

Date of Hearing: June 16, 2026

ASSEMBLY COMMITTEE ON JUDICIARY
Ash Kalra, Chair
SB 1371 (Durazo) – As Amended April 13, 2026

SENATE VOTE: 29-9

SUBJECT: SOLID WASTE HANDLING SERVICES: LABOR DISPUTE

SYNOPSIS

In 2022, portions of San Diego County, including the entirety of Chula Vista, were without waste collection services during the pendency of a labor dispute between the region's contracted waste hauler, Republic Services, and the company's unions. This was not an isolated incident. In July 2025, waste collection services were significantly impacted in the City of Stockton where residents and small businesses saw dramatic reductions in waste collection when Republic Services and its union operating in the Stockton area were in the midst of a labor dispute. Both incidents were the result of force majeure provisions in the contracts between Republic Services and the impacted municipalities that essentially waived any responsibility for the company to provide waste collection services during a labor dispute. Beyond the sanitation and public health impacts, some of the proponents contend that these provisions unfairly increase public pressure on everyday working Californians seeking to avail themselves of their rights to negotiate fair pay and benefits.

To ensure that the trash is actually picked up, this bill would ban new force majeure provisions related to labor disputes in all future franchise agreements entered into between local governments and waste handling service providers. The bill would also render any existing force majeure provisions of this nature void and unenforceable.

This bill is sponsored by Teamsters California and is supported by the California Federation of Labor Unions and a local chamber of commerce. The proponents note that the impacts of delayed or discontinued waste collection services can quickly escalate from a minor inconvenience to a public health crisis. The proponents argue that by requiring waste collection service providers to maintain service during a labor dispute, the risk to the public will not unreasonably impact labor negotiations. This bill is opposed, unless amended, by several of the nation's largest waste collection service providers who would prefer the adoption of a statutory outline of how local governments are to respond during a discontinuation of waste collection services. The bill is also opposed by several regional business organizations who fear the impact to small businesses from labor disputes between waste haulers and their employees.

SUMMARY: Prohibits and deems any force majeure provisions in a franchise contract, license, or permit for solid waste handling services void and unenforceable to the extent that it excuses or suspends performance due to a work stoppage arising out of or in connection with a labor dispute. Specifically, **this bill:**

- 1) Prohibits, in order to promote the public health, safety, and general welfare, a franchise contract, license, or permit for solid waste handling services that is entered into or substantially amended by a local agency on or after January 1, 2027, from including a force majeure provision that excuses or suspends the service provider's obligation to perform

under the franchise contract, license, or permit in the event of a work stoppage arising out of or in connection with a labor dispute.

- 2) Provides that any force majeure provision in a franchise contract, license, or permit for solid waste handling services is void and unenforceable, regardless of the date on which the contract, license, or permit was entered into, to the extent that it excuses or suspends performance due to a work stoppage arising out of or in connection with a labor dispute.
- 3) Defines the following terms:
 - a) “Substantially amended” means a mutually agreed upon change to a majority of the material terms of a franchise contract, license, or permit for solid waste handling services;
 - b) “Solid waste handling services” has the same meaning as provided in the Public Resources Code related to resource recovery and waste management; and
 - c) “Labor dispute” has the same meaning as defined in the Code of Civil Procedure provisions related to collective bargaining.
- 4) Adopts a severability clause.
- 5) Adopts various findings and declarations.

EXISTING LAW:

- 1) Authorizes cities and counties to make and enforce within its limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws. (Cal. Const. article XI, Section 7.)
- 2) Requires local agencies to make adequate provision for solid waste handling within their jurisdictions and in response to regional needs, consistent with state policies, standards, and requirements. (Public Resources Code Section 40002.)
- 3) Authorizes a local agency to make the following determinations related to solid waste handling:
 - a) Aspects of solid waste handling which are of local concern, including frequency of collection, means of collection and transportation, level of services, charges and fees, and nature, location, and extent of providing services; and
 - b) Whether services are provided by nonexclusive, partially exclusive, or wholly exclusive franchise, contract, license, permit, or otherwise, either with or without competitive bidding. (Public Resources Code Section 40059.)
- 4) Authorizes the legislative body of any public or municipal corporation or district to contract with and employ any persons for the furnishing to the corporation or district special services and advice in financial, economic, accounting, engineering, legal, or administrative matters if such persons are specially trained and experienced and competent to perform the special services required. (Government Code Section 53060.)

