

SENATE BILL REPORT

ESB 6411

AS PASSED SENATE, FEBRUARY 14, 1994

Brief Description: Changing provisions relating to regulation of securities issued by regulated utilities and transportation companies.

SPONSORS: Senators Sutherland and Ludwig; by request of Utilities & Transportation Commission

SENATE COMMITTEE ON ENERGY & UTILITIES

Majority Report: Do pass.

Signed by Senators Sutherland, Chairman; Ludwig, Vice Chairman; Hochstatter, McCaslin, Owen, Roach, A. Smith, Vognild, West and Williams.

Staff: Scott Huntley (786-7421)

Hearing Dates: February 2, 1994; February 3, 1994

BACKGROUND:

The Washington Utilities and Transportation Commission (UTC) regulates the provision of transportation and utility services to the general public for compensation. Utility or transportation companies may issue stocks, bonds, or other securities if the UTC approves the issuance. The company must apply to the UTC for approval to issue securities; the company may appeal a negative decision by the UTC. There are statutory requirements and limits on the issuance of securities by transportation and utilities companies.

SUMMARY:

A company that provides transportation or utility services to the public must file a notice with the UTC prior to issuing securities, but approval of the UTC is not required for the issuance. The issuance of securities must comply with existing statutory requirements and limitations.

Any armored car service that files the documents notifying the UTC of any issuance of securities is exempt from any further regulation by the UTC. Armored car services are specifically excluded from the definition of common carriers and contract carriers for the purposes of regulation of transportation companies under Title 81 RCW.

Appropriation: none

Revenue: none

Fiscal Note: requested January 27, 1994

TESTIMONY FOR:

This is a very small regulatory reform measure. The requirement for UTC approval of the issuance of securities is an old, redundant requirement in statute. This bill will allow the reduction of one-half position on the commission staff.

TESTIMONY AGAINST: None

TESTIFIED: Tim Sweeney, Utilities and Transportation Commission