## Local Government Mandate Statement Kentucky Legislative Research Commission 2022 Regular Session

**Part I: Measure Information** 

Bill Request #: 1716	<u> 5</u>		
Bill #: SB 152 GA			
Document ID #: 604	12		
Bill Subject/Title: AN ACT relating to solid waste management			
Sponsor: Senator Stephen West			
Unit of Government:		X County	Unified Local
<ul> <li>X Charter County X Consolidated Local X Government</li> <li>Office(s) Impacted: Solid waste management services; fiscal court</li> </ul>			
Requirement:	Mandatory X Opti	ional	
Effect on Powers & Duties: X	Modifies Existing	Adds New E	liminates Existing

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

SB 152 would amend KRS 109.0417 to provide that a local government is not required to comply with the notice and hearing requirements and waiting times in that statute before awarding a franchise for solid waste management services for the first time. The exemption from the requirements would apply where the local government has been the exclusive provider of the same waste management services in the same or any portion of the same area for which it now wishes to issue a solid waste management franchise.

Senate Bill 152 would have a minimal to moderate positive fiscal impact on Kentucky cities that operate their own solid waste management but elect to outsource those services. The Kentucky League of Cities reports that nearly 25% of cities manage their own, independent solid waste management system, although some of those cities also allow private providers. Private companies operate some or all of the solid waste collection in nearly two-thirds of Kentucky cities. In FY 2020 cities collected \$95 million in solid waste fees but spent \$157 million on providing those services (excluding benefits for full-time solid waste employees).

Privatizing these services could produce savings for cities, but the current provisions of KRS 109.0417 create a lengthy process to achieve privatization. The statute currently mandates that a local government's final determination to award a franchise where no franchise exists shall not be effective before 12 months after the local government's final determination. KRS 109.0417 mandates the local government notify private companies serving the area 180 days prior to a final determination to award a franchise; however, if no private company is providing services, this provision of the law cannot be complied with. The statute currently appears not to provide an exception to the notice requirement in that instance.

KLC believes SB 152 could especially benefit cities with a population of 1,000-8,000, one-third of which operate their own solid waste management system but likely could save money through privatization of services. SB 152 would reduce administrative burden and expedite the transition to privately provided services.

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

Part II applies to SB 152 GA version. The GA version is the same as the bill as introduced. SB 152 passed its chamber of origin without amendments or substitutes.

**Data Source(s):** Kentucky League of Cities; LRC staff

Preparer: Mary Stephens/mjo Reviewer: MKDL Date: 2/24/22