

HOUSE BILL REPORT

EHB 1086

As Passed Legislature

Title: An act relating to increasing local governments' ability to contract with community service organizations.

Brief Description: Increasing local governments' ability to contract with community service organizations.

Sponsors: Representatives Shavers, Ryu, Ramel, Lekanoff, Callan, Simmons, Timmons, Thai, Paul, Santos, Ormsby and Tharinger.

Brief History:

Committee Activity:

Local Government: 1/17/23, 1/20/23 [DP].

Floor Activity:

Passed House: 2/6/23, 84-9.

Senate Amended.

Passed Senate: 4/7/23, 44-4.

House Concurred.

Passed House: 4/17/23, 94-2.

Passed Legislature.

Brief Summary of Engrossed Bill

- Increases the limit on the yearly value of contracts that can be provided by smaller local government jurisdictions to community service organizations without competitive bidding from \$25,000 to \$75,000.
- Reduces the value of the benefits that must be received by a local government in such a contract to twice the value of the payment to the community service organization.
- Expands the improvements and maintenance that can be provided by a community service organization under such a contract, and requires that volunteers used by the community service organization receive no wage

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or salary compensation.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass. Signed by 6 members: Representatives Duerr, Chair; Alvarado, Vice Chair; Goehner, Ranking Minority Member; Jacobsen, Assistant Ranking Minority Member; Berg and Riccelli.

Minority Report: Without recommendation. Signed by 1 member: Representative Griffey.

Staff: Kellen Wright (786-7134).

Background:

In general, public works contracts in Washington are subject to competitive bidding. The exact process required can depend on the agency conducting the project and on the cost of the project. For more expensive projects, full competitive bidding may be required, while agencies may be able to utilize small public works rosters or a limited public works process for less expensive projects.

In some circumstances, however, projects are exempt from competitive bidding requirements altogether. One such exemption allows counties, cities, school districts, park districts, or port districts to contract with community service organizations for certain local improvement projects.

In order to qualify for this exemption, the community service organization must be a chamber of commerce, service organization, youth or sports association, or other similar association located in, and providing service to, its immediate neighborhood. The work must involve drawing design plans; making improvements to a park, school playground, public square, or port habitat site; installing equipment or art; or providing maintenance services as a community, neighborhood, or environmental stewardship project. The community service organization can use volunteers for the project, and can provide clothing, tools, meals, insurance coverage, and reimbursement of the volunteers' expenses. The local government can reimburse the community service organizations for its expenses, but the value of the work must be at least three times as much as the payment to the community service organization.

The yearly total payments made to community service organizations under this exemption cannot exceed the greater of \$25,000 or \$2 per resident in the local government's jurisdiction. The \$25,000 limit is therefore applicable to a local government with fewer than 12,500 residents within its jurisdiction.

Summary of Engrossed Bill:

A contract that is exempt from competitive bidding requirements between a local government and a community service organization may also include improvements to a general public space, in addition to improvements to a park, school playground, public square, or port habitat site. The maintenance services that can be included in such a contract are those related to the community service project, to a facility or facilities as part of a community or neighborhood project, or for an environmental justice stewardship or sustainability project.

When working on the project, the community service organization can use volunteers that are not paid a wage or salary.

The value of the work to the local government must be at least twice the amount paid to the community service organization. The total yearly payments made to community service organizations under the competitive bidding exemption cannot exceed the greater of \$75,000 or \$2 per resident in the local government's jurisdiction. The \$75,000 limit is therefore applicable to a local government with fewer than 37,500 residents within its jurisdiction.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill is important for small rural districts and benefits small municipalities, park districts, and schools. Currently, there are outdated contract limits in statute for contracts with public service organizations that limit the annual contracts to \$25,000 for smaller jurisdictions. Raising this limit to \$75,000 a year would benefit these jurisdictions, which would see an increase, while larger jurisdictions would not. The limit applies to the annual total, not to the amount allowed per project. The current limit is too low to provide adequate quality services with the rise in material costs and the impacts of the pandemic. A project just to work on a t-ball infield would cost \$26,000. This change would give smaller districts relief and provide inflationary adjustments. This would allow local governments to work with volunteers to improve and invest in communities. When local governments receive assistance from youth organizations, they should be able to appropriately reimburse them. This bill would support enhancing public spaces in small communities.

(Opposed) None.

Persons Testifying: Representative Clyde Shavers, prime sponsor; Jay Cochran, North Whidbey Pool, Park, and Recreation District; Jennifer Wills, City of Longview Recreation; and Trevor Justin, Washington Recreation and Park Association.

Persons Signed In To Testify But Not Testifying: None.