## Local Government Mandate Statement Kentucky Legislative Research Commission 2020 Regular Session

### Part I: Measure Information

Bill Request #: 206							
Bill #: SB 22							
<b>Document ID #:</b> 402							
Bill Subject/Title: An ACT related to solid waste.							
Sponsor: Senator C.B. Embry, Jr							
Unit of Government:       X       City       X       County       X       Urban-County         Unified Local       Image: County Count							
X Charter County X Consolidated Local X Government							
Office(s) Impacted: Fiscal Courts							
Requirement: <u>X</u> Mandatory <u>X</u> Optional							
Effect on Powers & Duties: X Modifies Existing Adds New Eliminates Existing							

### Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

This legislation adds residual landfills to the list of off-sight waste management facilities fiscal courts are allowed to license and impose fees upon. It also removes an exception for those treatment, storage or disposal activities which occur incidental to a manufacturing operation at the site of the operation.

The proposed bill allows a fiscal court or an urban-county government to now license residual landfill located within the county or urban county area and to charge a license fee not less than one cent (\$0.01) but no more than fifty cents (\$0.50) per ton of waste received by the landfill, or set the fee at up to five percent (5%) of gross receipts of the landfill.

This bill also provides for county or urban-county government to increase license fees for accepting waste originating from outside the waste planning area. Before a license fee increase can be imposed, the county shall demonstrate that the increase is reasonably related to additional government services which must be undertaken because of landfilling the wastes from outside the planning area. Justification for a fee increase should be documented by showing that the increased waste from outside of the planning area will reduce the waste

disposal capacity in the planning area, create a need to provide for future disposal capacity, impact roads or increase the need for environmental controls or monitoring.

Exceptions for special waste, as defined in KRS 224.50-760 have also been removed.

According to the Kentucky Energy and Environment Cabinet, Solid Waste Branch web reports titled "2018 Solid Waste Material Report (9-3-2019)" and "2018 Solid Waste Branch Facility <u>Report (11-26-2019)</u>", there are 19 active residual waste facilities located in 14 counties (based on permit numbers) operating in in Kentucky. In 2018, these facilities reported 280,516.40 tons of waste.

Per this legislation, county and urban county governments **may** impose a license fee as described above. Using the 2018 reported waste tonnage, and a range of fees from the minimum fee of \$0.01/ton to the maximum fee of \$0.50/ton, potential for fee income is reflected in the chart below. The second and third column reflect a ten percent variance in waste totals.

Assuming the minimum and maximum fee allowed by this legislation, the range of annual income generated by licensing residual landfills range from approximately \$2,800 at \$0.01/ton to \$140,200 at the max fee/ton, assuming reported tonnage remains constant. Columns two and three reflect a ten percent variance in reported waste.

	Reported Tonnage 2018	Estimated Increase 10%			
	280,516.40	308,568.04 252,464.76			
License Fee per ton	Estimated Annual Income				
\$0.01	\$2,805	\$3,086	\$2,525		
\$0.25	\$70,129	\$77,142	\$63,117		
\$0.50	\$140,258	\$154,284	\$126,232		

Potential revenues for the 14 counties may range from approximately \$2,805 (\$200 per year) to \$140,285 (\$10,018 per year). Each county's revenue will depend on the rate set by each county and the amount of waste disposed of in each county.

# The fiscal impact is indeterminate but the overall impact is expected to be positive but minimal.

### Part III: Differences to Local Government Mandate Statement from Prior Versions

Part II, above, pertains to the bill as introduced

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