

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 6050**  
**BILL NUMBER: SB 6**

**DATE PREPARED:** Feb 10, 1999  
**BILL AMENDED:** Feb 9, 1999

**SUBJECT:** Hazardous waste grant program.

**FISCAL ANALYST:** Kristin Breen  
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**FUNDS AFFECTED:**     **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) (1) This bill requires the Department of Environmental Management (IDEM) to provide financial assistance to local units of government and solid waste management districts through matching grants awarded for projects involving the collection and recycling or disposal of: (a) household hazardous waste and (b) waste generated by conditionally exempt small quantity generators. (Current law requires IDEM to provide grants only for collection and disposal projects involving household hazardous waste.)

(2) It provides that an additional source of funds for household hazardous waste collection and disposal project grants is the Solid Waste Management Fund.

(3) It extends the time from 12 months to 24 months in which collection and disposal projects must be completed.

(4) It increases from \$250,000 to \$450,000 the amount of money that is available each year from the Hazardous Substances Response Trust Fund to provide collection and disposal project grants.

(5) It repeals provisions that: (a) require grantees to submit to IDEM documentation concerning all project expenditures and (b) require IDEM to submit annual reports to certain persons concerning household hazardous waste grant program projects.

(6) It allows the Solid Waste Management Board to adopt rules concerning the household hazardous waste grant program instead of requiring the Board to adopt rules.

(7) It amends the definition of household hazardous waste for purposes of the law concerning: (a) the household hazardous waste grant program and (b) solid waste management districts.

**Effective Date:** July 1, 1999.

**Explanation of State Expenditures:** (Revised) (1) This provision expands the type of projects that are eligible for matching grants from the Hazardous Substances Response Trust Fund to include the collection and recycling or disposal of household hazardous waste and conditionally exempt small quantity generator waste. Current law requires the Indiana Department of Environmental Management (IDEM) to provide grants only for the collection and disposal of household hazardous waste.

(2) This provision allows money in the Solid Waste Management Fund (SWMF) to be used to provide grants for the collection and recycling or disposal of household hazardous waste or conditionally exempt small quantity generator waste. Money in the SWMF is currently used for the following purposes: (a) grants and loans that provide education and promote recycling and the use of recycled materials, waste reduction, and management of yard waste and (b) grants to implement household hazardous waste source reduction or recycling projects.

Not more than 50% of revenue from the \$0.50 per ton state solid waste management fee imposed on the disposal or incineration of solid waste is to be deposited in the SWMF. In FY 98, approximately \$2.3 million in fee revenue was deposited in the SWMF. The balance of the SWMF on June 30, 1998 was almost \$3.4 million.

(4) This provision increases the amount of money that is available each year for grants from the Hazardous Substances Response Trust Fund (HSRTF) from \$250,000 to \$450,000. The HSRTF receives revenue from the hazardous waste land disposal tax and the annual fee and penalties paid by owners of underground storage tanks containing regulated substances other than petroleum. IDEM awarded \$156,811 in FY 98 and \$353,418 in FY 97 to local units of government and solid waste management districts (SWMDs). The unobligated balance of the HSRTF on June 30, 1998 was approximately \$27.3 million.

(5) This provision repeals the provision that requires unexpended grant money to be returned to the HSRTF within 60 days after IDEM has completed the final audit of project expenditures and notified the grantee of the unexpended amount. Unexpended money would still revert to the HSRTF, so this provision will not have a fiscal impact.

It also repeals the provision that requires IDEM to submit an annual report to certain persons concerning household hazardous waste grant program projects. Information included in the above report is already included in another report, so this provision will not have an impact.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** (Revised) (5) This provision repeals the provision that requires grantees to submit documentation concerning all project expenditures to IDEM within 30 days after completion of the project or within 12 months after the grant is awarded. IDEM grants exemptions from this requirement approximately 90% of the time due to the difficulty of meeting the above time frame. This may decrease administrative expenses for some local units of government and SWMDs that receive grant money.

**Explanation of Local Revenues:** (Revised) (1) This provision expands the types of projects for which local units of government and SWMDs may receive matching grant money.

(3) This provision extends the period of time in which projects must be completed from 12 months to 24

months. This allows local units of government and SWMDs more time to complete projects for which they received grant money.

(4) This provision increases the amount of matching grant money available to local units of government and SWMDs from \$250,000 to \$450,000 each year.

**State Agencies Affected:** Indiana Department of Environmental Management.

**Local Agencies Affected:** Local units of government; Solid waste management districts.

**Information Sources:** Erika Seydel Cheney, Indiana Department of Environmental Management, 232-8598.