

**224.50-862 Financial assurance -- Calculation -- Forfeiture.**

- (1) A person required to register as an accumulator, transporter, or processor of waste tires shall provide the cabinet with financial assurance to pay for closure and corrective action as required by KRS 224.50-864 and 224.50-866.
- (2) The amount of the financial assurance shall be based on the maximum quantity of waste tires, calculated as passenger tire equivalents, that are accumulated, processed, or transported. Passenger tire equivalents shall be determined by using the most appropriate following calculation:
  - (a) One (1) whole waste tire with an inside bead diameter less than nineteen (19) inches shall equal one (1) passenger tire equivalent;
  - (b) One (1) whole waste tire with an inside bead diameter equal to or greater than nineteen (19) inches shall equal five (5) passenger tire equivalents;
  - (c) Twenty (20) pounds of waste tires shall equal one (1) passenger tire equivalent;
  - (d) One (1) cubic yard of loose, whole waste tires shall equal ten (10) passenger tire equivalents;
  - (e) One (1) cubic yard of laced or stacked whole waste tires shall equal fifteen (15) passenger tire equivalents; or
  - (f) One (1) cubic yard of processed waste tire material shall equal fifty (50) passenger tire equivalents.
- (3) The amount of financial assurance to be provided shall be one dollar (\$1) per passenger tire equivalent, with a minimum amount of ten thousand dollars (\$10,000).
- (4) The cabinet may approve an alternative method of determining the number of passenger tire equivalents if the alternative method ensures that adequate funds are available to meet closure and corrective action requirements.
- (5) The financial assurance shall be issued in favor of the cabinet and may consist of one (1) or more of the following mechanisms: surety bonds, corporate guarantees, irrevocable letters of credit, insurance, or trust funds. The financial assurance shall be submitted to the cabinet on a form or in a format approved by the cabinet. In approving a financial assurance mechanism, the cabinet shall follow the administrative regulations promulgated by the United States Environmental Protection Agency under Subtitle D of the Solid Waste Disposal Act, 42 U.S.C. secs. 6901 et seq., for solid waste disposal facilities, unless the cabinet promulgates administrative regulations setting different standards.
- (6) The cabinet shall forfeit the financial assurance when necessary to pay for closure or corrective action. Any money remaining after completion of closure and corrective action shall be returned to the person who posted the financial assurance.

**Effective:** July 15, 1998

**History:** Created 1998 Ky. Acts ch. 529, sec. 7, effective July 15, 1998.