

1 AN ACT to the highway construction contingency account and making an  
2 appropriation therefor.

3 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

4 ➔Section 1. KRS 45.247 is amended to read as follows:

5 **(1)** There is created within the road fund the highway construction contingency  
6 account. The account shall consist of moneys appropriated to the account by the  
7 General Assembly. The Transportation Cabinet may transfer money from the  
8 highway construction contingency account to a highway construction project, for  
9 expenditure thereon. These moneys may be authorized by the secretary of the  
10 Transportation Cabinet for:

11 **(a)**~~[(1)]~~ Projects of an emergency nature;

12 **(b)**~~[(2)]~~ Promotion of economic or industrial development;

13 **(c)**~~[(3)]~~ Relief of a hazardous condition;

14 **(d)**~~[(4)]~~ ~~Other purposes that the secretary determines to be a priority;~~

15 **(5)**~~[(5)]~~ Provision of required state match for any unanticipated federal funds made  
16 available by the Federal Highway Administration to the Commonwealth as a  
17 result of other states not utilizing their total federal obligation;

18 **(e)**~~[(6)]~~ The funding of any nonfederal share of a project in a previous or the  
19 current biennial highway construction programs that exceeds its cost estimate;

20 **(f)**~~[(7)]~~ The nonfederal share of federal emergency highway projects, federal  
21 discretionary projects, and federal demonstration projects; and

22 **(g)**~~[(8)]~~ The nonfederal share of projects due to an increase in the federal  
23 apportionment or federal obligation limits.

24 **(2) Notwithstanding KRS 45.229, at the conclusion of each fiscal year, any moneys**  
25 **in the highway construction contingency account in excess of ten percent (10%)**  
26 **of the amount appropriated for that fiscal year shall lapse to the state**  
27 **construction account.**

1       ➔Section 2. KRS 176.432 is amended to read as follows:

- 2       (1) The department shall transmit, on a monthly~~quarterly~~ basis, electronic data to the  
3       General Assembly through the Legislative Research Commission giving a fiscal-  
4       year-to-date funding status report on the highway construction contingency account  
5       established under KRS 45.247.
- 6       (2) The report shall include:
- 7       (a) The available budget of the account;
- 8       (b) Authorizations by funding code category;
- 9       (c) The total available balance in the account; and
- 10      (d) For the most recent month~~quarter~~, a listing of individual projects and  
11      agreements authorized, including the location, a physical description, and  
12      amount of authorization.

13      ➔Section 3. KRS 224.43-505 is amended to read as follows:

- 14      (1) A trust fund known as the Kentucky pride fund is hereby established in the State  
15      Treasury to receive money collected from environmental remediation fees  
16      established in KRS 224.43-500. The fund shall be used to accomplish the purposes  
17      established in this section. Any money accruing to the fund in any fiscal year shall  
18      not lapse but shall be carried forward to the next fiscal year. The fund may also  
19      receive state appropriations, gifts, grants, and federal funds. All interest earned on  
20      money in the fund shall be credited to the fund.
- 21      (2) The cabinet shall administer the Kentucky pride fund as provided by this section  
22      and any administrative regulations promulgated pursuant thereto. Money from the  
23      fund received by the cabinet shall be distributed as follows:
- 24      (a) Five million dollars (\$5,000,000) of the money deposited into the fund each  
25      year shall be retained by the cabinet, subject to the following conditions:
- 26          1. The cabinet may use up to two and one-half million dollars (\$2,500,000)  
27          of the money deposited into the fund as necessary for direct costs

1 associated with site identification, characterization, and corrective action  
2 assessments of solid waste disposal sites and facilities that have ceased  
3 accepting waste before July 1, 1992, including former permitted  
4 municipal solid waste disposal facilities or abandoned solid waste  
5 disposal sites or facilities. The cabinet shall prioritize the sites and  
6 facilities based on risks to human health, safety, and the environment,  
7 and develop an implementation plan for closure and remediation of  
8 those sites and facilities. Funds may be utilized to begin design and  
9 implementation of proper closure and corrective action for those sites  
10 and facilities with unabated pending violations.

11 2. The cabinet shall suspend until July, 2006, enforcement activity  
12 regarding landfill closure and remediation obligations against formerly  
13 permitted municipal solid waste disposal facilities owned by a city or  
14 county that ceased accepting waste prior to July 1, 1992, except as  
15 necessary to abate an environmental emergency.

16 3. Two and one-half million dollars (\$2,500,000) per year shall be used to  
17 pay debt service on bonds sold by the Kentucky Infrastructure Authority  
18 in the amount of at least twenty-five million dollars (\$25,000,000), the  
19 proceeds from which were deposited into the Kentucky pride fund  
20 established in this section and utilized for undertaking closure and  
21 corrective action at formerly permitted solid waste disposal facilities or  
22 abandoned solid waste sites or facilities that ceased accepting waste  
23 prior to July 1, 1992, which pose the most significant environmental or  
24 human health risk. Moneys not appropriated for the identification and  
25 characterization of orphaned or abandoned landfills, or debt service, may  
26 be used for the elimination of illegal open dumps, direct costs associated  
27 with the closure of orphaned landfills, recycling grants, household

1 hazardous waste grants, or additional debt service.

2 (b) The interest on all moneys deposited into the fund, including unused debt  
3 services, shall be distributed annually in an amount not to exceed one million  
4 dollars (\$1,000,000) to the Kentucky Environmental Education Council for  
5 implementation of the environmental education center component of the  
6 Environmental Education Master Plan.

