

# SENATE BILL REPORT

## SHB 1596

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As Reported By Senate Committee On:  
Government Operations, March 27, 1997

**Title:** An act relating to state-issued solid waste collection certificates in cities and towns.

**Brief Description:** Concerning the transfer of solid waste regulatory authority back and forth between cities and the utilities and transportation commission.

**Sponsors:** House Committee on Government Administration (originally sponsored by Representatives D. Schmidt, Dunshee, Gardner, L. Thomas and Dunn).

**Brief History:**

**Committee Activity:** Government Operations: 3/27/97 [DP].

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### SENATE COMMITTEE ON GOVERNMENT OPERATIONS

**Majority Report:** Do pass.

Signed by Senators McCaslin, Chair; Hale, Vice Chair; Anderson and Horn.

**Staff:** Kathleen Healy (786-7403)

**Background:** When a city or town incorporates, or territory is annexed into a city or town, this action cancels an existing public franchise or permit to operate any public transportation, garbage collection or disposal or other similar public service business or facility within the limits of the incorporation or annexation. The city or town shall grant the holder of the canceled franchise a franchise to continue the business within the new incorporation or annexation for five years or the remaining amount of the original franchise or permit, whichever is shorter.

The city or town may not allow similar or competing services unless it can show that the holder of the canceled permit or franchise cannot or will not adequately service the area at a reasonable price. The city or town may purchase the business or facilities.

If any holder of a canceled franchise or permit suffers any measurable damages as a result of the incorporation or annexation, it shall have a right of action against the city or town.

Concern has been expressed that some ambiguities exist, raising questions such as whether the Washington Utilities and Transportation Commission (UTC) has authority to continue its regulation of solid waste companies if a city or town fails to act on these issues after an incorporation or annexation.

**Summary of Bill:** Upon incorporation or annexation of an area, UTC continues to regulate solid waste collection within the limits of the city or town. The regulation continues until the city or town notifies UTC, in writing, of its decision to contract for solid waste collection or provide such services itself.

The holder of the canceled franchise or permit must be granted a franchise to continue the business within the incorporated or annexed area for the remaining amount of the original franchise, or not less than seven years, whichever is shorter. The city or town must not allow similar or competing service unless it can show the franchise is unable or unwilling to adequately service the incorporated territory at a reasonable price. The city or town may purchase the business or facilities.

Any holder of a canceled franchise who suffers any measurable damages as a result of the incorporation or annexation has a right of action against the city or town causing such damages.

Provision is made for solid waste collection in the event that the city, town, or combined city-county elects to cease controlling such service itself. UTC issues a certificate to the last holder of a valid certificate for the area reverting back to UTC regulation. UTC considers new applications if there is no previous certificate issued or the previous holder received compensation for its certificate rights.

Clarifying amendments are made.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** The proponents supported the Senate version and support this bill. This bill will allow the UTC to continue to oversee solid waste collection, and takes care of concerns that might slip through the cracks.

**Testimony Against:** There is concern about the expansion from five years to seven. The companies can amortize their equipment for the five-year period.

**Testified:** Jim Boldt, Rabanco (pro); Teresa Osinski, WUTC (pro); Jim Justin, ACW (con).