

***Local Government & Housing  
Committee***

***HB 1710***

***Brief Description:*** *Regulating franchise fees imposed upon solid waste businesses and services.*

***Sponsors:*** *Representatives Mielke, Mulliken, Schoesler, Armstrong, Pennington, Dunn, Boldt and Campbell.*

***Brief Summary of Bill***

- *Limits county and city solid waste and transportation business franchise fees to the cost of administrative expenses incurred by the city or county directly related to receiving and approving a permit, contract, license, and franchise, to inspecting plans and construction, or to the preparation of detailed statements pursuant to SEPA.*

***Hearing Date:*** *2/19/01*

***Staff:*** *Scott MacColl (786-7106).*

***Background:***

*Cities, and towns have authority to establish solid waste handling systems, either through the city or by contract with a private solid waste carrier. Counties do not have the authority to provide its own solid waste collection. Cities, towns, and counties also have the authority to construct, lease or acquire facilities for solid waste handling, and the authority to manage, regulate, operate, and establish the rates and charges for those systems. Cities, towns, and counties also have the authority to enter into agreements with public or private parties to perform any of these activities.*

*The Utilities and Transportation Commission regulates solid waste collection businesses in unincorporated areas of the state. The commission is required to supervise and regulate every solid waste company by fixing and altering its rates, charge, classification, rules and regulations. All charges known and measurable costs related to implementation of the approved county or city comprehensive solid waste plan are included in the base for the*

*collection rates. Companies are required to receive a certificate from the commission declaring that public convenience and necessity require such operation. The certificate designates a certificate holder to operate in an unincorporated territory of the state.*

*Cities and towns have the authority to license generally, and to fix and collect a license tax for the purpose of revenue and regulation. Cities and towns have the authority to permit and regulate and to grant non-exclusive franchises for the use of streets for public service purposes.*

*Cities and towns are restricted from imposing a franchise fee or any other fee or charge on a electricity, gas, or telephone business except a) a fee that is charged to such businesses that recovers actual administrative expenses incurred by the city or town that are directly related to receiving and approving a permit, license, and franchise, to inspecting plans and construction, or preparing a statement under the State Environmental Policy Act; or b) taxes permitted by state law on service providers (i.e. municipal utility tax, E-911 per line telephone tax).*

***Summary of Bill:***

*Franchise fees charged on solid waste collection or transportation businesses by cities, towns, and counties are limited to the amount necessary to recover actual administrative expenses incurred that are directly related to receiving and approving a permit, contract, license, and franchise to a solid waste business; to inspecting plans and construction; or to the preparation of a detailed statement under the State Environmental Policy Act.*

***Appropriation:*** None.

***Fiscal Note:*** Available.

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