

**Local Mandate Fiscal Impact Estimate  
Kentucky Legislative Research Commission  
2017 Regular Session**

**Part I: Measure Information**

**Bill Request #:** 401

**Bill #:** HB 246 GA

**Bill Subject/Title:** AN ACT relating to solid waste management and declaring an emergency

**Sponsor:** Representative Jerry T. Miller

Unit of Government:  City  County  Urban-County  
 Charter County  Consolidated Local  Unified Local  
  Government

Office(s) Impacted: Louisville/Jefferson County Metro Government; Louisville Metro Waste Management District

Requirement:  Mandatory  Optional

Effect on

Powers & Duties:  Modifies Existing  Adds New  Eliminates Existing

**Part II: Purpose and Mechanics**

Louisville/Jefferson County Metro Government is comprised of the former City of Louisville and Jefferson County and is the only consolidated local government in Kentucky. Statutory changes in HB 246 would apply only to Louisville Metro and the cities within it. The purpose of HB 246 is to preserve the authority of cities within Jefferson County to conduct solid waste recovery and disposal within their jurisdiction. Another purpose is to require transparency in the operations of the Louisville Metro Waste Management District Board of Directors (the Board), which is charged with the control and management of the Louisville Metro Waste Management District (WMD or "District"). Section 1 of HB 246 would largely maintain the status quo regarding waste management in Jefferson County. It would amend KRS 109.041 to explicitly prohibit Louisville Metro or the Board of the District from restricting "materials recovery" by any city within the County or the District. The bill would also explicitly prohibit Louisville Metro or the Board from hindering a city or its contractors from using a solid waste management facility for disposal of compliant solid waste. It would also explicitly prohibit Louisville Metro or the District from charging a fee that is based on the make-up of the solid waste stream of that city, so long as the waste stream complies with state and federal

law. Under current law neither Jefferson County nor the Board charge any city or its contractor a fee based on the make-up of the city's solid waste stream. Section 2 of HB 246 would amend KRS 109.115 to establish a method for appointing members to the Board in a county containing a consolidated local government that is different from the method of appointing members to the Board in counties *not* containing a consolidated local government. The bill would require that the mayor of the consolidated local government appoint seven (7) persons to the board, with the approval of the legislative body of the consolidated local government (currently required by Louisville Metro Ordinance Sec. 51.101). The bill would also provide that rules adopted by the Board are not enforceable within a city until approved by the legislative body of the city or, if outside a city, the legislative body of the consolidated local government. Section 5 of the Substitute is identical to Section 4 of the original bill. Section 6 of the Substitute is identical to Section 5 of the original bill

**HB 246 HCS 1 retains the provisions in Section 1 and Section 2 of HB 246 as originally introduced and makes the following changes in the bill:**

Section 3 of HB 246 HCS 1 would amend KRS 109.120 to establish that in counties containing a consolidated local government, rules and regulations enacted since adoption of the most recent solid waste management plan shall continue in full force until the later of August 31, 2017, or the date a new management plan is approved. The substitute would require that a city approve any rule or regulation if not adopting it would cause the city to be in violation of its approved solid waste management plan.

Section 4 of HB 246 HCS 1 would amend KRS 224.43-340 (2) to provide that municipalities within a consolidated local government are considered to be participating in the solid waste management plan adopted by the District unless the municipality opts out of the plan, by ordinance. In that case the municipality would be responsible for complying with KRS Chapter 224 and regulations promulgated pursuant to that Chapter. Section 4 would also prohibit the Energy and Environment Cabinet from disapproving of the plan of a municipality within a consolidated local government if the plan complies with applicable statutes and regulations.

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

**HB 246 HCS 1 does not change the fiscal impact of the bill as originally introduced.**

**HB 246 would largely 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 246 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 WMD 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 246 would make no change to that fee structure. However, many cities within Louisville Metro have historically managed the collection, transport, and disposal of solid waste generated in their jurisdiction and there is some concern that, if HB 246 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. The requirement in Section 3(4) that the Waste Management District notices, meeting agendas and meeting minutes be posted electronically could have a de minimis fiscal impact on the District or Louisville Metro as they both currently have active websites.

The amendment to KRS 224.43-340 (2) in Section 4 of HB 246 HCS 1 requiring that a city within a county with a consolidated local government opt out of participation in the county's solid waste management plan or be deemed to be participating would mean the minimal cost of passing an ordinance.

**Data Sources:** LRC staff

**Preparer:** Mary Stephens      **Reviewer:** KHC      **Date:** 2/23/17