



2013 ASSEMBLY BILL 376

September 17, 2013 - Introduced by Representatives MILROY, MURSAU, DOYLE, BEWLEY, SMITH, CLARK, WACHS and HULSEY, cosponsored by Senators JAUCH and SHILLING. Referred to Committee on Environment and Forestry.

- 1 **AN ACT to amend** 289.41 (6) (a); and **to create** 289.41 (6) (m) of the statutes;
2 **relating to:** the net worth method of providing proof of financial responsibility
3 for certain solid waste facilities.

Analysis by the Legislative Reference Bureau

Current law requires the operator of a solid waste facility to provide proof of financial responsibility for the costs of the care, maintenance, and monitoring of the facility after it is closed. Instead of providing proof of financial responsibility by providing a bond, escrow account, or letter of credit, a company may establish the proof through what is called the net worth method, that is, by showing that the company complies with specified financial criteria, including having a net worth of at least \$10,000,000. One of the other criteria requires a specified ratio of net fixed assets to total tangible assets. Current law provides exceptions or alternatives to some of the financial criteria in specified circumstances.

This bill provides alternate financial criteria for using the net worth method of providing proof of financial responsibility for a company that does not satisfy the current criterion for the ratio of net fixed assets to total tangible assets but that satisfies the other current financial criteria. The alternate criteria may be used by a company that operates a solid waste facility that processes waste wood if more than 50 percent of the waste wood is processed to be used for energy recovery (fuel). The

