

SENATE BILL REPORT

SB 5452

As Reported by Senate Committee On:
Ways & Means, February 23, 2017

Title: An act relating to local and community projects.

Brief Description: Concerning local and community projects.

Sponsors: Senators Honeyford and Warnick.

Brief History:

Committee Activity: Ways & Means: 2/09/17, 2/23/17 [DPS, DNP, w/oRec].

Brief Summary of Substitute Bill

- Makes permanent law the terms and conditions of local and community project contracts funded through the capital budget.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5452 be substituted therefor, and the substitute bill do pass.

Signed by Senators Braun, Chair; Brown, Vice Chair; Rossi, Vice Chair; Honeyford, Vice Chair, Capital Budget; Rolfes, Assistant Ranking Minority Member, Operating Budget; Bailey, Becker, Conway, Fain, Keiser, Miloscia, Padden, Pedersen, Rivers, Schoesler, Warnick and Zeiger.

Minority Report: Do not pass.

Signed by Senator Hasegawa.

Minority Report: That it be referred without recommendation.

Signed by Senators Ranker, Ranking Minority Member; Frockt, Assistant Ranking Minority Member, Capital Budget; Billig, Carlyle and Darneille.

Staff: Richard Ramsey (786-7412)

Background: The Department of Commerce (Department) manages contracts for grants made in the capital budget for local and community projects. The capital budget has

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appropriated state bond proceeds for local and community projects in the following amounts in the last ten years:

- 2007-09: \$153 million;
- 2009-11: \$34 million;
- 2011-13: \$29 million;
- 2013-15: \$87 million; and
- 2015-17: \$141 million.

The capital budget specifies the terms for the contracts and the Department's administration of the program.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (First Substitute): The management of local and community projects will be performed by the Department. Terms and conditions for contracts with project recipients are placed in statute and include:

- state funds may not be expended until the non-state share of project costs have been expended;
- project recipients must demonstrate that the project site is under its legal control for a minimum of ten years;
- projects may be required to comply with the state's high performance building standards as required by chapter 39.35D RCW;
- state funds are available on a reimbursement basis only;
- state prevailing wages apply to the project; and
- the Department is prohibited from contracting with a project recipient later than three years from the original appropriation

Contracts in effect are not affected or impaired by the requirements of the bill; and local and community projects are grants or loans funded through appropriations to the Department that are not part of a competitive or prioritization process of the Department.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (First Substitute):

- Prohibits the Department from contracting with a project recipient later than three years from the original appropriation.
- Clarifies that existing contracts are not affected by the bill.
- Specifies that local and community projects means grants and loans funded in the capital budget in the Department that are not part of a competitive or prioritized process by the Department.

Appropriation: None.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony on Proposed Substitute: *The committee recommended a different version of the bill than what was heard.* None.

Persons Testifying: No one.

Persons Signed In To Testify But Not Testifying: No one.