

# SENATE BILL REPORT

## SSB 5670

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As Passed Senate, March 19, 1997

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

**Brief Description:** Regulating solid waste collection certificates in effect within cities and towns.

**Sponsors:** Senate Committee on Government Operations (originally sponsored by Senators McCaslin, Haugen and Roach; by request of Utilities & Transportation Commission).

**Brief History:**

**Committee Activity:** Government Operations: 2/20/97, 3/4/97 [DPS, DNP].  
Passed Senate, 3/19/97, 49-0.

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### SENATE COMMITTEE ON GOVERNMENT OPERATIONS

**Majority Report:** That Substitute Senate Bill No. 5670 be substituted therefor, and the substitute bill do pass.

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

**Minority Report:** Do not pass.

Signed by Senator Swanson.

**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 remainder of the term 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, the UTC continues to regulate solid waste collection within the limits of the city or town. The regulation continues until the city or town notifies the 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 franchisee 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. The UTC issues a certificate to the last holder of a valid certificate for the area reverting back to UTC regulation. The 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:** This is an agency request bill. The system isn't working. Current law requires immediate cancellation of the permits, of which many cities are not aware. Haulers have a clear idea of their territories within a situation. The justification for having a length of time to continue the franchise is to allow companies to accommodate for expenditures they may have made relying on a contract. Five years creates more litigation.

**Testimony Against:** None.

**Testified:** PRO: Teresa Osinski, WUTC; Jim Boldt, RABAWCO; Scott D. Nelson, BFI; John Paul Jones, Washington Refuse and Recycling Association.