

1 AN ACT relating to the environmental remediation fee and making an  
2 appropriation therefor.

3 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

4 ➔Section 1. KRS 224.43-500 is amended to read as follows:

5 (1) As used in this section:

6 (a) "Environmental remediation fee" means a two dollar (\$2.00)~~one dollar and~~  
7 ~~seventy-five cents (\$1.75)~~ fee paid per ton of waste by generators of waste  
8 and collected at transfer stations and waste disposal facilities that is in  
9 addition to all other applicable fees and taxes assessed prior to January 1,  
10 2003;

11 (b) "Transfer station" means a facility permitted by the cabinet where waste is  
12 transferred from one (1) vehicle to another for transportation to a municipal  
13 solid waste disposal facility; and

14 (c) "Public road" means any city, county, state, federal, or limited access street,  
15 highway, or turnpike, including bridges and bridge approaches.

16 (2) The environmental remediation fee levied under this section is in addition to all  
17 other applicable fees and taxes assessed prior to January 1, 2003. Notwithstanding  
18 any law, franchise, or contract to the contrary, the owner or operator of a transfer  
19 station or municipal solid waste disposal facility, or the person who collects waste  
20 and delivers such waste to a transfer station or municipal solid waste disposal  
21 facility may pass through and obtain from the generator any environmental  
22 remediation fee required under this section.

23 (3) The environmental remediation fee shall be paid by generators of waste to be  
24 disposed of at a municipal solid waste disposal facility and collected by waste  
25 transfer stations or municipal solid waste disposal facilities in the Commonwealth.  
26 No environmental remediation fee shall be collected at a municipal solid waste  
27 disposal facility on waste for which the fee has been paid at a transfer station to the

1 disposal facility. The cabinet shall, by administrative regulation, adopt a conversion  
2 formula to allow assessment of the fee by transfer stations that do not have scales.  
3 For loads of waste weighing less than one (1) ton, the environmental remediation  
4 fee shall be two dollars (\$2.00)~~one dollar and seventy five cents (\$1.75)]~~.

5 (4) Not later than thirty (30) days following the last day of each calendar quarter, every  
6 owner or operator of a transfer station or municipal solid waste disposal facility  
7 shall remit to the cabinet the environmental remediation fee collected during the  
8 prior quarter, with a report stating the number of tons of waste for which the  
9 environmental remediation fee was collected.

10 ➔Section 2. KRS 224.43-505 is amended to read as follows:

11 (1) A trust fund known as the Kentucky pride fund is hereby established in the State  
12 Treasury to receive money collected from environmental remediation fees  
13 established in KRS 224.43-500. The fund shall be used to accomplish the purposes  
14 established in this section. Any money accruing to the fund in any fiscal year shall  
15 not lapse but shall be carried forward to the next fiscal year. The fund may also  
16 receive state appropriations, gifts, grants, and federal funds. All interest earned on  
17 money in the fund shall be credited to the fund.

18 (2) The cabinet shall administer the Kentucky pride fund as provided by this section  
19 and any administrative regulations promulgated pursuant thereto. Except for  
20 moneys received by the cabinet from residual waste facilities which shall be  
21 expended in accordance with subsection (7) of this section, money from the fund  
22 received by the cabinet shall be distributed as follows:

23 (a) Five million dollars (\$5,000,000) of the money deposited into the fund each  
24 year shall be retained by the cabinet, subject to the following conditions:

25 1. The cabinet may use up to two and one-half million dollars (\$2,500,000)  
26 of the money deposited into the fund as necessary for direct costs  
27 associated with site identification, characterization, and corrective action

1 assessments of solid waste disposal sites and facilities that have ceased  
2 accepting waste before July 1, 1992, including former permitted  
3 municipal solid waste disposal facilities or abandoned solid waste  
4 disposal sites or facilities. The cabinet shall prioritize the sites and  
5 facilities based on risks to human health, safety, and the environment,  
6 and develop an implementation plan for closure and remediation of  
7 those sites and facilities. Funds may be utilized to begin design and  
8 implementation of proper closure and corrective action for those sites  
9 and facilities with unabated pending violations.