7 (c) The remaining balance of the funds from the environmental remediation fee  
8 established in KRS 224.43-500, plus any unspent interest revenues, shall be  
9 utilized by the cabinet for grants to counties for the elimination of illegal open  
10 dumps and to establish a recycling and household hazardous waste grants  
11 program. Any county, waste management district, city, urban-county  
12 government, or other political subdivision of the state shall be eligible to  
13 apply for recycling and household hazardous waste grants under this program.

14 (d) Five million dollars (\$5,000,000)~~{Two and one half million dollars~~  
15 ~~(\$2,500,000)}~~ shall be transferred~~{ in each of the fiscal years 2002-03 and~~  
16 ~~2003-04 and}~~ annually~~{ thereafter from the road fund established in KRS~~  
17 ~~48.010(15)(g) and two and one half million dollars (\$2,500,000) shall be~~  
18 ~~transferred in each of the fiscal years 2002-03 and 2003-04 and annually~~  
19 ~~thereafter}~~ from the highway construction contingency account~~{fund}~~ to the  
20 Kentucky pride fund established in this section, to be reserved and distributed  
21 annually for anti-litter control programs with distributions to be made as  
22 follows:

- 23 1. Thirty-three and one-third percent (33-1/3%) of the money shall be  
24 distributed annually based on each county's miles of public roads as a  
25 percentage of the total miles of public roads in the Commonwealth at the  
26 time of distribution;
- 27 2. Thirty-three and one-third percent (33-1/3%) of the money shall be

- 1 distributed annually based on the county's rural population as a  
2 percentage of the total rural population of the Commonwealth at the  
3 time of distribution. "Rural population" means the population residing  
4 outside a city, town, or urban area with a population of two thousand  
5 five hundred (2,500) persons or more;
- 6 3. Thirty-three and one-third percent (33-1/3%) of the money shall be  
7 distributed annually based on the county's population as a percentage of  
8 the total population of the Commonwealth at the time of distribution;
- 9 4. Of the moneys apportioned to counties on the basis of miles of public  
10 roads and population as provided for in subparagraphs 1. and 3. of this  
11 paragraph, the cabinet shall provide to the participating incorporated  
12 cities within the jurisdiction of each respective county which, by  
13 ordinance or other means, provides municipal solid waste collection  
14 service, an amount of funds equal to the ratio of that city's total miles of  
15 public roads in the county and the ratio of that city's population to the  
16 population of the county, to be used for the purpose of litter cleanup on  
17 public roads within city boundaries;
- 18 5. Moneys received by counties and cities pursuant to this paragraph shall  
19 be applied for by November 1 of the year preceding the grant  
20 distribution and shall be used to meet obligations with respect to the  
21 litter cleanup of public roads required by the provisions of KRS 224.43-  
22 345; and
- 23 6. Litter abatement funding rejected or otherwise returned from the grant  
24 recipients shall be applied to the following year's allotment for litter  
25 abatement grants.
- 26 (3) Any county may apply for a grant for the elimination of illegal open dumps subject  
27 to the following provisions:

- 1 (a) The cabinet first shall prioritize expenditures from this fund among those  
2 counties with approved solid waste management plans in order to address  
3 those illegal open dumps posing the most significant public health and  
4 environmental risks; and
- 5 (b) The cabinet shall provide grants to counties for eliminating illegal open  
6 dumps. To be eligible for grant funding, the applicant shall:
- 7 1. Establish an effective universal municipal solid waste collection service  
8 that is available to all county residences and businesses;
  - 9 2. Employ a solid waste coordinator with enforcement powers;
  - 10 3. Remain in compliance with an approved solid waste management plan  
11 under this chapter;
  - 12 4. Enter into agreement with the cabinet to provide a twenty-five percent  
13 (25%) match which may be in kind to the grant amount and comply with  
14 the grant criteria, except that the grant match may be waived for illegal  
15 dump cleanups projected to cost more than fifty thousand dollars  
16 (\$50,000);
  - 17 5. Agree to use all legal methods at their disposal to collect delinquent  
18 solid waste collection fees; and
  - 19 6. Establish a committee to be designated as the clean county committee,  
20 composed of representatives from business, schools, agriculture,  
21 homemakers, and other concerned citizens, to increase awareness and  
22 develop education and enforcement strategies to keep the county free of  
23 litter and illegal open dumps.
- 24 (4) The cabinet shall impose the following requirements for recycling and household  
25 hazardous waste management grants to counties, waste management districts, cities,  
26 urban-county governments, or other political subdivisions of the state:
- 27 (a) Each grantee shall provide a twenty-five percent (25%) match to the grant

- 1 amount which may be in kind and shall comply with the grant criteria;
- 2 (b) Each grantee shall demonstrate that the proposed project will remain  
3 financially viable after grant funds have been expended;
- 4 (c) The grantee shall demonstrate that the service added by the project is needed  
5 and would otherwise be unavailable within the proposed service area; and
- 6 (d) Projects that create opportunities for regional recycling or regional household  
7 hazardous waste management shall be given priority.
- 8 (5) Counties that meet the requirements set out above in subsection (3) of this section  
9 shall be provided the following incentives and rewards by the cabinet:
- 10 (a) Extra points when applying for Land and Water Conservation Fund grants,  
11 National Recreation Trails Funds grants, and funding from the state-funded  
12 Community Rivers and Streams Program; and
- 13 (b) Priority consideration for funds from the Division of Conservation State Cost  
14 Share Program for dumps on farmland and the Waste Tire Trust Fund for tire  
15 dumps.
- 16 (6) The cabinet shall be reimbursed for reasonable costs related to the implementation  
17 of the provisions of this section, not to exceed seven hundred fifty thousand dollars  
18 (\$750,000) annually.