CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 2427**

Chapter 95, Laws of 2016

64th Legislature

2016 Regular Session

LOCAL GOVERNMENTS--MODERNIZATION

EFFECTIVE DATE: 6/9/2016

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| Passed by the House March 10, 2016  Yeas 96 Nays 1  FRANK CHOPP  **Speaker of the House of Representatives**  Passed by the Senate March 4, 2016  Yeas 45 Nays 3  BRAD OWEN  **President of the Senate** | CERTIFICATE  I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2427** as passed by House of Representatives and the Senate on the dates hereon set forth.  BARBARA BAKER  **Chief Clerk** |
| Approved March 31, 2016 11:02 AM | April 1, 2016 |
| JAY INSLEE  **Governor of the State of Washington** | **Secretary of State**  **State of Washington** |

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**SUBSTITUTE HOUSE BILL 2427**

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AS AMENDED BY THE SENATE

Passed Legislature - 2016 Regular Session

**State of Washington 64th Legislature 2016 Regular Session**

**By** House Local Government (originally sponsored by Representatives Springer, Stokesbary, Fitzgibbon, Muri, Appleton, and Kilduff)

AN ACT Relating to local government modernization; amending RCW 19.360.020, 19.360.030, 19.360.040, 19.360.050, 19.360.060, 36.62.252, 36.32.235, 36.32.245, 35.58.585, and 36.57A.030; and creating a new section.

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

NEW SECTION. **Sec.**  Local governments must be efficient and prudent stewards of our residents' tax resources. To best serve our communities, certain local government statutes must be amended to reflect technological and organizational change. It is the intent of the legislature to clarify current authorities so that local government can better serve their residents, and it is the intent of the legislature that the following sections allow local government to pursue modern methods of serving their residents while preserving the public's right to access public records, and judiciously using scarce county resources to achieve maximum benefit.

**Sec.**  RCW 19.360.020 and 2015 c 72 s 2 are each amended to read as follows:

(1) Unless specifically provided otherwise by law or agency rule, whenever the use of a written signature is authorized or required by this code with a state or local agency, an electronic signature may be used with the same force and effect as the use of a signature affixed by hand, as long as the electronic signature conforms to the definition in RCW 19.360.030 and the writing conforms to RCW 19.360.040.

(2) Except as otherwise provided by law, each state or local agency may determine whether, and to what extent, the agency will send and accept electronic records and electronic signatures to and from other persons and otherwise create, generate, communicate, store, process, use, and rely upon electronic records and electronic signatures. Nothing in this act requires a state or local agency to send or accept electronic records or electronic signatures when a writing or signature is required by statute.

(3) Except as otherwise provided by law, for governmental affairs and governmental transactions with state agencies, each state agency electing to send and accept shall establish the method that must be used for electronic submissions and electronic signatures. The method and process for electronic submissions and the use of electronic signatures must be established by policy or rule and be consistent with the policies, standards, or guidance established by the chief information officer required in subsection (4) of this section.

(4)(a) The chief information officer, in coordination with state agencies, must establish standards, guidelines, or policies for the electronic submittal and receipt of electronic records and electronic signatures for governmental affairs and governmental transactions. The standards, policies, or guidelines must take into account reasonable access by and ability of persons to participate in governmental affairs or governmental transactions and be able to rely on transactions that are conducted electronically with agencies. Through the standards, policies, or guidelines, the chief information officer should encourage and promote consistency and interoperability among state agencies.

(b) In order to provide a single point of access, the chief information officer must establish a web site that maintains or links to the agency rules and policies established pursuant to subsection (3) of this section.

(5) Except as otherwise provided by law, for governmental affairs and governmental transactions with local agencies, each local agency electing to send and accept shall establish the method that must be used for electronic submissions and electronic signatures. The method and process for electronic submissions and the use of electronic signatures must be established by ordinance, resolution, policy, or rule. The local agency shall also establish standards, guidelines, or policies for the electronic submittal and receipt of electronic records and electronic signatures for governmental affairs and governmental transactions. The standards, policies, or guidelines must take into account reasonable access by and ability of persons to participate in governmental affairs or governmental transactions and be able to rely on transactions that are conducted electronically with agencies.