10 2. The cabinet shall suspend until July, 2006, enforcement activity  
11 regarding landfill closure and remediation obligations against formerly  
12 permitted municipal solid waste disposal facilities owned by a city or  
13 county that ceased accepting waste prior to July 1, 1992, except as  
14 necessary to abate an environmental emergency.

15 3. Two and one-half million dollars (\$2,500,000) per year shall be used to  
16 pay debt service on bonds sold by the Kentucky Infrastructure Authority  
17 in the amount of at least twenty-five million dollars (\$25,000,000), the  
18 proceeds from which were deposited into the Kentucky pride fund  
19 established in this section and utilized for undertaking closure and  
20 corrective action at formerly permitted solid waste disposal facilities or  
21 abandoned solid waste sites or facilities that ceased accepting waste  
22 prior to July 1, 1992, which pose the most significant environmental or  
23 human health risk. Moneys not appropriated for the identification and  
24 characterization of orphaned or abandoned landfills, or debt service,  
25 may be used for the elimination of illegal open dumps, direct costs  
26 associated with the closure of orphaned landfills, recycling grants,  
27 household hazardous waste grants, or additional debt service.

- 1           (b) The interest on all moneys deposited into the fund, including unused debt  
2           services, shall be distributed annually in an amount not to exceed one million  
3           dollars (\$1,000,000) to the Kentucky Environmental Education Council for  
4           implementation of the environmental education center component of the  
5           Environmental Education Master Plan.
- 6           (c) The remaining balance of the funds from the environmental remediation fee  
7           established in KRS 224.43-500, plus any unspent interest revenues, shall be  
8           utilized by the cabinet for grants to counties for the elimination of illegal open  
9           dumps and to establish a recycling and household hazardous waste grants  
10          program. Any county, waste management district, city, urban-county  
11          government, or other political subdivision of the state shall be eligible to  
12          apply for recycling and household hazardous waste grants under this program.
- 13          (d) Two and one-half million dollars (\$2,500,000) shall be transferred in each of  
14          the fiscal years 2002-03 and 2003-04 and annually thereafter from the road  
15          fund established in KRS 48.010(15)(g) and two and one-half million dollars  
16          (\$2,500,000) shall be transferred in each of the fiscal years 2002-03 and 2003-  
17          04 and annually thereafter from the highway construction contingency fund to  
18          the Kentucky pride fund established in this section, to be reserved and  
19          distributed annually for anti-litter control programs with distributions to be  
20          made as follows:
- 21           1. Thirty-three and one-third percent (33-1/3%) of the money shall be  
22           distributed annually based on each county's miles of public roads as a  
23           percentage of the total miles of public roads in the Commonwealth at the  
24           time of distribution;
  - 25           2. Thirty-three and one-third percent (33-1/3%) of the money shall be  
26           distributed annually based on the county's rural population as a  
27           percentage of the total rural population of the Commonwealth at the

- 1                   time of distribution. "Rural population" means the population residing  
2                   outside a city, town, or urban area with a population of two thousand  
3                   five hundred (2,500) persons or more;
- 4                   3. Thirty-three and one-third percent (33-1/3%) of the money shall be  
5                   distributed annually based on the county's population as a percentage of  
6                   the total population of the Commonwealth at the time of distribution;
- 7                   4. Of the moneys apportioned to counties on the basis of miles of public  
8                   roads and population as provided for in subparagraphs 1. and 3. of this  
9                   paragraph, the cabinet shall provide to the participating incorporated  
10                  cities within the jurisdiction of each respective county which, by  
11                  ordinance or other means, provides municipal solid waste collection  
12                  service, an amount of funds equal to the ratio of that city's total miles of  
13                  public roads in the county and the ratio of that city's population to the  
14                  population of the county, to be used for the purpose of litter cleanup on  
15                  public roads within city boundaries;
- 16                  5. Moneys received by counties and cities pursuant to this paragraph shall  
17                  be applied for by November 1 of the year preceding the grant  
18                  distribution and shall be used to meet obligations with respect to the  
19                  litter cleanup of public roads required by the provisions of KRS 224.43-  
20                  345; and
- 21                  6. Litter abatement funding rejected or otherwise returned from the grant  
22                  recipients shall be applied to the following year's allotment for litter  
23                  abatement grants.
- 24                  (3) Any county may apply for a grant for the elimination of illegal open dumps subject  
25                  to the following provisions:
- 26                  (a) The cabinet first shall prioritize expenditures from this fund among those  
27                  counties with approved solid waste management plans in order to address

