
HOUSE BILL 2957

State of Washington 58th Legislature 2004 Regular Session

By Representatives Linville, Grant and Conway

Read first time 01/23/2004. Referred to Committee on Local Government.

1 AN ACT Relating to allowing preferences for local businesses in
2 purchases by local governments; and amending RCW 39.30.040.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 39.30.040 and 1989 c 431 s 58 are each amended to read
5 as follows:

6 (1) Whenever a unit of local government is required to make
7 purchases from the lowest bidder or from the supplier offering the
8 lowest price for the items desired to be purchased, the unit of local
9 government may, at its option when awarding a purchase contract to a
10 supplier located within its boundaries, either take into consideration
11 tax revenue it would receive from such supplier, or allow a local
12 supplier purchase credit of up to five percent of the bid amount or
13 purchase price, when purchasing ((the)) supplies, materials, or
14 equipment from ((a)) such supplier ((located within its boundaries)).
15 The unit of local government must award the purchase contract to the
16 lowest bidder after such tax revenue or the local supplier purchase
17 credit has been considered. However, any local government may allow
18 for preferential purchase of products made from recycled materials or
19 products that may be recycled or reused.

1 (2) The tax revenues which units of local government may consider
2 include sales taxes that the unit of local government imposes upon the
3 sale of such supplies, materials, or equipment from the supplier to the
4 unit of local government, and business and occupation taxes that the
5 unit of local government imposes upon the supplier that are measured by
6 the gross receipts of the supplier from such sale. Any unit of local
7 government which considers tax revenues it would receive from the
8 imposition of taxes upon a supplier located within its boundaries,
9 shall also consider tax revenues it would receive from taxes it imposes
10 upon a supplier located outside its boundaries.

11 ~~((+2))~~ (3) As used in this section(~~(, the term)~~):

12 (a) "Local supplier purchase credit" means a credit applied for the
13 benefit of a supplier located within the boundaries of a local unit of
14 government and which allows such government, for purposes of comparison
15 to other bids or sale prices received from nonlocal suppliers, to treat
16 a bid or sale price as being of a lesser amount than the actual dollar
17 amount of the bid or sale price; and

18 (b) "Unit of local government" means any county, city, town,
19 metropolitan municipal corporation, public transit benefit area, county
20 transportation authority, or other municipal or quasi-municipal
21 corporation authorized to impose sales and use taxes or business and
22 occupation taxes.

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