**Sec.**  RCW 19.360.030 and 2015 c 72 s 3 are each amended to read as follows:

(1) Unless specifically provided otherwise by law or rule or unless the context clearly indicates otherwise, whenever the term "signature" is used in this code for governmental affairs and is authorized by state or local agency ordinance, resolution, rule, or policy pursuant to RCW 19.360.020, the term includes an electronic signature as defined in subsection (2) of this section.

(2) "Electronic signature" means an electronic sound, symbol, or process attached to or logically associated with a contract or other record and executed or adopted by a person with the intent to sign the record.

**Sec.**  RCW 19.360.040 and 2015 c 72 s 4 are each amended to read as follows:

(1) Unless specifically provided otherwise by law or rule or unless the context clearly indicates otherwise, whenever the term "writing" is used in this code for governmental affairs and is authorized by state or local agency ordinance, resolution, rule, or policy pursuant to RCW 19.360.020, the term means a record.

(2) "Record," as used in subsection (1) of this section, means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form, except as otherwise defined for the purpose of state or local agency record retention, preservation, or disclosure.

**Sec.**  RCW 19.360.050 and 2015 c 72 s 5 are each amended to read as follows:

(1) Unless specifically provided otherwise by law or rule or unless the context clearly indicates otherwise, whenever the term "mail" is used in this code and authorized by state or local agency ordinance, resolution, rule, or policy pursuant to RCW 19.360.020 to transmit a writing with a state or local agency, the term includes the use of mail delivered through an electronic system such as email or secure mail transfer if authorized by the state agency in rule.

(2) For the purposes of this section, "electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

**Sec.**  RCW 19.360.060 and 2015 c 72 s 6 are each amended to read as follows:

For purposes of RCW 19.360.020 through 19.360.050, "state agency" means any state board, commission, bureau, committee, department, institution, division, or tribunal in the executive branch of state government, including statewide elected offices and institutions of higher education created and supported by the state government. "Local agency" means every county, city, town, municipal corporation, quasi-municipal corporation, special purpose district, or other local public agency.

**Sec.**  RCW 36.62.252 and 1984 c 26 s 20 are each amended to read as follows:

Every county which maintains a county hospital or infirmary shall establish a "county hospital fund" into which fund shall be deposited all unrestricted moneys received from any source for hospital or infirmary services including money received for services to recipients of public assistance and other persons without income and resources sufficient to secure such services. The county may maintain other funds for restricted moneys. Obligations incurred by the hospital shall be paid from such funds by the county treasurer in the same manner as general county obligations are paid, except that in counties where a contract has been executed in accordance with RCW 36.62.290, warrants may be issued by the hospital administrator for the hospital, if authorized by the county legislative authority and the county treasurer. The county treasurer shall furnish to the county legislative authority a monthly report of receipts and disbursements in the county hospital funds which report shall also show the balance of cash on hand.

**Sec.**  RCW 36.32.235 and 2009 c 229 s 6 are each amended to read as follows:

(1) In each county with a population of four hundred thousand or more which by resolution establishes a county purchasing department, the purchasing department shall enter into leases of personal property on a competitive basis and purchase all supplies, materials, and equipment on a competitive basis, for all departments of the county, as provided in this chapter and chapter 39.04 RCW, except that the county purchasing department is not required to make purchases that are paid from the county road fund or equipment rental and revolving fund.

(2) As used in this section, "public works" has the same definition as in RCW 39.04.010.

(3) Except as otherwise specified in this chapter or in chapter 36.77 RCW, all counties subject to these provisions shall contract on a competitive basis for all public works after bids have been submitted to the county upon specifications therefor. Such specifications shall be in writing and shall be filed with the clerk of the county legislative authority for public inspection.

