

SENATE THIRD READING
SB 1371 (Durazo)
As Amended August 6, 2026
Majority vote

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.

Major Provisions

- 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) 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.
- 3) Adopts a severability clause.
- 4) Adopts various findings and declarations.

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 contacts 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.

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.

Seeking to ensure that labor disputes do not impact trash collection, this bill bans 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 applies to all new agreements. 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.

Prior attempts to address the issue faced opposition from the governor. 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.

According to the Author

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.

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.

FISCAL COMMENTS

According to the Assembly Appropriations Committee:

- 1) Potentially reimbursable state-mandated local program costs (General Fund), to the extent the Commission on State Mandates determines the bill imposes a reimbursable mandate. The bill includes the standard subvention clause, so if the commission finds that the prohibition on labor-dispute force majeure provisions imposes a new program or higher level of service on local agencies, the state would be required to reimburse those costs. Whether the bill creates a reimbursable mandate, and in what amount, is unknown.
- 2) Potential cost pressure on the courts to adjudicate claims (Trial Court Trust Fund, General Fund). To the extent the void-and-unenforceable provision generates contract disputes between local agencies and haulers, the courts could experience minor cost pressures. Actual costs will depend on the number of cases filed and the amount of court time needed to resolve each case. It generally costs approximately \$1,000 to operate a courtroom for one hour. Although courts are not funded on the basis of workload, increased pressure on the Trial Court Trust Fund may create a demand for increased funding for courts from the General Fund. The state budget provides annual General Fund backfills to the Trial Court Trust Fund to offset revenue reductions, totaling approximately \$117.3 million in 2025-26.

VOTES**SENATE FLOOR: 29-9-2**

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener

NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Ochoa Bogh, Seyarto, Strickland, Valladares

ABS, ABST OR NV: Cabaldon, Niello

ASM JUDICIARY: 9-3-0

YES: Kalra, Bauer-Kahan, Bryan, Connolly, Harabedian, Pacheco, Papan, Stefani, Zbur

NO: Macedo, Dixon, Sanchez

ASM APPROPRIATIONS: 11-3-1

YES: Wicks, Arambula, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache

NO: Hoover, Dixon, Tangipa

ABS, ABST OR NV: Ta

UPDATED

VERSION: August 6, 2026

CONSULTANT: Nicholas Liedtke / JUD. / (916) 319-2334

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