

KRS 68.178 allows a fiscal court or an urban-county government to license waste disposal facilities located within the county or urban county area. By expanding the definition of waste disposal facilities, residual landfills, solid waste and the other facilities may be assessed fees. Fiscal courts or an urban county government may charge a license fee of 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. It allows for an increase in license fees by an amount up to one-quarter of the base fee per ton or on gross receipts on waste originating from outside the waste planning area.

According to the Kentucky Energy and Environment Cabinet, Solid Waste Branch web reports titled “2019 Waste Quantity Report (2-27-2020)” and “Solid Waste Branch Facility Report (12-01-2020)”, there are 19 active residual waste facilities located in 14 counties (based on permit numbers) operating in in Kentucky. In 2019, these residual waste facilities reported 285,811 tons of waste.

By expanding the list of waste disposal facilities county governments can assess fees to, counties will likely realize an increase in revenue. Upon this legislation becoming law, county government **may** begin imposing a license fee on the residual landfills. Using the 2019 reported waste for residual landfills, and a range of fees from the minimum fee of \$0.01/ton to the maximum fee of \$0.50/ton, potential fee income is reflected in the chart below. The second and third column reflect a ten percent variance in waste totals. Only residual landfill waste was used for this calculation.

Using the minimum and maximum fees, county governments may realize an increase in revenue ranging from approximately \$2,850 at \$0.01/ton to \$142,900 at the max fee of \$0.50/ton based on the 2019 reported tonnage. This calculation does not include an allowable increase based on waste which originates from outside the county and could increase these estimates slightly. For comparison purposes, columns two and three reflect a ten percent variance in reported waste.

Reported Tonnage 2019	Estimated Increase 10%	Estimated Decrease 10%
285,811	314,400	257,200

License Fee per ton

	Estimated Annual Income		
\$0.01	\$2,850	\$3,145	\$2,570
\$0.25	\$71,450	\$78,600	\$64,310
\$0.50	\$142,900	\$157,200	\$128,600

The fiscal impact of this legislation is indeterminable, but the overall impact is expected to be minimally positive.

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

Part II, above, pertains to the bill as introduced.

Data Source(s): LRC Staff, Kentucky Energy and Environment Cabinet, Division of Waste Management Web Reports

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