(4) An advertisement shall be published in the county official newspaper stating the time and place where bids will be opened, the time after which bids will not be received, the character of the work to be done, the materials and equipment to be furnished, and that specifications therefor may be seen at the office of the clerk of the county legislative authority. An advertisement shall also be published in a legal newspaper of general circulation in or as near as possible to that part of the county in which such work is to be done. If the county official newspaper is a newspaper of general circulation covering at least forty percent of the residences in that part of the county in which such public works are to be done, then the publication of an advertisement of the applicable specifications in the county official newspaper is sufficient. Such advertisements shall be published at least once at least thirteen days prior to the last date upon which bids will be received.

(5) The bids shall be in writing, may be in either hard copy or electronic form as specified by the county, shall be filed with the clerk, shall be opened and read in public at the time and place named therefor in the advertisements, and after being opened, shall be filed for public inspection. No bid may be considered for public work unless it is accompanied by a bid deposit in the form of a surety bond, postal money order, cash, cashier's check, or certified check in an amount equal to five percent of the amount of the bid proposed.

(6) The contract for the public work shall be awarded to the lowest responsible bidder. Any or all bids may be rejected for good cause. The county legislative authority shall require from the successful bidder for such public work a contractor's bond in the amount and with the conditions imposed by law.

(7) If the bidder to whom the contract is awarded fails to enter into the contract and furnish the contractor's bond as required within ten days after notice of the award, exclusive of the day of notice, the amount of the bid deposit shall be forfeited to the county and the contract awarded to the next lowest and best bidder. The bid deposit of all unsuccessful bidders shall be returned after the contract is awarded and the required contractor's bond given by the successful bidder is accepted by the county legislative authority. Immediately after the award is made, the bid quotations obtained shall be recorded and open to public inspection and shall be available by telephone inquiry.

(8) As limited by subsection (10) of this section, a county subject to these provisions may have public works performed by county employees in any annual or biennial budget period equal to a dollar value not exceeding ten percent of the public works construction budget, including any amount in a supplemental public works construction budget, over the budget period.

Whenever a county subject to these provisions has had public works performed in any budget period up to the maximum permitted amount for that budget period, all remaining public works except emergency work under subsection (12) of this section within that budget period shall be done by contract pursuant to public notice and call for competitive bids as specified in subsection (3) of this section. The state auditor shall report to the state treasurer any county subject to these provisions that exceeds this amount and the extent to which the county has or has not reduced the amount of public works it has performed by public employees in subsequent years.

(9) If a county subject to these provisions has public works performed by public employees in any budget period that are in excess of this ten percent limitation, the amount in excess of the permitted amount shall be reduced from the otherwise permitted amount of public works that may be performed by public employees for that county in its next budget period. Ten percent of the motor vehicle fuel tax distributions to that county shall be withheld if two years after the year in which the excess amount of work occurred, the county has failed to so reduce the amount of public works that it has performed by public employees. The amount withheld shall be distributed to the county when it has demonstrated in its reports to the state auditor that the amount of public works it has performed by public employees has been reduced as required.

(10) In addition to the percentage limitation provided in subsection (8) of this section, counties subject to these provisions containing a population of four hundred thousand or more shall not have public employees perform a public works project in excess of ninety thousand dollars if more than a single craft or trade is involved with the public works project, or a public works project in excess of forty-five thousand dollars if only a single craft or trade is involved with the public works project. A public works project means a complete project. The restrictions in this subsection do not permit the division of the project into units of work or classes of work to avoid the restriction on work that may be performed by public employees on a single project.

The cost of a separate public works project shall be the costs of materials, supplies, equipment, and labor on the construction of that project. The value of the public works budget shall be the value of all the separate public works projects within the budget.

(11) In addition to the accounting and recordkeeping requirements contained in chapter 39.04 RCW, any county which uses public employees to perform public works projects under RCW 36.32.240(1) shall prepare a year-end report to be submitted to the state auditor indicating the total dollar amount of the county's public works construction budget and the total dollar amount for public works projects performed by public employees for that year.

