

# SENATE BILL REPORT

## SHB 2427

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As Reported by Senate Committee On:  
Government Operations & Security, February 25, 2016

**Title:** An act relating to local government modernization.

**Brief Description:** Concerning local government modernization.

**Sponsors:** House Committee on Local Government (originally sponsored by Representatives Springer, Stokesbary, Fitzgibbon, Muri, Appleton and Kilduff).

**Brief History:** Passed House: 2/16/16, 95-2.

**Committee Activity:** Government Operations & Security: 2/25/16, 2/25/16 [DPA, DNP].

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### SENATE COMMITTEE ON GOVERNMENT OPERATIONS & SECURITY

**Majority Report:** Do pass as amended.

Signed by Senators Roach, Chair; Pearson, Vice Chair; Habib, McCoy and Takko.

**Minority Report:** Do not pass.

Signed by Senator Dansel.

**Staff:** Samuel Brown (786-7470)

**Background:** Electronic Signatures at State Agencies. In 2015, the Legislature enacted ESSB 5810, authorizing state agencies to accept electronic signatures with the same force and effect as physical signatures 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.

The Chief Information Officer (CIO) must establish policies, standards, or guidelines for electronic submission and receipt of electronic records and signatures, and is directed to encourage and promote consistency and interoperability among state agencies.

County Purchases and Public Works. Most county contracts for the purchase of materials, equipment, or supplies or for public works must be awarded through advertisement and formal sealed bidding. However, advertisement and formal sealed bidding are not required:

- for purchases of less than \$5,000 if the county legislative authority, by order, dispenses with advertisement and formal sealed bidding;

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- 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. Public notice must be given announcing the bidding process, including the time and place where bids will be opened and the deadline by which bids must be received, at least once, 13 days before the close of bidding.

County Hospitals. Any county may establish, provide, and maintain county hospitals. A county hospital board of trustees may enter into a contract with the University of Washington or Washington 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. Obligations of the hospital must be paid by the county treasure from funds established for the hospital.

Public Transit Systems. Metropolitan municipal corporations and city-owned transit systems may designate fare payment monitors who exercise all powers of civil infraction enforcement officers. Fare payment monitors may:

- request proof of payment from passengers;
- request personal identification from a passenger who does not provide proof of payment when requested;
- issue a citation conforming to statutory requirements; and
- request that a passenger leave the bus or other mode of transportation when the passenger does not produce proof of payment.

**Summary of Bill (Recommended Amendments):** Electronic Signatures at Local Agencies. Local agencies, which are defined to include counties, cities, towns, and special purpose districts, may accept electronic signatures with the same force and effect of physical signatures 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 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, the ability of persons to participate in governmental affairs or transactions, and reliance on transactions conducted electronically with agencies.

County Purchasing. 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 are not required:

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

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

Public Transit Systems. Persons designated to monitor fare payment by a municipal corporation or city-owned transit system may issue a citation for a civil infraction for the following offenses:

- failure to pay the required fare;
- failure to produce proof of payment;
- failure to depart the mode of public transportation when requested to do so by the fare payment monitor.

The form for notice of civil infraction must be approved by the Administrative Office of the Courts.

Public Transportation Benefit Areas. Cities must advise county governing bodies of city intent to be included in or excluded from a public transportation benefit area by ordinance.

**EFFECT OF CHANGES MADE BY GOVERNMENT OPERATIONS & SECURITY COMMITTEE (Recommended Amendments):** Additional requirements in advertisements soliciting bids for county contracts are removed.

Cities must advise county governing bodies of city intent to be included in or excluded from a public transportation benefit area by ordinance.

**Appropriation:** None.

**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 on Substitute Bill:** PRO: We have asked more and more of local governments while taking more of their resources. This is a list of fairly simplistic improvements to bring counties and cities into the digital age. One provision would modernize fare enforcement so that instead of first issuing a paper ticket, then going back to an office computer, the monitor would be able to issue an electronic ticket from the beginning.

CON: Accommodations need to be made for those seeking access to digital information with slower Internet connections.

**Persons Testifying on Substitute Bill:** PRO: Representative Springer, Prime Sponsor; April Putney, King County.

CON: Rowland Thompson, Allied Daily Newspapers of Washington.

**Persons Signed In To Testify But Not Testifying:** No one.