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As of: June 19, 2008 (11:07am)

LC6003

**** Bill No. ****

Introduced By *****

By Request of the *****

A Bill for an Act entitled: "An Act creating the recycling and waste reduction grant act; creating an advisory council to assist the department of environmental quality in administering the act; requiring the department to establish rules for administering the act; establishing grant criteria; establishing the recycling and waste reduction account; authorizing a fee on solid waste to fund the program; OR ALLOCATING COAL SEVERANCE TAX REVENUE TO FUND THE PROGRAM; amending sections 75-10-115 and 75-10-117, MCA; and providing an effective date."

Be it enacted by the Legislature of the State of Montana:

NEW SECTION. **Section 1. Short title.** [Sections 1 through 5] may be cited as the "Recycling and Waste Reduction Grant Act."

NEW SECTION. **Section 2. Recycling and waste reduction advisory council -- membership -- allocation.** (1) The director of the department of environmental quality shall appoint a recycling and waste reduction advisory council. The membership of the council must include the following:

- (a) one member representing the recycling industry;
- (b) three members representing solid waste facilities that pay fees for the management and regulation of solid waste at

facilities subject to regulation pursuant to Title 75, chapter 10, part 2, with at least one representing a publicly owned municipal solid waste landfill and one representing a privately owned municipal solid waste landfill;

(c) one member representing a nonprofit recycling organization; and

(d) two members of the public with an interest in waste reduction and recycling.

(2) The members of the council must be appointed with consideration given to waste reduction and recycling facilities of small, medium, and large size and to geographic distribution.

(3) The members shall serve staggered 5-year terms, except that members shall be initially appointed so that no more than two terms expire in any year.

(4) The council shall:

(a) advise the department of environmental quality in awarding grants offered under [sections 1 through 5];

(b) promote the establishment of waste reduction and recycling businesses in Montana; and

(c) assist the department in implementing the requirements of the state solid waste management plan pursuant to 75-10-807.

(5) The council is allocated to the department for administrative purposes only as provided in 2-15-121.

NEW SECTION. **Section 3. Rulemaking authority.** The department shall adopt rules to:

(1) provide for grant application procedures; and

(2) develop procedures for awarding grants and determining grant awards pursuant to the criteria provided in [section 4].

NEW SECTION. **Section 4. Purpose -- allocation of funds -- grant eligibility.** (1) The department, in collaboration with the council, shall:

(a) allocate money collected pursuant to 75-10-115(2) in the form of grants to local governments, state agencies, community organizations, schools, nonprofit and for-profit entities, and any other entity, or collaboration of entities, engaged in waste reduction or recycling efforts;

(b) in accordance with subsection (4), allocate money collected pursuant to 75-10-115(2) for activities that promote statewide recycling opportunities including, but not limited to, advertising, educational materials, or workshops;

(c) develop priorities for awarding grants, pursuant to subsection (2); and

(d) award grants at least annually through a competitive process.

(2) The department shall give priority to applications from entities paying the fee pursuant to 75-10-115(2) for projects that:

(a) expand the recycling of household hazardous waste, electronic waste, or other special wastes;

(b) promote local waste reduction and recycling efforts; or

(c) educate local citizens and businesses about waste

reduction and recycling.

(3) Grants may be used to:

(a) purchase equipment used in the collection or processing of materials for waste reduction or recycling by nonprofit organizations, businesses or industries, state or local governments, or a combination of these entities;

(b) promote the expansion of waste reduction and recycling businesses in Montana;

(c) research and demonstrate how waste reduction and recycling can be applied to Montana markets;

(d) assist in market development activities that develop local uses for recycled materials or increase consumer acceptance of recycled goods and business use of used materials; or

(e) conduct educational activities, including workshops, conferences, and general consumer education about the benefits of recycling.

(3) The department shall have the final authority in awarding grants offered under [sections 1 through 5]

(4) Council expenses, administration costs, allocations pursuant to subsection (1)(b), and costs associated with collecting the fee provided for in 75-10-115(2) may not exceed 15% of the total amount of fees collected.

(5) The department shall issue an annual report of its activities pursuant to [section 1 through 5] to the environmental quality council.

NEW SECTION. Section 5. Recycling and waste reduction

account created -- source of funding -- use of account. (1) There is an account in the state special revenue fund established by 17-2-102 to be known as the recycling and waste reduction account.

(2) There must be deposited in the account:

(a) fees collected pursuant to 75-10-115(2) OR COAL SEVERANCE TAX FUNDS PURSUANT TO 15-35-108;

(b) any gifts or donations received for the purposes of [section 1 through 5]; and

(c) interest or other income earned on the money in the account.

(3) The fund may be used only pursuant to [sections 1 through 5].

(4) Money in the account following the [termination date of this act] must be distributed within the fiscal year following the [termination date of this act].

