



**WASTE CONNECTIONS INC.**  
*Connect with the Future®*

To: Hon. Chairman Huebert  
From: Jim Spencer, Division Vice President  
Waste Connections of Kansas Inc.  
Date: February 12, 2012

Re: Support for HB 2072

Chairman Huebert and members of the House Committee on Local Government:

I am testifying here as to why we need legislation on what Municipalities can do in the solid waste business outside their areas of jurisdiction. To do this I want to explain what has happened in southwest Kansas.

Seward County owns and operates their own landfill. They also operate a Hauling company as part of the Utility that runs the landfill. This Hauling Company known as Seward County Solid Waste provides trash hauling services to residential, commercial and industrial customers within Seward County but also outside their area of jurisdiction of Seward County.

They not only operate in Seward County, but operate in Mead County, Haskell County, Grant County, Finney County, Stevens County - all Kansas Counties. According to their own web site they operate in 14 Counties in Southwest Kansas and the panhandle of Oklahoma and the panhandle of Texas.

When I say operate, I mean they drive their trucks into these other area's and provide waste collection services to residential customers, commercial businesses, industrial businesses and they even hold municipal contracts to provide the waste collection services for towns such as: Tyrone, Oklahoma, City of Stratford , Texas, Town of Forgan, Oklahoma, Town of Hardesty, Oklahoma. Just to name a few. This is a Kansas Municipality that not only is operating outside of their jurisdictional area, they are operating in multiple states.

Why is this an issue? A municipality operates without paying taxes. They do not have to pay road use taxes and are exempt from paying for DOT registration and compliance. They buy their trucks and containers exempt from sales tax as a municipality and their trucks and containers are exempt from paying property taxes even when in use outside of their jurisdiction.

On the landfill side of our business a major cost for landfill operators is posting the post-closure assurance bonds that guarantee that a private company will be responsible for the landfill up to 30 years after the landfill is closed. Municipalities in Kansas are exempt from this process and cost with the thought that if a municipality has a problem it can pay for it by simply raising local taxes. Along with this also comes not paying sales tax and property taxes on landfill equipment that runs in to the multiple millions of dollars.

All of this gives the municipality an unfair business advantage when competing against private businesses that pay all of the above taxes and expenses to operate a business.

We all agree that a municipality can basically do what they want within their jurisdictional area. But when they choose to operate like a private business outside their jurisdictional area then they should have to play by the same rules.

This bill attempts to level the playing field so that municipalities do not have unfair advantages in competing in the solid waste business.

Thank you for your time. I would be happy to answer any questions you may have.

Respectfully submitted,

Jim Spencer  
Division Vice President  
Waste Connections of Kansas Inc.  
2745 N Ohio  
Wichita, Kansas 67219