- 5) Defines “labor dispute” as any controversy concerning terms or conditions of employment, or concerning the association or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of employment regardless of whether or not the disputants stand in the proximate relation of employer and employee. (Code of Civil Procedure Section 527.3.)
- 6) Defines “solid waste handling services” as the collection, transportation, storage, transfer, or processing of solid waste. (Public Resources Code Section 40195.)
- 7) Defines, in the context of mortgages, “force majeure” to mean an event that was unforeseeable at the time the sale was scheduled that is outside of the trustee’s control and renders completion of the sale impossible or impractical. (Civil Code Section 2924g (f).)

FISCAL EFFECT: As currently in print this bill is keyed fiscal.

COMMENTS: In recent years several cities across California have seen their solid waste collections temporarily cease as a result of labor disputes between the local agency’s contracted solid waste collection and handling services provider and the unions representing the provider’s employees. In several of these instances, the solid waste handling services used the cessation of services, and corresponding accumulation of trash, to mount public relations campaigns to pressure the union into relenting and agreeing to a less favorable labor agreement. Underlying the cessation of services are force majeure provisions embedded within the contracts between the waste services provider and a local government deeming a labor dispute a force majeure thus permitting the cessation of waste hauling services.

Seeking to ensure that the trash is collected, this bill would ban future force majeure provisions in waste contracts and deem any existing provisions void and unenforceable. In support of this bill, the author states:

SB 1371 closes the gap in existing law by prohibiting solid waste franchise contracts, permits, and licenses from including force majeure provisions that excuse or suspend a waste hauler’s obligations during a work stoppage arising out of a labor dispute. The bill applies this prohibition prospectively to contracts entered into or amended on or after January 1, 2027. It also provides that any such provision in an existing contract is void and unenforceable to the extent it excuses or suspends performance due to a labor dispute, regardless of when the contract was executed. This ensures that companies entrusted with providing essential public health services remain accountable for meeting their contractual obligations during labor disputes. The bill narrowly targets force majeure provisions invoked in the context of labor disputes only, preserving force majeure protections for traditional, unforeseeable events beyond a party’s control, such as natural disasters. By rendering labor-dispute force majeure provisions void as a matter of state law, SB 1371 removes the ability of waste haulers to shift the operational and public health consequences of a labor dispute onto local governments and the communities they serve.

Using force majeure provisions several waste services providers have sought to leverage the public relations nightmare that results from a cessation of trash collection services to leverage gains in employment negotiations. For most Californians, solid waste collection is little more than an afterthought – they place trash bins on the curb once a week and the trash is picked up by their local government or a waste services provider hired by the local government to do the work. However, when trash collection ceases, the implications for public health can accumulate

quickly. Unless collected and properly disposed of in an appropriate manner, deteriorating food and other waste can attract vermin and the stench can quickly overpower the environment. Unsurprisingly, residents can quickly turn on local officials when basic services cease to operate.

While many of California's large jurisdictions manage solid waste services within city government, most smaller cities contract the services to one of several large national waste collection providers. In recent years it has come to light that some of these contracts contain force majeure provisions that permit the private company to cease waste collection services should the company and its labor force reach an impasse on a contract. Indeed, in 2022, the City of Chula Vista saw trash go uncollected and public health conditions deteriorate significantly when 250 employees of its contracted waste services provider, Republic Services, went on strike. (Tammy Mugra, *Proposed legislation inspired by Chula Vista trash strike would make companies, not cities, liable during walkouts*, San Diego Union Tribune (Mar. 26, 2023) available at: <https://www.sandiegouniontribune.com/2023/03/26/proposed-legislation-inspired-by-chula-vista-trash-strike-would-make-companies-not-cities-liable-during-walkouts/>.) Similarly, last summer the City of Stockton saw waste collection services interrupted for nearly two weeks when another set of Republic Services employees went on strike seeking fair pay and benefits. (Chris Woodward, *Feasting rats, legal threats: Stockton's not alone in Republic Services trash strike*, Stocktonia (July 16, 2025) available at: <https://stocktonia.org/news/business/2025/07/16/stocktons-not-alone-in-republic-services-trash-strike/>.) In Stockton, some media reports indicated the company seemed to try and blame the City and the workers for the fiasco. (*Ibid.*)

In both Chula Vista and Stockton, angry members of the public prompted local officials to act. The Stockton worker's dispute with Republic Services appears to have been resolved only after the City's mayor sought to publicly shame the company and demand compensation for residents. (Anahita Jaffery, *Stockton residents face trash pile-up amid garbage collection strike*, KCRA News (July 15, 2025) <https://www.kcra.com/article/stockton-trash-pile-up-garbage-collection-strike/65418743>.) Regardless of the reasonableness of any of the parties in either of the above discussed disputes, the experience in both Chula Vista and Stockton demonstrate the significant adverse impacts to public health posed by uncollected refuse.

