
Local Government Committee

HB 2427

Brief Description: Concerning local government modernization.

Sponsors: Representatives Springer, Stokesbary, Fitzgibbon, Muri, Appleton and Kilduff.

Brief Summary of Bill

- Authorizes local agencies (*e.g.*, counties, cities, towns, special purpose districts, etc.) to use electronic signatures, and to send and accept electronic records and signatures in accordance with standards, guidelines, or policies adopted by the local agency.
- Authorizes hospital administrators of certain county hospitals to issue warrants when authorized to do so by the county legislative authority and the county treasurer.
- For purchases by a county on a competitive basis, and contracts for purchases and public works in counties with a county purchasing department: (1) requires bid advertisements to provide the URL internet address to a website established and maintained by the county; and (2) authorizes bids to be submitted in hard copy or electronic form.
- Specifies that persons designated to monitor fare payment by a municipal corporation or a city-owned transit system may issue a citation on a form approved by the Administrative Office of the Courts for the civil infraction of: (1) failing to pay the required fare; (2) failing to produce proof of payment; or (3) failing to depart the bus or other mode of public transportation.
- Increases the thresholds governing when advertisement and formal sealed bidding may be dispensed with for county purchases of materials, equipment, or supplies.

Hearing Date: 1/19/16

Staff: Michaela Murdock (786-7289).

Background:

Electronic Signatures and Records—State Agencies.

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.

In 2015 the Legislature enacted Engrossed Substitute Senate Bill 5810 (chapter 72, Laws of 2015) authorizing state agencies to accept electronic signatures with the same force and effect as that of a signature affixed by hand, unless specifically provided otherwise by law or agency rule. Each state agency may determine whether and to what extent it will create, generate, communicate, store, process, use, and rely upon electronic records and electronic signatures. A state agency is not required to send or accept electronic records or electronic signatures for an agency transaction.

The Chief Information Officer (CIO) within the Office of Financial Management (OFM) must establish policies, standards, or guidelines for electronic submission and receipt of electronic records and signatures, and the CIO should encourage and promote consistency and interoperability among state agencies. The CIO is required to establish a website that maintains or links to an agency's rules and policies for electronic records and signatures.

Unless otherwise provided by law or rule or the context clearly indicates otherwise, when referred to in the Revised Code of Washington for governmental affairs and authorized by agency rule or policy:

- the term "signature" includes electronic signatures;
- the term "writing" means a record; and
- the term "mail" includes the use of mail delivered through an electronic system, such as electronic mail or secure mail transfer.

"Electronic signature" is defined as 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. "Record" is defined as information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

County Hospitals.

The legislative authority of any county may establish, provide, and maintain county hospitals. The board of trustees of a county hospital may enter into a contract with the board of regents of a state university to provide hospital services under the direction of a hospital administrator, render medical services in connection with the hospital, and conduct teaching and research activities by the university in connection with the hospital. There are two state universities authorized to teach medicine as a major line and to maintain a school of medicine: The University of Washington; and Washington State University.

Every county maintaining a county hospital must establish a county hospital fund into which unrestricted moneys for hospital services must be deposited. The county may maintain other funds for restricted moneys. Obligations of the hospital must be paid by the county treasurer from the funds established for the hospital. The county treasurer must provide a monthly report to the county legislative authority of receipts, disbursements, and the fund balance for the county hospital funds.

County Purchases and Public Works—Advertisement and Competitive Bidding.

In general, county contracts for the purchase of materials, equipment, or supplies or for public works must be awarded through advertisement and formal sealed bidding. Advertisement and formal sealed bidding may be dispensed with:

- for purchases of less than \$5,000, if the county legislative authority by order dispenses with advertisement and formal sealed bidding;
- for purchases between \$5,000 and \$25,000, if the county legislative authority uses a uniform process specified in other statute to award contracts; and
- for public works involving less than \$40,000, if the county legislative authority by order has dispensed with advertisement and competitive bidding.

For purchases and public works subject to advertisement and competitive bidding, bids must be in writing and filed with the clerk of the county legislative authority. An advertisement must be published in the official newspaper of the county announcing the bidding process, including providing the time and place where bids will be opened and the deadline by which bids must be received. For public works, the advertisement must also be published in a legal newspaper of general circulation in the part of the county where the work will be conducted, unless certain criteria are met. Advertisements must be published at least once 13 days before the last date when bids will be accepted.

Counties With a Population of 400,000 or More—Contracts for Purchases and Public Works.

