

# SENATE BILL REPORT

## SB 5228

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As of March 5, 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.

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### SENATE COMMITTEE ON TRANSPORTATION

**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:** For the purpose of calculating the amount of road construction day labor that a county may use, counties are separated into three groups based on population and provided with a formula to determine the maximum amount:

- Counties with less than 25,000 people may have no more than \$800,000 in day labor construction programs, multiplied by the previous year's motor vehicle fuel tax distribution factor.
- Counties with between 25,000 and 150,000 people may have no more than \$1.25 million in day labor construction programs, multiplied by the previous year's motor vehicle fuel tax distribution factor.
- Counties with more than 150,000 people must have no more than \$1.75 million in day labor construction programs, multiplied by the previous year's motor vehicle fuel tax distribution factor.

**Appropriation:** None.

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*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.*

**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:** 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.