

ANALYSIS OF HB 1657

*House Agriculture & Ecology Committee
1997*

February 13,

BACKGROUND:

The Utility Transportation Commission (UTC) regulates the rates of all solid waste collection companies operating in the unincorporated area of a county and some collection companies operating in cities and towns. Solid waste collection companies regulated by the UTC have exclusive authority to operate in areas specified by the UTC.

The UTC is required under state law not to alter or adjust certain costs incurred by solid waste collection companies. These pass-through- costs include landfill disposal costs, disposal taxes, and certain costs relating to implementing a local solid waste management plan.

The UTC does not have authority to regulate the rates charged at a landfill. The UTC is required, using its affiliated interest authority, to set allowable collection rates based, in part, on profits made from by the owner of a landfill when specific criteria are met. This affiliated interest provision occurs when: (1) a company that owns a solid waste landfill receives solid waste from a collection company that it also owns; (2) the landfill service is not overseen by a public entity; and (3) the solid waste collection company is regulated by the UTC.

SUMMARY:

The UTC is directed to pass-through disposal charges for companies that have an affiliated interest in the collection and disposal of solid waste if the total cost of disposal is equal to or lower than the cost of other reasonably available disposal options.

Note: The bill, as written, may affect all landfills, not just those landfills for which an affiliated interest exists. The proponents of the bill will offer an amendment to limit the effect of this bill to affiliated interests.