

Department of Legislative Services  
Maryland General Assembly  
2017 Session

FISCAL AND POLICY NOTE  
Enrolled - Revised

House Bill 1300

(Charles County Delegation)

Environment and Transportation

Education, Health, and Environmental Affairs

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Charles County - Garbage Disposal Services - Provider Displacement

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This bill establishes certain procedures that must be followed in Charles County if the county commissioners decide to provide garbage disposal services that result in the displacement of a current service provider. The procedures include a requirement that the county government provide displaced private contractors a “buy-out” fee that equals the gross receipts that the private contractor received for providing the garbage collection services in the county for the preceding 12-month period.

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Fiscal Summary

**State Effect:** None.

**Local Effect:** Charles County expenditures may increase by a significant amount in future years to the extent the county government decides to provide garbage collection services to county residents and businesses. Under current law, the county government does not have to provide displaced private contractors with a “buy-out” fee in order to implement garbage collection services within the county. Depending on the extent to which the county intends to initiate garbage collection services in future years, the “buy-out” fees could be potentially significant. **This bill imposes a mandate on a unit of local government.**

**Small Business Effect:** Potential meaningful.

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Analysis

**Bill Summary:** In Charles County, before taking any action that results in the displacement of a person that has been providing garbage collection, removal, or disposal services in the county, the county commissioners must (1) hold at least one public hearing

on the advisability of the county providing the garbage collection, removal, or disposal services and (2) provide notice of the hearing to each person that provides the services in the county, in writing sent by first-class mail at least 45 days before the hearing, and to the public, by publishing a notification in a newspaper of general circulation in the county once each week for two successive weeks before the hearing.

Within one year after the public hearing, and at least three years before any displacement, the county commissioners must provide written notice by registered mail of the displacement to the person providing the garbage collection, removal, or disposal services.

Charles County is authorized to begin providing garbage collection, removal, or disposal services or contract with another person to provide the services less than four years after providing the specified notice if (1) the county pays the displaced person that has been providing the services an amount equal to the person's gross receipts for providing the services in the county for the preceding 12-month period; (2) the county commissioners and the person that has been providing the services agree to a different notice period or compensation amount; or (3) the person stops providing the services in the county.

Displacement is defined as the provision of garbage collection, removal, or disposal services by a county government in a manner that precludes a private person that has been providing the services and is licensed and inspected by the Charles County Health Department from continuing to provide the services.

Displacement does not include circumstances in which (1) a county government does not renew a contract for garbage collection, removal, or disposal services and, at the end of the contract term, provides the services itself or contracts with another person to provide the services; or enters into a contract with another person to provide other garbage collection, removal, or disposal services; (2) the person that has been providing the garbage collection, removal, or disposal services has acted in a manner threatening to public health or safety; has acted in a manner resulting in a substantial public nuisance; has committed a material breach of a contract for garbage collection, removal, or disposal services; refuses to continue to provide garbage collection, removal, or disposal services under the terms and conditions of an existing agreement; or has been authorized to provide garbage collection, removal, or disposal services under a license or permit that will expire and not be renewed; or (3) a majority of the property owners in the service area request in writing that the county government take over the garbage collection, removal, or disposal services.

**Current Law/Background:** In Charles County, it is the responsibility of the homeowners to contract with private garbage disposal providers for the removal of residential refuse. Homeowners can also take refuse to one of the county's landfills. Charles County does not provide residential trash pick-up. The towns of Indian Head and La Plata provide trash collection services to town residents. There are currently 13 permitted residential trash

haulers, including the towns of Indian Head and La Plata, in Charles County. These haulers are inspected and licensed annually by the Charles County Health Department to haul residential waste.

**Local Fiscal Effect:** Charles County expenditures may increase by a significant amount in future years to the extent the county government decides to provide garbage collection services to county residents and businesses. Under current law, the county government does not have to provide private contractors with a “buy-out” fee in order to implement garbage collection services within the county. Depending on the extent to which the county intends to initiate garbage collection services in future years, the “buy-out” fees could be potentially significant.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Charles County; Department of Legislative Services

**Fiscal Note History:** First Reader - March 13, 2017  
mm/tso Third Reader - March 21, 2017  
Enrolled - May 5, 2017  
Revised - Amendment(s) - May 5, 2017

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