The year-end report submitted pursuant to this subsection to the state auditor shall be in accordance with the standard form required by RCW 43.09.205.

(12) Notwithstanding any other provision in this section, counties may use public employees without any limitation for emergency work performed under an emergency declared pursuant to RCW 36.32.270, and any such emergency work shall not be subject to the limitations of this section. Publication of the description and estimate of costs relating to correcting the emergency may be made within seven days after the commencement of the work. Within two weeks of the finding that such an emergency existed, the county legislative authority shall adopt a resolution certifying the damage to public facilities and costs incurred or anticipated relating to correcting the emergency. Additionally this section shall not apply to architectural and engineering or other technical or professional services performed by public employees in connection with a public works project.

(13) In lieu of the procedures of subsections (3) through (11) of this section, a county may let contracts using the small works roster process provided in RCW 39.04.155.

Whenever possible, the county shall invite at least one proposal from a minority or woman contractor who shall otherwise qualify under this section.

(14) The allocation of public works projects to be performed by county employees shall not be subject to a collective bargaining agreement.

(15) This section does not apply to performance-based contracts, as defined in RCW 39.35A.020(4), that are negotiated under chapter 39.35A RCW.

(16) Nothing in this section prohibits any county from allowing for preferential purchase of products made from recycled materials or products that may be recycled or reused.

(17) This section does not apply to contracts between the public stadium authority and a team affiliate under RCW 36.102.060(4), or development agreements between the public stadium authority and a team affiliate under RCW 36.102.060(7) or leases entered into under RCW 36.102.060(8).

**Sec.**  RCW 36.32.245 and 2007 c 88 s 1 are each amended to read as follows:

(1) No contract for the purchase of materials, equipment, or supplies may be entered into by the county legislative authority or by any elected or appointed officer of the county until after bids have been submitted to the county. Bid specifications shall be in writing and shall be filed with the clerk of the county legislative authority for public inspection. An advertisement shall be published in the official newspaper of the county stating the time and place where bids will be opened, the time after which bids will not be received, the materials, equipment, supplies, or services to be purchased, and that the specifications may be seen at the office of the clerk of the county legislative authority. The advertisement shall be published at least once at least thirteen days prior to the last date upon which bids will be received.

(2) The bids shall be in writing, may be in either hard copy or electronic form as specified by the county, and shall be filed with the clerk. The bids shall be opened and read in public at the time and place named in the advertisement. Contracts requiring competitive bidding under this section may be awarded only to the lowest responsible bidder. Immediately after the award is made, the bid quotations shall be recorded and open to public inspection and shall be available by telephone inquiry. Any or all bids may be rejected for good cause.

(3) For advertisement and formal sealed bidding to be dispensed with as to purchases between ((~~five~~)) ten thousand and ((~~twenty-five~~)) fifty thousand dollars, the county legislative authority must use the uniform process to award contracts as provided in RCW 39.04.190. Advertisement and formal sealed bidding may be dispensed with as to purchases of less than ((~~five~~)) ten thousand dollars upon the order of the county legislative authority.

(4) This section does not apply to performance-based contracts, as defined in RCW 39.35A.020(4), that are negotiated under chapter 39.35A RCW; or contracts and purchases for the printing of election ballots, voting machine labels, and all other election material containing the names of candidates and ballot titles.

(5) Nothing in this section shall prohibit the legislative authority of any county from allowing for preferential purchase of products made from recycled materials or products that may be recycled or reused.

(6) This section does not apply to contracting for public defender services by a county.

**Sec.**  RCW 35.58.585 and 2008 c 123 s 2 are each amended to read as follows:

(1) Both a metropolitan municipal corporation and a city-owned transit system may establish, by resolution, a schedule of fines and penalties for civil infractions established in RCW 35.58.580. Fines established shall not exceed those imposed for class 1 infractions under RCW 7.80.120.

