



Section 2 of HB 454 would amend KRS 109.115 to change the method for appointing members to the Board. Currently, board members are appointed by the mayor; the bill would require they also be approved by Metro Council (currently required by Louisville Metro Ordinance Sec.51.101). The bill would also change the makeup of the Board. The membership of the Board would be comprised of a specific mix of residents representing the cities comprising Louisville Metro, the urban services district, those who do *not* reside within a city or the urban services district, a resident submitted by the association that represents the largest number of waste management entities working in the Louisville Metro area, and an at-large resident. Section 3 of the bill would vacate the current board previously appointed and direct the mayor to fill those vacant positions in accordance with Section 2 of the bill.

### **Explanation, Bill Provisions, and Estimated Cost**

**HB 454 would preserve the status quo so would have no direct fiscal impact on the consolidated local government or on cities within the consolidated local government; however, if HB 454 resulted in the cities within Louisville Metro being found not within the Waste Management District jurisdiction, the Waste Management District would lose approximately \$218,762, or 20% of its gross receipts license fees.**

Louisville/Jefferson County Metro government has full funding, administration, and fiscal responsibility for the Waste Management District. The Waste Management District derives a portion of its operating and other expenses from license fees paid by landfills and transfer stations, based on a percentage of their gross receipts from waste generated within the Louisville Metro Waste Management District Planning Area. The fees derived from waste generated within the cities and disposed of at the landfills and transfer stations comprises approximately 20% of the license fees paid by the facilities to the Waste Management District. HB 454 would make no change to that fee structure. However, many cities comprising the Louisville/Jefferson County Metro Government have historically managed the collection, transport, and disposal of solid waste generated in their jurisdiction and there is some concern that, if HB 454 were interpreted in such a way as to find that the cities managing their own solid waste are then outside the District's Planning Area, it would lose 20% of its income from that source. In that case, the District would need to lay off employees or reduce services, unless the deficit could be made up. There may be additional, though minimal, impact resulting from the requirement that the current Board be vacated and a new Board appointed, and the requirement of appointment of an additional Board member.

**Data Source(s):** Louisville-Jefferson County Metro Government, Louisville Courier-Journal, City of Jeffersontown, Kentucky, Louisville Metro Division of Solid Waste Management

**Preparer:** Mary Stephens      **Reviewer:** JWN      **Date:** 3/2/16