

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2025 REGULAR SESSION**

MEASURE

2025 BR NUMBER 859

HOUSE BILL NUMBER 346/HCS 1/HFA 1

TITLE AN ACT relating to air quality programs and declaring an emergency.

SPONSOR Representative Randy Bridges

FISCAL SUMMARY

STATE FISCAL IMPACT: YES NO UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY: ACTUARIAL ANALYSIS
 LOCAL MANDATE CORRECTIONS IMPACT HEALTH BENEFIT MANDATE STATE
EMPLOYEE HEALTH PLAN IMPACT

APPROPRIATION UNIT(S) IMPACTED: Department for Environmental Protection

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED Air Emissions Fee Fund

FISCAL ESTIMATES	2024-2025	2025-2026	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES	(Indeterminable)		
EXPENDITURES			
NET EFFECT	(Indeterminable)		

() indicates a decrease/negative

PURPOSE OF MEASURE: This measure removes an emergency stationary internal combustion engine from the emissions assessment fee and requires the Energy and Environment Cabinet (EEC) to retroactively refund emission fees paid from this source for calendar year 2023. The bill also establishes a cap on fees for emissions in excess of six thousand tons.

FISCAL EXPLANATION: The bill requires EEC to retroactively refund emissions fees collected from emergency stationary internal combustion engine sources in calendar year 2023 within 90 days of the effective date of this Act. Since the emission fees are charged for the cost of administering the Air Quality Program as mandated by Title V of the Clean Air Act Amendments of 1990, and EEC functions solely off Restricted Funds and Federal Funds, the cabinet will need a General Fund appropriation to cover this expense or will have to increase the per-ton fee charged to current sources to make up for the negative Restricted Fund revenues from a previous year. The cabinet has not been able to provide the actual amount of fees paid from this source in 2023 that would need to be reimbursed. Therefore, the amount is indeterminable but expected to be major.

The new cap established in Section 1, Subsection 4 will not have a fiscal impact on the total amount of fees collected but will change the allocation of fees charged to permitted sources.

DATA SOURCE(S): LRC Staff

PREPARER: Sara Rome NOTE NUMBER: 96 REVIEW: JMR DATE: 2/26/2025