Section 6. Section 75-10-104, MCA, is amended to read:

"75-10-104. Duties of department. The department shall:

(1) prepare, adopt, and implement a state solid waste management and resource recovery plan as required by 75-10-111 and 75-10-807;

(2) prepare rules necessary for the implementation of this part for submission to the board, including but not limited to rules:

(a) governing the submission of plans for a solid waste management system;

(b) establishing, for the purpose of determining the tonnage or volume-based solid waste management fee that a facility is subject to under 75-10-115(1)(c) and 75-10-115(2), methods for determining or estimating the amount of solid waste incinerated or disposed of at a facility;

(c) establishing the license application fee that a facility is subject to under 75-10-115(1)(a);

(d) establishing the flat annual license renewal fee that a facility is subject to under 75-10-115(1)(b);

(e) establishing the tonnage or volume-based annual renewal fee that a facility is subject to under 75-10-115(1)(c); and

(f) providing procedures for the quarterly collection of the solid waste management fee provided for in 75-10-204(6);

(3) provide technical assistance to persons within the state for planning, designing, constructing, financing, and operating:

(a) a solid waste management system in order to ensure that the system conforms to the state plan;

(b) integrated waste management programs; and

(c) collection, disposal, reduction, and educational programs for household hazardous waste and small quantities of hazardous waste that are exempt from regulation under Title 75, chapter 10, part 4;

(4) enforce and administer the provisions of this part;

(5) approve plans for a proposed solid waste management system submitted by a local government; and

(6) serve as a clearinghouse for information on waste

reduction and reuse, recycling technology and markets, composting, and household hazardous waste disposal, including chemical compatibility."

{Internal References to 75-10-104:

75-10-106X

75-10-111X

75-10-115A

75-10-221X}

Section 7. Section 75-10-115, MCA, is amended to read:

"75-10-115. Solid waste management fee. (1) The department may prepare rules for adoption by the board, pursuant to 75-10-104 and 75-10-106, that set fees for the management and regulation of solid waste at facilities subject to regulation pursuant to part 2 of this chapter. Upon adoption by the board, the department may collect the fees. These fees may include:

(a) a license application fee that reflects the cost of reviewing a new solid waste management system or a substantial change to an existing facility;

(b) a flat annual license renewal fee that reflects a minimal base fee related to the fixed costs of an annual inspection and license renewal and that is based upon the categorization of solid waste management systems into separate classes identified by the following criteria:

(i) the quantity of solid waste received by the solid waste management system;

(ii) the nature of the solid waste received; and

(iii) the nature of the waste management occurring within the solid waste management system;

and

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(c) a tonnage or volume-based fee on solid waste disposal.

(2) For the purpose of implementing [sections 1 through 5], the department shall collect, starting in 2010, a fee of 35 cents a ton based on solid waste received by the solid waste management system.

(3) Except as provided in 75-10-117(4), all All fees collected must be deposited in the solid waste management account provided for in 75-10-117."

{ Internal References to 75-10-115:

| | | | |
|-------------|-------------|-------------|-------------|
| 7-13-231 X | 75-10-104 A | 75-10-104 A | 75-10-104 A |
| 75-10-104 A | 75-10-105 X | 75-10-106 X | 75-10-116 X |
| 75-10-117A} | | | |

Section 8. Section 75-10-117, MCA, is amended to read:

"75-10-117. Solid waste management account. (1) There is a solid waste management account in the state special revenue fund provided for in 17-2-102.

(2) There must be deposited in the account:

(a) except as provided in subsection (4), all revenue from the solid waste management fees provided for in 75-10-115; and

(b) money received by the department in the form of legislative appropriations, reimbursements, gifts, federal funds, or appropriations from any source that is intended to be used for the purposes of the account.

(3) The account may be used by the department only for the administration of 75-2-215, part 2 of this chapter, and this part.

(4) Fees collected pursuant to 75-10-115(2) must be

deposited in the recycling and waste reduction account established in [section 5]."

{Internal References to 75-10-117:
75-10-115 A 75-10-228 X 75-10-910 X}

Section 9. Section 15-35-108, MCA, is amended to read:

"ALTERNATIVE FUNDING MECHANISM FOR PROGRAM: 15-35-

108. (Temporary) Disposal of severance taxes. Severance taxes collected under this chapter must, in accordance with the provisions of 17-2-124, be allocated as follows:

(1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX, section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the board of investments as provided by law.

(2) The amount of 12% of coal severance tax collections is allocated to the long-range building program account established in 17-7-205.

(3) The amount of 5.46% must be credited to an account in the state special revenue fund to be allocated by the legislature for provision of basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking, conservation districts, and the Montana Growth Through Agriculture Act. Expenditures of the allocation may be made only from this account. Money may not be transferred from this account to another account other than the general fund. Any unreserved

fund balance at the end of each fiscal year must be deposited in the general fund.