This bill seeks to maintain public health by requiring that waste service providers continue to collect solid waste despite labor disputes. Seeking to ensure that labor disputes do not impact trash collection, this bill would ban the inclusion of force majeure clauses in contracts between local governments and waste service companies that list a "labor dispute" as a condition for the cessation of trash collection. The bill would apply to all new agreements and subsequently render existing provisions void and unenforceable. The bill cross references several definitions for "labor dispute" and "solid waste handling services" found elsewhere in state law to ensure consistency. The bill adopts a severability clause and makes the necessary findings such that the bill applies to all local governments across the state, including charter cities.

Maintaining waste services appears possible despite labor disputes. The measure is opposed, unless amended, by several waste service providers. The opposition seeks amendments to establish a "roadmap" for handling labor disputes within waste service providing companies. Those amendments would essentially require the local agency and waste service provider to adopt a contingency plan should a work stoppage occur that ensures that the trash is still picked up. The proponents of this measure, the advocates for the waste service workers, argue the

“roadmap” is really a scheme for authorizing so called “scab” workers, or the use of non-union workers to replace union employees conducting an employment action.

The proponents contend that the large national companies can manage work stoppages without the “roadmap” or the need to halt service. This point appears to have merit. In conversations with committee staff, the large waste services providers all noted that during times of labor strife staff from outside of California can be brought in to maintain service. Indeed, given California’s size some companies’ staff can even be reallocated from other areas of the state. This appears to be what occurred in Stockton. Although the service was dramatically curtailed and delayed it does not appear to have wholly ceased. (Anahita Jaffery, *Stockton residents face trash pile-up amid garbage collection strike*, *supra*.) Accordingly, while not ideal for the waste service providers, the bill in its current form appears to be logistically feasible.

The bill’s retroactivity provisions may implicate Contract Clause concerns. The opposition to this measure also objects to the retroactivity provisions and argue they violate the Contract Clause of the federal constitution. Article 1 Section 10 of the United States Constitution prohibits states from enacting laws, “impairing the Obligation of Contracts.” Despite the apparently hard and fast rule, case law provides state’s significant leeway to pass legislation impacting contracts through the valid use of state police powers.

The United States Supreme Court has held that as a threshold inquiry, the court must evaluate, “whether the state law “has ‘operated as a substantial impairment of a contractual relationship.” (*Home Building & Loan Association v. Blaisdell* (1934) 290 U.S. 398, 411.) To determine substantial impairment the court employs a three-part test, “whether there is a contractual relationship, whether a change in law impairs that contractual relationship, and whether the impairment is substantial.” (*General Motors Corp. v. Romein* (1992) 503 U.S. 181, 186.) As it relates to the first part of the test the court requires the dispute to surround whether there is a “contractual agreement regarding the specific . . . terms allegedly at issue.” (*Id.* at 187.) While several local officials, including those in Chula Vista, contend they were unaware of the force majeure’s presence (Tammy Mugra, *Proposed legislation inspired by Chula Vista trash strike would make companies, not cities, liable during walkouts*, *supra*.), such ignorance on the part of local officials is not likely to be an excuse to the first prong of test. However, it may shed light onto the second and the third. If the terms were so inconsequential that one party to the contract was not even aware of their existence, then their nullification may not impair the contract. Additionally, when looking at the third prong of the test of *substantial* impairment, the lack of a force majeure clause certainly appears to be of little consequence if one party was unaware. This is likely because the parties spent significantly more time focused on contract terms like duration, payments, and other critical issues to the waste service providers and the taxpayer’s bottom lines.

While the bill is unlikely to impose a substantial impairment on the contract, in the event the court were to find otherwise, a court would then determine if the bill, “is drawn in an appropriate and reasonable way to advance a significant and legitimate public purpose.” (*Sveen v. Melin* (2018) 138 S.Ct. 1815, 1821-1822.) Again, this bill appears to pass legal scrutiny, as one would assume protecting the public from trash collecting in the streets unabated is a legitimate public purpose. Although the bill almost certainly passes legal muster, and as a result evaluation under the final aspect of a Contract Clause analysis appears wholly unnecessary, the author may nevertheless *wish to consider an amendment to the bill to make the measure prospective.*

The Governor's veto of prior efforts to ensure waste services can continue despite labor strife.

While the bill appears legally sound, it may face political challenges. In response to the Chula Vista strike, the Legislature passed SB 751 (Padilla, 2023). However, that bill was ultimately vetoed by Governor Newsom who argued:

While I appreciate the author's intent to prevent disruptions in local waste hauling services, I do not believe a change to state law is necessary. Local jurisdictions voluntarily enter into franchise agreements and currently have the ability to negotiate amendments to such contracts without legislation.

For this reason, I cannot sign this bill.

