

February 11, 2013

The Honorable Steve Huebert, Chairperson
House Committee on Local Government
Statehouse, Room 149-S
Topeka, Kansas 66612

Dear Representative Huebert:

SUBJECT: Fiscal Note for HB 2072 by House Committee on Local Government

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2072 is respectfully submitted to your committee.

HB 2072 would establish new restrictions on cities and counties related to providing solid waste management services to customers outside of their incorporated limits. The bill would limit government competition with private companies that could provide the same solid waste management services in the areas served by the government operations. The bill would establish a “grandfathering” provision for maintaining existing services provided by governments outside of their incorporated limits; however, any renewal of a contract or changes of service would be subject to the provisions of the bill.

In order to determine if a private business could provide solid waste management services, the bill would require a public hearing on the issue. The bill would also clarify that in the case of an emergency or disaster, a public hearing would not be required if a local government would adopt a resolution declaring the existence of a disaster or emergency.

The Kansas Association of Counties (KAC) indicates that the bill could increase costs for local governments because the current system of waste management services is largely regionalized. The regionalization provides cost savings for local governments from economies of scale. At this time the KAC is unable to precisely quantify the cost of the bill for local governments because of the variety of contracts that are currently in place.

The League of Kansas Municipalities indicates that HB 2072 could increase costs for cities that currently provide solid waste management services. It is not known, however, how many cities provide services and to what extent those cities have developed extraterritorial services. Therefore, it is not possible to quantify the bill’s costs to cities.

The Department of Health and Environment indicates that the bill could increase costs for local governments. Nine regional landfills are owned and operated by eight counties and one

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city. These landfills provide a place for 22 additional counties to dispose of their municipal solid waste. Other services such as recycling, e-waste, and household hazardous waste services are often provided through interlocal agreements. While these services would be temporarily protected under the grandfathering provision, the terms of operations could change over time, and it is uncertain as to whether routine minor changes would constitute a need to carry out the public notice and hearing process. Any public notice and hearing costs would be paid by local governments.

The bill would also require local governments to adopt resolutions whenever a natural disaster occurs and mutual aid is to be provided to a neighboring jurisdiction related to the collection and management of debris. In a typical disaster, numerous local governments may provide aid in the way of vehicles, staff, and other equipment that would be subject to this requirement. The requirement in the bill to adopt a resolution could affect response time. Any fiscal effect associated with HB 2072 is not reflected in *The FY 2014 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", written in a cursive style.

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Melissa Wangemann, KAC
Larry Baer, LKM
Aaron Dunkel, KDHE