In counties with a population of 400,000 or more that have established a county purchasing department, the purchasing department must enter into leases of personal property, purchase all supplies, material, and equipment, and contract for all public works on a competitive basis for all departments of the county, except for purchases paid through the county road fund or equipment rental and revolving fund.

Advertisements must be published in the official county newspaper, and also under certain conditions, a legal newspaper of general circulation in the part of the county where the work will be conducted. The advertisement must provide information about the bidding process, including stating the time and place where bids will be opened and the deadline for receiving bids. Advertisements must be published at least 13 days before the last date when bids will be accepted. Bids must be in writing and filed with the county clerk.

Public Transit Systems—Fare Payment Monitor.

Metropolitan municipal corporations and city-owned transit systems may designate persons to monitor fare payment who are equivalent to, and authorized to exercise all powers of, civil infraction enforcement officers. A metropolitan municipal corporation and a city-owned transit system may employ personnel to monitor fare payment, contract for services to monitor fare payment, or both.

Persons designated to monitor fare payment may:

- request proof of payment from passengers;
- request personal identification from a passenger who does not produce proof of payment when requested;
- issue a citation that conforms to requirements established in statute (*e.g.*, states that a specific civil infraction has been committed by the named person, states that a civil infraction is a noncriminal offense, and provide options for responding to the notice and necessary process for exercising those options); and
- request that a passenger leave the bus or other mode of public transportation when the passenger does not produce proof of payment.

Metropolitan municipal corporations and city-owned transit systems must keep records of citations.

Metropolitan municipal corporations are municipal corporations containing two or more cities, at least one of which has a population of 10,000 or more, that are organized to perform specific functions, such as provide metropolitan public transportation.

Summary of Bill:

Electronic Signatures and Records—Local Agencies.

Local agencies, which include counties, cities, towns, and special purpose districts, are authorized to accept electronic signatures with the same force and effect as that of a signature affixed by hand, unless specifically provided otherwise by law or agency rule. Each local agency may determine whether and to what extent it will create, generate, communicate, store, process, use, and rely upon electronic records and electronic signatures. Local agencies are not required to send or accept electronic records or electronic signatures for an agency transaction.

Local agencies electing to send and accept electronic records and signatures must establish policies, standards, or guidelines for submission and receipt of electronic records and signatures. The local agency must take into account reasonable access by and the ability of persons to: (1) participate in governmental affairs or transactions; and (2) rely on transactions conducted electronically with agencies.

County Hospitals.

Hospital administrators of county hospitals, where a contract has been executed between the hospital and the board of regents of a state university to provide hospital services and provide for teaching and research activities by the university, is authorized to issue warrants when allowed by the county legislative authority and the county treasurer.

County Purchases and Public Works—Advertisement and Bids.

For county purchases that must be made through advertisement and formal sealed bidding, the advertisement must provide the uniform resource locator (URL) Internet address to a website established and maintained by the county that states: (1) the material, equipment, supplies, or services to be purchased; and (2) that bid specifications may be viewed at the county clerk's office. Bids are also authorized to be made in hard copy or electronic form, as specified by the county.

Similarly, in counties that have established a county purchasing department, advertisements for bids for purchases or public works contracts must provide the uniform resource locator (URL) Internet address to a website established and maintained by the county that states: (1) the work to be done; (2) the materials and equipment to be furnished; and (3) that bid specifications may be viewed at the county clerk's office. Bids are also authorized to be made in hard copy or electronic form as specified by the county.

County Purchases – Thresholds.

The thresholds that govern when advertisement and formal sealed bidding may be dispensed with for the purchase of materials, equipment, or supplies by counties are increased.

Advertisement and formal sealed bidding may be dispensed with:

- for purchases of less than \$10,000 (increased from \$5,000), if the county legislative authority by order dispenses with advertisement and formal sealed bidding; and
- for purchases between \$10,000 and \$50,000 (increased from between \$5,000 and \$25,000), if the county legislative authority uses a uniform process specified in statute to award contracts.

Public Transit Systems—Fare Payment Monitor.

Provisions governing fare payment monitors employed or contracted by a metropolitan municipal corporation or city-owned transit system are modified. Persons designated to monitor fare payment by a municipal corporation or a city-owned transit system may issue a citation for a civil infraction established in statute for: (1) failing to pay the required fare; (2) failing to produce proof of payment; or (3) failing to depart the bus or other mode of public transportation when requested to do so by the fare payment monitor. Additionally, the form for the notice of civil infraction must be approved by the Administrative Office of the Courts.

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.