

# SENATE BILL REPORT

## ESB 6126

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As Passed Senate, March 10, 2001

**Title:** An act relating to clarifying that public utility districts are not authorized to engage in the business of repairing electrical appliances other than those they sell or lease.

**Brief Description:** Clarifying that public utility districts are not authorized to engage in the business of repairing electrical appliances other than those they sell or lease.

**Sponsors:** Senator Zarelli.

**Brief History:**

**Committee Activity:** Economic Development & Telecommunications: 2/28/01 [DP].  
Passed Senate: 3/10/01, 37-12.

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### SENATE COMMITTEE ON ECONOMIC DEVELOPMENT & TELECOMMUNICATIONS

**Majority Report:** Do pass.

Signed by Senators T. Sheldon, Chair; B. Sheldon, Vice Chair; Brown, Fairley, Finkbeiner, McCaslin, Rossi and Stevens.

**Staff:** Andrea McNamara (786-7483)

**Background:** In 1998, the Attorney General issued an opinion in response to a request from the State Auditor regarding the statutory authority of public utility districts (PUDs) to engage in certain kinds of activities. The request from the auditor inquired about whether PUDs have authority to provide a variety of enumerated services, and the opinion addressed them in four separate categories.

In one category of services, the Attorney General's Opinion examined whether PUDs have authority under current law to provide electrical appliance repair services. The opinion concluded that the sale of electrical appliances by municipal utilities, including PUDs, has been a long-standing practice known to the Legislature and within their express authority. It also concluded that a PUD selling or leasing electrical appliances would have the implied authority to provide for the repair of such appliances.

The opinion found that PUDs lack the statutory authority to engage in the business of repairing electrical appliances other than those sold or leased by the district. The Attorney General found that such activity would amount to a separate business beyond the authority of a PUD.

**Summary of Bill:** Nothing in the existing public utility district (PUD) chapter of laws may be construed to authorize PUDs to engage in the business of repairing electrical appliances other than those sold or leased by the district. Existing guaranteed utility service programs may continue.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** This issue has created conflict within the business community in Clark County, and it's time to clarify the statute in accordance with the AG Opinion. PUDs need to be kept within their statutory boundaries, on this and other issues such as telecommunications.

**Testimony Against:** None.

**Testified:** Senator Joseph Zarelli, prime sponsor; Jim Boldt, Clark PUD (neutral); Rosemary Williamson, Verizon (pro).