HOUSE BILL REPORT
SHB 2420

As Passed House:
February 12, 2026

Title: An act relating to increasing small works roster contract limits.

Brief Description: Increasing small works roster contract limits.

Sponsors: House Committee on Capital Budget (originally sponsored by Representatives Zahn, Tharinger, Parshley, Santos, Nance and Reed).

Brief History:
Committee Activity:
Capital Budget: 1/29/26, 2/4/26 [DPS].
Floor Activity:
Passed House: 2/12/26, 94-0.

Brief Summary of Substitute Bill

- Establishes annual increases in the maximum value of public works projects for which state agencies and local governments may use small works roster processes, from the current $350,000 to an eventual $650,000 by July 1, 2030.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 18 members: Representatives Callan, Vice Chair; Parshley, Vice Chair; Steele, Ranking Minority Member; Abbarno, Assistant Ranking Minority Member; McClintock, Assistant Ranking Minority Member; Barnard, Davis, Dye, Eslick, Fosse, Hill, Leavitt, Morgan, Rule, Salahuddin, Stearns, Walsh and Waters.

Staff: Robert Hatfield (786-7117).

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Background:

Public works include all work, construction, alteration, and repair or improvement, other than ordinary maintenance, that is a cost to the state or a local government. Contracts for public works projects generally are required to be awarded pursuant to a competitive bidding process, subject to certain exceptions, such as the small works roster process.

For public works projects estimated to cost $350,000 or less, state agencies and authorized local governments (agencies) may use the small works roster process to award contracts as an alternative to competitive bidding requirements. The small works roster process is a public works contracting method that agencies can use as an alternative to publicly advertising small public works projects. A small works roster includes any responsible contractor who requests to be on the roster, which may be a single, general list, or lists for specialties or categories of work. Agencies must adopt rules, ordinances, or resolutions, as appropriate, to implement their small works roster processes, consistent with statutory requirements.

Summary of Substitute Bill:

Beginning January 1, 2027, the maximum size of public works contracts eligible to use the small works roster process would be gradually increased to the following amounts, on the following dates:

- January 1, 2027, $530,000;
- July 1, 2027, $560,000;
- July 1, 2028, $590,000;
- July 1, 2029, $620,000; and
- July 1, 2030, $650,000.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on February 9, 2026.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The Capital Projects Advisory Review Board looked at the issue of small works roster limits and unanimously recommended the changes embodied in the bill. The Department of Labor and Industries suggested pushing back the initial date of the increase in order to provide more time for the rulemaking process to proceed.

This bill modernizes outdated procurement thresholds. Construction prices have increased dramatically over the last decade, but small works roster limits have not kept pace. Utilities

often have to respond quickly to system failures; delays can affect reliability and even public health. The bill does not eliminate oversight. Small works rosters are transparent and competitive.

Increasing the limit on small works roster projects saves time and effort for staff who administer projects. The small works roster process also ensures that the lowest bidder has already agreed to the public owner's contract terms. This change will likely increase the utilization of small, minority-owned and veteran-owned businesses.

A significant collaborative process went into the recommendations in this bill.

(Opposed) None.

Persons Testifying: Representative Janice Zahn, prime sponsor; John McClellan, Alderwood Water and Wastewater District; Steve DuPont; James Cockburn, Washington Public Ports Association; Steven Ellis, Association of Washington Cities; and Axel Swanson, Washington State Association of Counties.

Persons Signed In To Testify But Not Testifying: None.