

HOUSE BILL REPORT

HB 1410

As Reported by House Committee On:
Commerce & Labor

Title: An act relating to maintenance and repair of electrical appliances by a public utility district that provides electrical service.

Brief Description: Authorizing certain PUDs to operate an electrical appliance repair service.

Sponsors: Representatives Fromhold, Delvin, Conway, Moeller, Wallace, Sullivan and Kenney.

Brief History:

Committee Activity:

Commerce & Labor: 2/12/03, 3/3/03 [DP].

Brief Summary of Bill

- Authorizes certain public utility districts to operate electrical appliance repair services.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass. Signed by 5 members: Representatives Conway, Chair; Wood, Vice Chair; Hudgins, Kenney and McCoy.

Minority Report: Do not pass. Signed by 4 members: Representatives Chandler, Ranking Minority Member; Condotta, Assistant Ranking Minority Member; Crouse and Holmquist.

Staff: Jill Reinmuth (786-7134).

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 activities. The opinion examined whether PUDs have statutory authority to provide electrical appliance repair services as well as several other activities.

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 is 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 statutory authority to engage in the business of repairing electrical appliances other than those sold or leased by the district. The Attorney General explained that such activity would be a separate business beyond the authority of a PUD.

In 2002 a superior court granted summary judgment in favor of the plaintiffs in an action against Clark Public Utilities. The superior court declared that Clark Public Utilities does not have statutory authority to engage in the business of repairing electrical appliances other than those it sells or leases, and permanently enjoined Clark Public Utilities from engaging in this business. Clark Public Utilities subsequently appealed the superior court's decision. The appeal is currently pending.

Summary of Bill:

Certain PUDs are authorized to operate an electrical appliance repair service. These PUDs must be located in a county that has a contiguous border with Oregon, and a population of 340,000 or more. These PUDs also must provide electrical, water, and sewer services.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: Clark Public Utilities has operated an appliance repair service for more than 50 years. Its authority to operate this repair service has been questioned. This bill would clarify its authority to continue providing this repair service. This repair service is of special concern to senior citizens in Clark County. It is not subsidized.

In the 1940s Clark Public Utilities was advised by its legal counsel that it could operate this repair service. The Attorney General later issued an opinion which said Clark Public Utilities could repair only those appliances which it also sold. Yet public utilities have broad authority to sell electrical appliances, and their authority is to be liberally construed.

If this bill passes, just one public utility will provide appliance repair services. If this bill does not pass and the court decision is not favorable, Clark Public Utilities will start selling appliances so that it can continue repairing them.

Testimony Against: Private businesses offer appliance repair services in Clark County. Whether appliance repair services are subsidized by other Clark Public Utilities services should be clarified. Persons who cannot afford private services call Clark Public Utilities. It is not clear how Clark Public Utilities can offer appliance services for less than private businesses can.

Testified: (In support) Representative Fromhold, prime sponsor; Jim Boldt, Clark Public Utilities; and Mark Anderson, International Brotherhood of Electrical Workers, Local 125.

(Opposed) Gary Smith, Independent Business Association; and Mark Johnson, National Federation of Independent Business.