(4) The amount of 1.27% must be allocated to a permanent fund account for the purpose of parks acquisition or management. Income from this permanent fund account, excluding unrealized gains and losses, must be appropriated for the acquisition, development, operation, and maintenance of any sites and areas described in 23-1-102.

(5) The amount of 0.95% must be allocated to the debt service fund type to the credit of the renewable resource loan debt service fund.

(6) The amount of 0.63% must be allocated to a trust fund for the purpose of protection of works of art in the capitol and for other cultural and aesthetic projects. Income from this trust fund account, excluding unrealized gains and losses, must be appropriated for protection of works of art in the state capitol and for other cultural and aesthetic projects.

(7) The amount of 2.9% must be credited to the oil, gas, and coal natural resource account established in 90-6-1001.

(8) The amount of 1.2% must be allocated to the recycling and waste reduction account established by [section 5].

~~(8)~~(9) After the allocations are made under subsections (2) through (7), \$250,000 for the fiscal year must be credited to the coal and uranium mine permitting and reclamation program account established in 82-4-244.

~~(9)~~(10) (a) Subject to subsection ~~(9)~~(10) ~~(b)~~ (b), all other revenue from severance taxes collected under the provisions of

this chapter must be credited to the general fund of the state.

(b) The interest income from \$140 million of the coal severance tax permanent fund that is deposited in the general fund is statutorily appropriated, as provided in 17-7-502, on an annual basis as follows:

(i) \$65,000 to the cooperative development center;

(ii) \$1.25 million for the growth through agriculture program provided for in Title 90, chapter 9;

(iii) \$3.65 million to the research and commercialization state special revenue account created in 90-3-1002;

(iv) to the department of commerce:

(A) \$125,000 for a small business development center;

(B) \$50,000 for a small business innovative research program;

(C) \$425,000 for certified regional development corporations;

(D) \$200,000 for the Montana manufacturing extension center at Montana state university-Bozeman; and

(E) \$300,000 for export trade enhancement. (Terminates June 30, 2010--sec. 6, Ch. 481, L. 2003.)

15-35-108. (Effective July 1, 2010) Disposal of severance taxes. Severance taxes collected under this chapter must, in accordance with the provisions of 17-2-124, be allocated as follows:

(1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX, section 5, of the Montana constitution. The trust fund money must be

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deposited in the fund established under 17-6-203(6) and invested by the board of investments as provided by law.

(2) The amount of 12% of coal severance tax collections is allocated to the long-range building program account established in 17-7-205.

(3) The amount of 5.46% must be credited to an account in the state special revenue fund to be allocated by the legislature for provision of basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking, conservation districts, and the Montana Growth Through Agriculture Act. Expenditures of the allocation may be made only from this account. Money may not be transferred from this account to another account other than the general fund. Any unreserved fund balance at the end of each fiscal year must be deposited in the general fund.

(4) The amount of 1.27% must be allocated to a permanent fund account for the purpose of parks acquisition or management. Income from this permanent fund account, excluding unrealized gains and losses, must be appropriated for the acquisition, development, operation, and maintenance of any sites and areas described in 23-1-102.

(5) The amount of 0.95% must be allocated to the debt service fund type to the credit of the renewable resource loan debt service fund.

(6) The amount of 0.63% must be allocated to a trust fund for the purpose of protection of works of art in the capitol and

for other cultural and aesthetic projects. Income from this trust fund account, excluding unrealized gains and losses, must be appropriated for protection of works of art in the state capitol and for other cultural and aesthetic projects.

(7) The amount of 2.9% must be credited to the oil, gas, and coal natural resource account established in 90-6-1001.

(8) The amount of 1.7% must be allocated to the recycling and waste reduction account established by [section 5].

~~(8)~~(9) After the allocations are made under subsections (2) through ~~(7)~~ (8), \$250,000 for the fiscal year must be credited to the coal and uranium mine permitting and reclamation program account established in 82-4-244.

~~(9)~~(10) All other revenue from severance taxes collected under the provisions of this chapter must be credited to the general fund of the state."

{ Internal References to 15-35-108:

| | | | |
|------------|-----------|-------------|-----------|
| 2-17-805X | 17-7-205X | 17-7-502X | 17-7-502X |
| 22-2-301X | 22-2-304X | 22-2-321X | 23-1-108X |
| 76-15-530X | 82-4-244X | 90-6-1001X} | |

NEW SECTION. **Section 10.** {standard} **Codification instruction.** [Sections 1 through 5] are intended to be codified as an integral part of Title 75, chapter 10, and the provisions of Title 75, chapter 10, apply to [sections 1 through 5].

NEW SECTION. **Section 11.** {standard} **Effective date.** [This act] is effective July 1, 2009.

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{Name : Sonja E. Lee
Title : Research Analyst
Agency : LSD LEPO
Phone : 406-444-3078
E-Mail : sonjalee@mt.gov}