



Financial Assurance: Using the Local Government Financial Test for a Solid Waste Transfer Facility or Class II Compost Facility

Using the Local Government Financial Test for these facility types now requires an additional restricted fund specifically for funding closure. There is also new wording required.

OAC Chapter 3745-503-05 Multi-Program Financial Assurance requirements

Class II compost facilities and solid waste transfer facilities financial assurance requirements now fall under Ohio Administrative Code ("OAC") Chapter 3745-503-05 "Multi-program Financial Assurance." It is anticipated that in the future, all solid waste facility financial assurance requirements will be located in this Chapter instead of current OAC Chapter 3745-27.

New Local Government Financial Test Fund

The Local Government Financial Test still includes a financial component, a public notice component, and a record-keeping/reporting component. However, it now includes a requirement keep closure monies in a separate fund.

OAC Chapter 3745-503-05(L) states, in pertinent part, that a local government

"... shall, by resolution, establish a restricted "Local Government Financial Test" (LGFT) fund specifically for funding the estimated cost of closure of the solid waste facility. ...To maintain compliance with this rule, a local government shall annually submit to Ohio EPA an affidavit affirming the continued existence of the LGFT fund and the balance in the LGFT fund as of the end of the fiscal year. A copy of the current estimate of the cost of closure ... shall also be provided to Ohio EPA."

New- Wording for Letter from the Chief Financial Officer

Wording for the Letter from the Chief Financial Officer has been revised from the former OAC Chapter 3745-27-17. The new wording requirements are now found in OAC Chapter 3745-503-20 "Wording of financial assurance instruments."

Local Govt. Financial Test Checklist

Item	OAC Reference
<input type="checkbox"/> Affidavit *new*	3745-503-05(L)(1)
<input type="checkbox"/> Letter from local Government's CFO	3745-503-05(L)(5)(a)
<input type="checkbox"/> Exact wording *new*	3745-503-20(H)
<input type="checkbox"/> Copy of CAFR	3745-503-05(L)(5)(b)
<input type="checkbox"/> Agreed Upon Procedures Report	3745-503-05(L)(5)(c)

Contact

For more information, contact kelly.smith@epa.ohio.gov or (614) 728-5351. The financial assurance forms can be found at http://epa.ohio.gov/portals/34/document/forms/fa_localgovt%20503.pdf.