Local Mandate Fiscal Impact Estimate Kentucky Legislative Research Commission 2015 Regular Session

Part I: Measure Information

Bill Request #: 1689	_							
Bill #: SB 180	_							
Bill Subject/Title: An AC	T relating to solic	l wast	e.					
Sponsor: Senator Robin Wo	ebb							
Unit of Government: <u>x</u> (City _	<u>x</u> (County	<u> </u>	<u>x</u> Urban-County Unified Local			
<u>x</u> (Charter County _	X (Consolidated Local	X	Government			
Office(s) Impacted: local governments; municipal solid waste utilities								
Requirement: x Manda	atory Optio	onal						
Effect on Powers & Duties:x _ Mod	lifies Existing _	<u>X</u>	Adds New E	limina	ites Existing			

Part II: Purpose and Mechanics

SB 180 creates new sections of Subtitle 43 of KRS Chapter 224. It prescribes requirements for the transportation of municipal solid waste in order to prevent leaks, emissions, and access to the wastes by pests. It prohibits a transfer station or waste disposal facility from receiving wastes not transported in compliance with the no-leak provisions. It requires the Energy and Environment Cabinet (Cabinet) to study wastes containing hydrogen sulfides to limit and control odors and emissions from landfills and requires the Cabinet to issue a report or update as a part of the annual solid waste report to the LRC and the Governor.

SB 180 amends KRS 224.10-105 to grant authority to the Cabinet to modify, suspend, revoke a permit, and require abatement if there violations. The bill amends KRS 224.43-335 to require the manifest accompanying the solid waste shipment to describe the type of waste, including wastes containing hydrogen sulfides, and requires that the waste be transported in compliance with leak-proof containment of the wastes.

Part III: Fiscal Explanation, Bill Provisions, and Estimated Cost

The fiscal impact of SB 180 on local government is indeterminable but is estimated to range from minimal to moderate.

"Municipal solid waste" means "household solid waste" or "commercial solid waste" (as each is defined in KRS 224.01-010). These terms, and thus, the term "municipal solid waste" are defined as follows:

"Household solid waste" means solid waste, including garbage and trash generated by single and multiple family residences, hotels, motels, bunkhouses, ranger stations, crew quarters, and recreational areas such as picnic areas, parks, and campgrounds, but it does not include tire-derived fuel; and

"Commercial solid waste" means all types of solid waste generated by stores, offices, restaurants, warehouses, and other service and nonmanufacturing activities, excluding tire-derived fuel and household and industrial solid waste.

Over one-quarter of cities (28%) operate their own solid waste collection and disposal system. About 60 percent of cities contract with a private waste management company to collect and dispose of their residents' solid waste. Cities spent around \$82 million in FY 2013 on solid waste collection and disposal, excluding salaries, wages, and benefits.

Although the word "municipal" generally refers to a city, as opposed to a county or state, the term, "municipal solid waste" as defined in statute can be city, county, state, or out-of-state household or commercial solid waste. As noted above, many cities (and counties) have their own solid waste services and landfill operations, while others contract for municipal solid waste pickup, hauling, and landfill operations.

In summary, to the extent that SB 180 will require upgrades to waste transportation there will be costs associated with compliance. The Kentucky League of Cities (KLC) expects that the additional requirements in Section 1(1) of SB 180, relating to leak-proof containers while transporting municipal solid waste, would likely require considerable upgrades in collection and transportation systems for solid waste operators. KLC estimates that a one-percent increase in costs for new equipment would result in an increase of around \$820,000 to Kentucky cities. These costs will likely be passed on to those local governments which directly provide municipal solid waste services, and to those that contract for services. In turn, these costs may be passed on to consumers in the form of higher fees or taxes.

Data Sourc	ce(s): <u>Kentuc</u> <u>Cities</u>	cky Municipa	al Utilities	Associat	ion; LRC staff;	Kentucky	League of
Preparer:	Hank Marks		Reviewer	: MCY	7	Date:	2/24/15