

# HOUSE BILL REPORT

## HB 2527

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### As Passed Legislature

**Title:** An act relating to revising certain day labor limits to account for inflation.

**Brief Description:** Revising certain day labor limits to account for inflation.

**Sponsors:** By Representatives Sullivan, Dunshee, Edwards, DeBolt, Reardon, Kirby, Cooper, Crouse, Mielke, Miloscia, Chase and Wood.

**Brief History:**

**Committee Activity:**

Local Government & Housing: 1/31/02 [DP].

**Floor Activity:**

Passed House: 2/15/02, 75-23.

Passed Senate: 3/7/02, 27-18.

Passed Legislature.

<p style="text-align: center;"><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>· Increases the day labor limit for first class cities, second class cities, and towns.</li></ul>
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### HOUSE COMMITTEE ON LOCAL GOVERNMENT & HOUSING

**Majority Report:** Do pass. Signed by 9 members: Representatives Dunshee, Chair; Edwards, Vice Chair; Berkey, Crouse, DeBolt, Dunn, Hatfield, Mielke and Sullivan.

**Minority Report:** Without recommendation. Signed by 1 member: Representative Mulliken, Ranking Minority Member.

**Staff:** Scott MacColl (786-7106).

**Background:**

First class cities may have public works performed by city employees in any annual or biennial budget equal to a dollar value not exceeding 10 percent of the public works construction budget over the budget period. All other public works contracts must be done by contract pursuant to public notice and call for competitive bids.

In addition to the 10 percent limitation on public works contracts, first class cities with at least 150,000 population are prohibited from having city employees perform a project in excess of \$50,000, if more than a single craft or trade is involved, or \$25,000, if only a single craft or trade is involved.

In addition to the 10 percent limitation on public works contracts, first class cities with less than 150,000 population are prohibited from having city employees perform public works projects in excess of \$35,000 if more than a single craft or trade is involved, or \$25,000 if only a single craft or trade is involved.

Second class cities or towns may have public works performed by contract or day labor without going to bid for projects estimated at no more than \$35,000 if more than one craft or trade is involved, or \$20,000 if only one craft or trade is involved.

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**Summary of Bill:**

The day labor limit for first class cities with over 150,000 population is raised to \$70,000 if more than one trade or craft is involved, and \$35,000 if only one trade or craft is involved. As of January 1, 2010, the limits are raised to \$90,000, and \$45,000, respectively.

The day labor limit for first class cities with under 150,000 population is raised to \$50,000 if more than one trade or craft is involved, and \$30,000 if only one trade or craft is involved. As of January 1, 2010, the limits are raised to \$65,000, and \$40,000, respectively.

Second class cities and towns day labor limits are raised to \$45,000 if more than one trade or craft is involved, and \$30,000 if only one trade or craft is involved. As of January 1, 2010, the limits are raised to \$60,000, and \$40,000, respectively.

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**Appropriation:** None.

**Fiscal Note:** Not Requested.

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

**Testimony For:** This bill allows more flexibility for larger cities, and allows cities to adjust to inflation. Cities may contract out, but this is not a requirement. These rates haven't changed since 1987, and local governments are looking for efficiency tools. Public employees can do the job quicker and cheaper, but many times aren't allowed due to the threshold. Many smaller contractors do not have the expertise that a local government work crew has.

**Testimony Against:** The construction industry is against government employees doing government construction. Contractors provide the best bang for the buck, and these type of projects are the bread and butter for small contractors, like minority and women owned businesses.

**Testified:** (In support) Representative Sullivan, prime sponsor; Brian Snipes and Pat Thompson, city of Spokane; and Ashley Probart, Association of Washington Cities.

(Opposed) Rick Slunaker, Associated General Contractors.