fiscal Note 2015 Biennium

GOVERNOR'S OFFICE OF BUDGET AND PROGRAM PLANNING

Bill #	SB0364	**Title:**	Generally revise laws related to solid waste management
Primary Sponsor:	Vincent, Chas	**Status:**	As Amended in House Committee

☐ Significant Local Gov Impact ☐ Needs to be included in HB 2 ☐ Technical Concerns

☐ Included in the Executive Budget ☐ Significant Long-Term Impacts ☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

	FY 2014 Difference	FY 2015 Difference	FY 2016 Difference	FY 2017 Difference
Expenditures:				
General Fund	$0	$0	$0	$0
State Special Revenue	$0	$0	$0	$0
Revenue:				
General Fund	$0	$0	$0	$0
State Special Revenue	$0	$25,200	$32,400	$39,600
Net Impact-General Fund Balance:	$0	$25,200	$32,400	$39,600

Description of fiscal impact: SB 364, as amended, places regulation of coal combustion residue (CCR) from electrical generation facilities under the Montana Solid Waste Program within the Department of Environmental Quality (DEQ). The Solid Waste Program (SWP) would undertake the review of CCR license applications and issue Solid Waste Management System licenses. The SWP is a fee-based program and the licensing and compliance oversight of CCR facilities so does require general fund. Finally, this bill is contingent on federal legislation and/or EPA regulatory promulgation, so the fiscal year that an impact might take place is difficult to predict.

FISCAL ANALYSIS

Assumptions:

1. It is assumed that federal legislation and/or EPA regulations would be enacted in the fall of 2013 that mandate three years for states to meet requirements for coal combustion residual programs.
2. There are six existing electrical generating facilities that would potentially be required to permit disposal facilities.

3. DEQ assumes two facilities per year would apply for a CCR disposal site.
4. DEQ's Solid Waste Program will conduct the technical review and licensing of CCR landfills.
5. It is assumed that one disposal site application review will require approximately 300 hours of administrative, technical, and managerial oversight. DEQ assumes that one disposal site annual license oversight requires approximately 40 hours of administrative, inspection, and compliance assistance. Existing staff could conduct this work.
6. The assessed fees for the licensing of CCR landfills are authorized by statute, Title 75, Chapter 10, part 1 MCA, and codified in Title 17, Chapter 50, subchapter 4, ARM. This additional revenue will increase the fund balance in the solid waste fee account, which would delay any future fee increases.
7. A significant portion of the CCR generated will be beneficially used hence reducing the amount of CCR landfilled compared to the amount generated. Thus, the amount of waste to be disposed of would fall into an intermediate tonnage/volume for application review and annual license fees.
8. It takes approximately six months to complete an application review process. FY 2015 would have two CCR applications with two annual CCR licenses issued and the revenues would be $25,200 ($9,000 each for two application reviews plus $3,600 each for two annual licenses). FY 2016 would have two CCR applications reviewed ($18,000 total) with four annual CCR licenses issued ($14,400 total) and the revenues would be $32,400. FY 2017 would have two CCR applications reviewed ($18,000 total) and six annual CCR licenses issued ($21,600 total) for revenue of $39,600.
9. The introduced version of SB 364 was to be adopted into the Hazardous Waste Act and would require significant hazardous chemical analysis. That capability is not housed within the department and would have been contracted out. The amended bill regulates CCR as solid waste and the hazardous chemical analysis is no longer required. Thus the analytical work required to process applications could be completed with existing staff.

	FY 2014 Difference	**FY 2015 Difference**	**FY 2016 Difference**	**FY 2017 Difference**
Fiscal Impact:				
Expenditures:				
Operating Expenses	$0	$0	$0	$0
TOTAL Expenditures	$0	$0	$0	$0
Funding of Expenditures:				
State Special Revenue (02)	$0	$0	$0	$0
TOTAL Funding of Exp.	$0	$0	$0	$0
Revenues:				
State Special Revenue (02)	$0	$25,200	$32,400	$39,600
TOTAL Revenues	$0	$25,200	$32,400	$39,600
Net Impact to Fund Balance (Revenue minus Funding of Expenditures):				
State Special Revenue (02)	$0	$25,200	$32,400	$39,600

Sponsor's Initials *Date* *Budget Director's Initials* *Date*