

1 AN ACT relating to the environmental remediation fee.

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

3 ➔Section 1. KRS 224.43-500 is amended to read as follows:

4 (1) As used in this section:

5 (a) "Environmental remediation fee" means a ***two dollar (\$2)***~~one dollar and~~
6 ~~seventy five cents (\$1.75)~~ fee paid per ton of waste by generators of waste
7 and collected at transfer stations and waste disposal facilities that is in
8 addition to all other applicable fees and taxes assessed prior to January 1,
9 2003;

10 (b) "Transfer station" means a facility permitted by the cabinet where waste is
11 transferred from one (1) vehicle to another for transportation to a municipal
12 solid waste disposal facility;~~and~~

13 (c) "Public road" means any city, county, state, federal, or limited access street,
14 highway, or turnpike, including bridges and bridge approaches; ***and***

15 ***(d) "Residual waste facility" means a solid waste disposal facility designed and***
16 ***operated to receive a limited number of nonhazardous industrial wastes for***
17 ***disposal that are fully characterizable.***

18 (2) The environmental remediation fee levied under this section is in addition to all
19 other applicable fees and taxes assessed prior to January 1, 2003. Notwithstanding
20 any law, franchise, or contract to the contrary, the owner or operator of a transfer
21 station or municipal solid waste disposal facility, or the person who collects waste
22 and delivers such waste to a transfer station or municipal solid waste disposal
23 facility may pass through and obtain from the generator any environmental
24 remediation fee required under this section.

25 (3) The environmental remediation fee shall be paid by generators of waste to be
26 disposed of at a municipal solid waste disposal facility and collected by waste
27 transfer stations or municipal solid waste disposal facilities in the Commonwealth.

1 No environmental remediation fee shall be collected at a municipal solid waste
 2 disposal facility on waste for which the fee has been paid at a transfer station to the
 3 disposal facility. The cabinet shall, by administrative regulation, adopt a conversion
 4 formula to allow assessment of the fee by transfer stations that do not have scales.
 5 For loads of waste weighing less than one (1) ton, the environmental remediation
 6 fee shall be **two dollars (\$2)**~~one dollar and seventy five cents (\$1.75)~~.

7 (4) Not later than thirty (30) days following the last day of each calendar quarter, every
 8 owner or operator of a transfer station or municipal solid waste disposal facility
 9 shall remit to the cabinet the environmental remediation fee collected during the
 10 prior quarter, with a report stating the number of tons of waste for which the
 11 environmental remediation fee was collected.

12 **(5) Moneys received by the cabinet for environmental remediation fees from residual**
 13 **waste facilities shall be returned to the fiscal court of the county in which the**
 14 **residual waste facility is located.**

15 ➔Section 2. KRS 224.43-505 is amended to read as follows:

16 (1) A trust fund known as the Kentucky pride fund is hereby established in the State
 17 Treasury to receive money collected from environmental remediation fees
 18 established in KRS 224.43-500, **except that environmental remediation fees**
 19 **collected from residual waste facilities shall be administered in accordance with**
 20 **subsection (5) of Section 1 of this Act.** The fund shall be used to accomplish the
 21 purposes established in this section. Any money accruing to the fund in any fiscal
 22 year shall not lapse but shall be carried forward to the next fiscal year. The fund
 23 may also receive state appropriations, gifts, grants, and federal funds. All interest
 24 earned on money in the fund shall be credited to the fund.

25 (2) The cabinet shall administer the Kentucky pride fund as provided by this section
 26 and any administrative regulations promulgated pursuant thereto. **Except for**
 27 **moneys received by the cabinet from residual waste facilities, which shall be**

1 expended in accordance with subsection (5) of Section 1 of this Act, money from
2 the fund received by the cabinet shall be distributed as follows:

3 (a) Five million dollars (\$5,000,000) of the money deposited into the fund each
4 year shall be retained by the cabinet, subject to the following conditions:

5 1. The cabinet may use up to two and one-half million dollars (\$2,500,000)
6 of the money deposited into the fund as necessary for direct costs
7 associated with site identification, characterization, and corrective action
8 assessments of solid waste disposal sites and facilities that have ceased
9 accepting waste before July 1, 1992, including former permitted
10 municipal solid waste disposal facilities or abandoned solid waste
11 disposal sites or facilities. The cabinet shall prioritize the sites and
12 facilities based on risks to human health, safety, and the environment,
13 and develop an implementation plan for closure and remediation of
14 those sites and facilities. Funds may be utilized to begin design and
15 implementation of proper closure and corrective action for those sites
16 and facilities with unabated pending violations.

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

22 3. Two and one-half million dollars (\$2,500,000) per year shall be used to
23 pay debt service on bonds sold by the Kentucky Infrastructure Authority
24 in the amount of at least twenty-five million dollars (\$25,000,000), the
25 proceeds from which were deposited into the Kentucky pride fund
26 established in this section and utilized for undertaking closure and
27 corrective action at formerly permitted solid waste disposal facilities or

1 abandoned solid waste sites or facilities that ceased accepting waste
2 prior to July 1, 1992, which pose the most significant environmental or
3 human health risk. Moneys not appropriated for the identification and
4 characterization of orphaned or abandoned landfills, or debt service,
5 may be used for the elimination of illegal open dumps, direct costs
6 associated with the closure of orphaned landfills, recycling grants,
7 household hazardous waste grants, or additional debt service.

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

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

20 (d) Two and one-half million dollars (\$2,500,000) shall be transferred in each of
21 the fiscal years 2002-03 and 2003-04 and annually thereafter from the road
22 fund established in KRS 48.010(15)(g) and two and one-half million dollars
23 (\$2,500,000) shall be transferred in each of the fiscal years 2002-03 and 2003-
24 04 and annually thereafter from the highway construction contingency fund to
25 the Kentucky pride fund established in this section, to be reserved and
26 distributed annually for anti-litter control programs with distributions to be
27 made as follows:

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

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

1 litter and illegal open dumps.

2 (4) The cabinet shall impose the following requirements for recycling and household
3 hazardous waste management grants to counties, waste management districts, cities,
4 urban-county governments, or other political subdivisions of the state:

5 (a) Each grantee shall provide a twenty-five percent (25%) match to the grant
6 amount which may be in kind and shall comply with the grant criteria;

7 (b) Each grantee shall demonstrate that the proposed project will remain
8 financially viable after grant funds have been expended;

9 (c) The grantee shall demonstrate that the service added by the project is needed
10 and would otherwise be unavailable within the proposed service area; and

11 (d) Projects that create opportunities for regional recycling or regional household
12 hazardous waste management shall be given priority.

13 (5) Counties that meet the requirements set out above in subsection (3) of this section
14 shall be provided the following incentives and rewards by the cabinet:

15 (a) Extra points when applying for Land and Water Conservation Fund grants,
16 National Recreation Trails Funds grants, and funding from the state-funded
17 Community Rivers and Streams Program; and

18 (b) Priority consideration for funds from the Division of Conservation State Cost
19 Share Program for dumps on farmland and the Waste Tire Trust Fund for tire
20 dumps.

21 (6) The cabinet shall be reimbursed for reasonable costs related to the implementation
22 of the provisions of this section, not to exceed seven hundred fifty thousand dollars
23 (\$750,000) annually.

24 **(7) As used in this section, "residual waste facility" means a solid waste disposal**
25 **facility designed and operated to receive a limited number of nonhazardous**
26 **industrial wastes for disposal that are fully characterizable.**