(2)(a) Both a metropolitan municipal corporation and a city-owned transit system may designate persons to monitor fare payment who are equivalent to, and are authorized to exercise all the powers of, an enforcement officer as defined in RCW 7.80.040. Both a metropolitan municipal corporation and a city-owned transit system may employ personnel to either monitor fare payment or contract for such services, or both.

(b) In addition to the specific powers granted to enforcement officers under RCW 7.80.050 and 7.80.060, persons designated to monitor fare payment may also take the following actions:

(i) Request proof of payment from passengers;

(ii) Request personal identification from a passenger who does not produce proof of payment when requested;

(iii) Issue a citation for a civil infraction established in RCW 35.58.580 conforming to the requirements established in RCW 7.80.070, except that the form for the notice of civil infraction must be approved by the administrative office of the courts and must not include vehicle information; and

(iv) Request that a passenger leave the bus or other mode of public transportation when the passenger has not produced proof of payment after being asked to do so by a person designated to monitor fare payment.

(3) Both a metropolitan municipal corporation and a city-owned transit system shall keep records of citations in the manner prescribed by RCW 7.80.150. All civil infractions established by this section and RCW 35.58.580 and 35.58.590 shall be heard and determined by a district court as provided in RCW 7.80.010 (1) and (4).

**Sec.**  RCW 36.57A.030 and 1977 ex.s. c 44 s 1 are each amended to read as follows:

Any conference which finds it desirable to establish a public transportation benefit area or change the boundaries of any existing public transportation benefit area shall fix a date for a public hearing thereon, or the legislative bodies of any two or more component cities or the county legislative body by resolution may require the public transportation improvement conference to fix a date for a public hearing thereon. Prior to the convening of the public hearing, the county governing body shall delineate the area of the county proposed to be included within the transportation benefit area, and shall furnish a copy of such delineation to each incorporated city within such area. Each city shall advise the county governing body, on a preliminary basis, of its desire to be included or excluded from the transportation benefit area by means of an ordinance adopted by the legislative body of that city. The county governing body shall cause the delineations to be revised to reflect the wishes of such incorporated cities. This delineation shall be considered by the conference at the public hearing for inclusion in the public transportation benefit area.

Notice of such hearing shall be published once a week for at least four consecutive weeks in one or more newspapers of general circulation within the area. The notice shall contain a description and map of the boundaries of the proposed public transportation benefit area and shall state the time and place of the hearing and the fact that any changes in the boundaries of the public transportation benefit area will be considered at such time and place. At such hearing or any continuation thereof, any interested person may appear and be heard on all matters relating to the effect of the formation of the proposed public transportation benefit area.

The conference may make such changes in the boundaries of the public transportation benefit area as they shall deem reasonable and proper, but may not delete any portion of the proposed area which will create an island of included or excluded lands, and may not delete a portion of any city. If the conference shall determine that any additional territory should be included in the public transportation benefit area, a second hearing shall be held and notice given in the same manner as for the original hearing. The conference may adjourn the hearing on the formation of a public transportation benefit area from time to time not exceeding thirty days in all.

Following the conclusion of such hearing the conference shall adopt a resolution fixing the boundaries of the proposed public transportation benefit area, declaring that the formation of the proposed public transportation benefit area will be conducive to the welfare and benefit of the persons and property therein.

Within thirty days of the adoption of such conference resolution, the county legislative authority of each county wherein a conference has established proposed boundaries of a public transportation benefit area, may by resolution, upon making a legislative finding that the proposed benefit area includes portions of the county which could not be reasonably expected to benefit from such benefit area or excludes portions of the county which could be reasonably expected to benefit from its creation, disapprove and terminate the establishment of such public transportation benefit area within such county.

**--- END ---**

Passed by the House March 10, 2016.

Passed by the Senate March 4, 2016.

Approved by the Governor March 31, 2016.

Filed in Office of Secretary of State April 1, 2016.