It should be noted that this bill is slightly more narrow than SB 751, and the aforementioned Stockton strike occurred following the veto of SB 751. Both factors may demonstrate to the Governor that statewide action is now necessary and that this bill is a more appropriately scoped measure. However, it remains unclear if the Governor's view of this being a wholly local issue remains unchanged.

ARGUMENTS IN SUPPORT: This bill is sponsored by Teamsters California and is supported by the California Federation of Labor Unions and a local chamber of commerce. In support of the bill the Teamsters write:

Solid waste collection is an essential public health service relied upon by communities every day. Yet some solid waste companies insert force majeure provisions into franchise contracts that allow them to suspend service obligations during a work stoppage connected to a labor dispute. These provisions undermine workers' collective bargaining rights while also placing local governments and the public in an untenable position when service disruptions occur.

The consequences of this problem were illustrated during the 2023 Republic Services labor dispute affecting Chula Vista and other San Diego communities. During that dispute, sanitation workers honored picket lines as part of a broader labor action, and trash collection in Chula Vista was significantly delayed while negotiations continued. As a result, trash accumulated in neighborhoods across the city and local officials were forced to convene emergency meetings to address the growing sanitation concerns and community frustration. Because most cities operate under exclusive franchise agreements with a single waste hauler, local governments have limited options when service stops. If a contract allows a company to invoke force majeure during a labor dispute, the contractor may be relieved of its service obligations at precisely the moment when reliable waste collection is most critical to public health.

When franchise agreements contain these provisions, local governments are left with little practical leverage to ensure service continues. Cities cannot easily bring in a replacement hauler under an exclusive franchise structure, yet they remain responsible for addressing the public health consequences of accumulating waste. In effect, force majeure provisions shift the operational and political consequences of a labor dispute away from the company responsible for providing the service and onto local governments and the communities they serve.

This measure focuses solely on clarifying that force majeure provisions cannot be used to excuse performance during a labor dispute. The bill does not require cities or waste haulers to

reopen or renegotiate existing franchise agreements and instead simply provides that contractual provisions inconsistent with this rule are void and unenforceable. SB 1371 addresses the underlying policy concern while minimizing disruption to existing municipal franchise agreements.

ARGUMENTS IN OPPOSITION: This bill is opposed, unless amended, by a coalition of waste service providers including Waste Management, Republic Services, and Recology. A coalition letter submitted by the industry state:

These undersigned organizations oppose SB 1371 unless it is amended with clear language that allows for the establishment of mechanisms that provide a roadmap to address a work stoppage associated with a labor dispute.

Flexibility in contract terms is an important state principle as it allows for the creation of mechanisms to manage risks that are beyond the reasonable control of the parties. Flexibility does not in and of itself provide a “pass” or “get out of jail free” card to the obligor. The obligor must still make contractually obligated efforts to perform.

SB 1371 as currently drafted would create an unlevel playing field, resulting in significant cost burdens for local municipalities as the current balance in negotiation leverages would undoubtedly change, leading to increases in garbage bills for California residents.

Additionally, several regional and ethnic chambers of commerce oppose the measure. A coalition of these groups write:

Small businesses depend on reliable trash service to keep their properties clean, safe, and open for customers, workers, and the public. When waste collection is disrupted, the impacts are immediate. Overflowing dumpsters and trash enclosures can lead to odors, pests, sanitation concerns, blocked access, illegal dumping, customer complaints, employee frustration, and added cleanup costs. For restaurants, retailers, grocers, office buildings, and other high-volume businesses, even a short interruption in service can create real operational and financial harm.

SB 1371 would make trash service disruptions during labor disputes harder to prevent and harder to manage. The bill would invalidate certain existing contract protections related to labor-dispute-related work stoppages, prohibit those provisions in future or substantially amended solid waste contracts, and limit when local governments may issue sanitation, health, or safety orders requiring service during a lawful labor dispute.

REGISTERED SUPPORT / OPPOSITION:

Support

Teamsters California (sponsor)
California Federation of Labor Unions, AFL-CIO
Glendora Chamber of Commerce

Opposition

Aborn Powers, Inc.
Apartment Association of Greater Los Angeles
Apartment Association of Orange County

Apartment Owners Association of California
California Hispanic Chamber of Commerce
California Rental Housing Association
Greater Bakersfield Chamber of Commerce
Greater High Desert Chamber of Commerce
Greater San Fernando Valley Chamber of Commerce
Institute of Real Estate Management - Southern California Inland Empire
Santa Ana Chamber of Commerce
West Los Angeles Chamber of Commerce
Yuba Sutter Chamber of Commerce

Opposition (unless amended)

North San Diego Business Chamber
Recology
Republic Services
Resource Recovery Coalition of California
Waste Connections, Inc.
Waste Management

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