

SENATE BILL REPORT

SB 6110

As of January 17, 2012

Title: An act relating to fees and charges related to the operation of sewerage systems operated by the county.

Brief Description: Regulating fees and charges related to the operation of sewerage systems operated by the county.

Sponsors: Senator Carrell.

Brief History:

Committee Activity: Government Operations, Tribal Relations & Elections: 1/19/12.

SENATE COMMITTEE ON GOVERNMENT OPERATIONS, TRIBAL RELATIONS & ELECTIONS

Staff: Karen Epps (786-7424)

Background: Cities and towns have the authority to permit, regulate, and 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 an electricity, gas, or telephone business, except under the following circumstances:

- a fee 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, or franchise; inspecting plans and construction; or preparing a statement under the State Environmental Policy Act;
- taxes permitted by state law on service providers;
- franchise requirements and fees for cable television services; and
- a site-specific charge as part of an agreement between a city or town and a service provider of personal wireless services.

Summary of Bill: No city, code city, or town may impose a franchise fee or any other fee or charge upon a county in connection with a franchise in order to allow the use of the right-of-way when the purpose of the franchise is to allow the county to construct, own, operate, or maintain a sewerage system. No city or town may impose a fee or charge for forgoing the right to establish a sewerage system, the promise not to compete with a county sewerage system by establishing their own sewerage system, or forgoing the right to assume all or part of a county sewerage system pursuant to an annexation.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

No city or town may impose any fee or charge in relation to, or in conjunction with, a franchise agreement with a county relating to the county's ability to construct, own, operate, or maintain a sewerage system unless the fee or charge compensates the city or town for its reasonable costs, expenses, and obligations actually incurred or contracted that are directly related to, and which benefit, the area which the county proposes to serve. Any fee or charge that compensates the city or town for its reasonable costs, expenses, and obligations must be put into a dedicated account and used for its reasonable costs, expenses, and obligations.

When a county has established a sewerage system in part of or throughout all of a city or town, the city or town may not impose a fee or charge in relation to or in conjunction with the county's franchise agreement relating to sewerage systems, including a fee in exchange for the city or town's promise not to compete with the county in any part of the town or city, unless the fee is directly related to its reasonable costs, expenses, and obligations actually incurred or contracted that are directly related to and which benefit the area which the county is serving.

The right to assume a sewerage system cannot be used by the city or town to impose a fee or charge onto a county in relation to or in conjunction with a franchise agreement relating to sewerage systems, including a fee in exchange for the city or town's promise not to compete with the county in the newly annexed area, unless the fee is directly related to its reasonable costs, expenses, and obligations actually incurred or contracted that are directly related to, and that benefit, the area that is being annexed and the county it is serving.

Appropriation: None.

Fiscal Note: Requested on January 16, 2012.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.