

SENATE BILL REPORT

SB 5228

As Reported by Senate Committee On:
Transportation, February 16, 2009

Title: An act relating to recalculating day labor construction projects and programs.

Brief Description: Regarding day labor construction projects and programs.

Sponsors: Senators Haugen and Morton.

Brief History:

Committee Activity: Transportation: 1/26/09, 2/16/09 [DPS].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 5228 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chair; Marr, Vice Chair; Swecker, Ranking Minority Member; Becker, Berkey, Delvin, Eide, Jarrett, Kastama, Kauffman, Kilmer, King, Ranker and Sheldon.

Staff: Amanda Cecil (786-7429)

Background: County road construction projects may be completed through contracting out the work or, under specific criteria, the work may be completed by employees of the county, which is known as day labor. The amount of day labor a county may use is restricted based on the population and the size of the county road construction budget. For the purpose of calculating the allowed use of day labor, counties are separated into those with a population of less than 50,000 people and those with a population that is greater than or equal to 50,000 people. Additionally, they are broken into four categories based on the total amount of the county road construction budget.

Summary of Bill (Recommended Substitute): The term "day labor" is removed from the language and replace with "county forces."

For the purpose of calculating the amount of road construction that a county may do using county forces, counties are separated into four groups based on population and provided with a formula to determine the maximum amount:

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.

- Counties with less than 30,000 people may have no more than \$700,000, plus \$700,000 multiplied by the previous year's motor vehicle fuel tax distribution factor in construction programs completed by county forces.
- Counties with between 30,000 and 150,000 people may have no more than \$1.15 million, plus \$1.15 million multiplied by the previous year's motor vehicle fuel tax distribution factor in construction programs completed by county forces.
- Counties with between 150,000 and 400,000 people may have no more than \$1.75 million, plus \$1.75 million multiplied by the previous year's motor vehicle fuel tax distribution factor in construction programs completed by county forces.
- Counties with more than 400,000 people may have no more than \$3.25 million, plus \$3.25 million multiplied by the previous year's motor vehicle fuel tax distribution factor in construction programs completed using county forces.

EFFECT OF CHANGES MADE BY TRANSPORTATION COMMITTEE (Recommended Substitute): This bill was amended in committee to address concerns that were brought up by the labor community. The categories of counties were expanded from three to four to allow larger counties to perform additional work using county forces. The base amount for smaller counties was lowered and an inflator was added to those counties for January 1, 2012. The words "day labor" were removed from the bill and replaced with "county forces."

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: PRO: County budgets have grown and this will allow them flexibility in planning and delivery. Under current law, if a large construction project is pushed out, counties are at risk of overspending on day labor. This puts their motor vehicle fuel tax distribution for the next year at risk. By basing the amount allowed on a static factor, the counties can plan and implement projects with greater clarity and predictability.

OTHER: The bill is too complex. There is concern over maintaining contracting opportunities for small start up businesses. There needs to be additional information and clarity on what this bill does.

Persons Testifying: PRO: Gary Rowe, Washington Association of Counties; Jeff Monsen, County Road Administration Board; Jim Potts, Rural Counties.

OTHER: Van Collins, Association of General Contractors; David Johnson, Washington State Building Trades.