1           those illegal open dumps posing the most significant public health and  
2           environmental risks; and

3           (b) The cabinet shall provide grants to counties for eliminating illegal open  
4           dumps. To be eligible for grant funding, the applicant shall:

- 5           1. Establish an effective universal municipal solid waste collection service  
6           that is available to all county residences and businesses;
- 7           2. Employ a solid waste coordinator with enforcement powers;
- 8           3. Remain in compliance with an approved solid waste management plan  
9           under this chapter;
- 10          4. Enter into agreement with the cabinet to provide a twenty-five percent  
11          (25%) match which may be in kind to the grant amount and comply with  
12          the grant criteria, except that the grant match may be waived for illegal  
13          dump cleanups projected to cost more than fifty thousand dollars  
14          (\$50,000);
- 15          5. Agree to use all legal methods at their disposal to collect delinquent  
16          solid waste collection fees; and
- 17          6. Establish a committee to be designated as the clean county committee,  
18          composed of representatives from business, schools, agriculture,  
19          homemakers, and other concerned citizens, to increase awareness and  
20          develop education and enforcement strategies to keep the county free of  
21          litter and illegal open dumps.

22          (4) The cabinet shall impose the following requirements for recycling and household  
23          hazardous waste management grants to counties, waste management districts, cities,  
24          urban-county governments, or other political subdivisions of the state:

25          (a) Each grantee shall provide a twenty-five percent (25%) match to the grant  
26          amount which may be in kind and shall comply with the grant criteria;

27          (b) Each grantee shall demonstrate that the proposed project will remain

1 financially viable after grant funds have been expended;

2 (c) The grantee shall demonstrate that the service added by the project is needed  
3 and would otherwise be unavailable within the proposed service area; and

4 (d) Projects that create opportunities for regional recycling or regional household  
5 hazardous waste management shall be given priority.

6 (5) Counties that meet the requirements set out above in subsection (3) of this section  
7 shall be provided the following incentives and rewards by the cabinet:

8 (a) Extra points when applying for Land and Water Conservation Fund grants,  
9 National Recreation Trails Funds grants, and funding from the state-funded  
10 Community Rivers and Streams Program; and

11 (b) Priority consideration for funds from the Division of Conservation State Cost  
12 Share Program for dumps on farmland and the Waste Tire Trust Fund for tire  
13 dumps.

14 (6) The cabinet shall be reimbursed for reasonable costs related to the implementation  
15 of the provisions of this section, not to exceed seven hundred fifty thousand dollars  
16 (\$750,000) annually.

17 **(7) (a) Moneys received by the cabinet from residual waste facilities shall be**  
18 **distributed as follows:**

19 **1. Fifty percent (50%) shall be returned to the fiscal court of the county**  
20 **where the residual waste facility is located, to be used for the purposes**  
21 **of litter abatement, the elimination of illegal open dumps, and to**  
22 **establish recycling and household hazardous waste grant programs;**  
23 **and**

24 **2. Fifty percent (50%) shall be transferred to the Kentucky Heritage**  
25 **Land Conservation fund established in KRS 146.570.**

26 **(b) As used in this section, "residual waste facility" means a solid waste**  
27 **disposal facility designed and operated to receive a limited number of**

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*nonhazardous industrial wastes for disposal that are fully characterizable.*