
**Technology, Energy & Communications
Committee**

HB 1140

Brief Description: Authorizing towns to provide high-speed internet service.

Sponsors: Representatives Pearson, Kristiansen and Hudgins.

Brief Summary of Bill

- Authorizes a town to provide high-speed internet service if the town establishes by ordinance that no other private provider offers such services in their community.

Hearing Date: 2/1/11

Staff: Kara Durbin (786-7133).

Background:

There are several classifications of cities and towns under Washington law: (1) first class cities; (2) second class cities; (3) code cities; (4) unclassified cities; and (5) towns. A town is defined as a community with a population of less than 1,500 at the time of organization.

Generally, the powers of cities and towns are limited to those powers that are: (1) expressly granted by statute or by the constitution; (2) necessarily implied in or incident to powers expressly granted; and (3) essential to the declared purposes and objects of the municipal corporation. However, this general rule does not apply to first class cities and code cities. These municipalities have "home rule powers," which do not need express or implied statutory authority to enact local legislation.

According to a 2003 Attorney General Opinion, first class cities and code cities may provide telecommunications services as part of their "home rule powers," except as may be limited by specific statutory language governing particular services. Second class cities and towns,

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however, do not have the authority to provide telecommunication services, including high-speed internet service.

Summary of Bill:

A town may construct, purchase, lease, operate and maintain high-speed internet service or facilities if the town establishes by ordinance that no other private provider offers such services in their community.

In order to provide high-speed internet services, the town must enact an ordinance indicating: (1) the proposed geographical area or areas that will be provided service; (2) the general business plan for providing high-speed internet service; (3) the proposed funding source that will be used to pay for the operation and maintenance of the infrastructure and facilities of the high-speed internet services; (4) the estimated cost to taxpayers; and (5) that a separate account has been established for any revenues and expenditures for those services, consistent with standards established by the State Auditor.

Any revenues received from the provision of high-speed internet service by a town must be used to pay off the costs incurred in building and maintaining the high-speed internet facilities.

The ordinance is subject to a referendum of the people, if a petition is brought by four percent or more of the voters in the high-speed internet area within 45 days of when the ordinance was passed.

A town's authority to provide high-speed internet service expires one year after a determination is made by the Department of Information Services that high-speed internet service is offered in the town by a private provider.

Appropriation: None.

Fiscal Note: Not requested.

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